

**Apple (UK) Limited**

**Strategic report,  
directors' report and  
financial statements**

**Year ended 25 September 2021**

**Registered number 1591116**



**Apple (UK) Limited**  
**Strategic report, directors' report and financial statements**  
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**Apple (UK) Limited**  
**Registered number 1591116**

## **Strategic report**

The directors of Apple (UK) Limited (the “Company”) present their strategic report for the year ended 25 September 2021.

The Company’s ultimate parent is Apple Inc. (“Ultimate Parent”, “Apple” or “Apple Inc.”), a company incorporated in California, United States of America.

## **Principal activities and business review**

Apple Inc. and its wholly-owned subsidiaries (the “Group”) design, manufacture and market smart phones, tablets, personal computers, wearables and accessories, and sell a variety of related services. The Group’s products include iPhone®, Mac®, iPad®, Apple Watch® and a variety of other devices and accessories. The Group’s services include digital content stores and streaming services, AppleCare®, iCloud®, licensing and various other services. The Group sells its products and services worldwide through various direct and indirect distribution channels. The Group’s customers are primarily in the consumer, small and mid-sized business, education, enterprise and government markets.

The Company provides services to group affiliates. These services include research and development, technical and other services.

## **Key performance indicators**

The key financial and other performance indicators during the year were as follows:

	<b>2021</b>	<b>2020</b>	<b>Change</b>
	<b>£'000</b>	<b>£'000</b>	<b>%</b>
Operating costs	370,448	329,527	12%
Total equity	231,601	200,600	14%

Operating costs increased by 12% versus 2020 due to increased activities performed by the Company during the year.

Total equity has increased by 14% year on year due to the share-based payment charge in addition to the net profit recognised for the year. These were partially offset by a dividend declared and paid.

In 2021, the Company had a monthly average number of employees of 1,385 (2020: 1,150) which was a movement of 20% on the prior year. The increase has arisen due to increased activities by the Company.

Each indicator is monitored by local management against budget and against prior years. The directors are satisfied with the performance of the Company during the year with regard to the indicators set out above.

## **Risk and uncertainties**

The risks and uncertainties faced by the business are those typical of the technology sector, but are mitigated by the historically strong financial performance of the Company and its long-standing reputation and tradition within the sector.

The directors consider the principal risks and uncertainties facing the Company are:

- retaining key employees and succession planning, and
- a rising cost base.

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## **Strategic report (continued)**

### **Risk and uncertainties (continued)**

The directors believe that these risks are effectively managed through a strong focus on its cost base and on its key employees.

COVID-19 has had, and continues to have, a significant impact around the world, prompting governments and businesses to take unprecedented measures in response. Such measures have included restrictions on travel and business operations, temporary closures of businesses, and quarantine and shelter-in-place orders. The COVID-19 pandemic has at times significantly curtailed global economic activity and caused significant volatility and disruption in global financial markets.

The COVID-19 pandemic and the measures taken in response have adversely affected and could in the future materially adversely impact the Company's business, results of operations and financial condition. During the course of the pandemic, certain of the group's component suppliers and manufacturing and logistical service providers have experienced disruptions, resulting in supply shortages that affected sales worldwide, and similar disruptions could occur in the future.

The Company continues to monitor the situation and take appropriate actions in accordance with the recommendations and requirements of relevant authorities. The extent to which the COVID-19 pandemic may impact the Company's operational and financial performance remains uncertain and will depend on many factors outside the Company's control, including the timing, extent, trajectory and duration of the pandemic, the emergence of new variants, the development, availability, distribution and effectiveness of vaccines and treatments, the imposition of protective public safety measures, and the impact of the pandemic on the global economy and demand for consumer products. Additional future impacts on the Company may include, but are not limited to, material adverse effects on demand for the group's products and services, the group's supply chain and sales and distribution channels, the Company's ability to execute its strategic plans, and the Company's profitability and cost structure

Financial risk is managed by Apple Inc.'s, specialist Treasury department under policies approved by its board of directors. Therefore, the financial risk facing the Company is considered low.

### **Results**

The profit for the year after taxation amounted to £57,840,000 (2020: £37,455,000).

### **Post balance sheet events**

There have been no other significant events affecting the Company since 25 September 2021.

### **Section 172 Statement**

The directors of the Company have acted during the financial year in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so they have had regard to the matters set out in section 172(1) of the Companies Act 2006. Highlighted below are certain aspects of the duties under section 172(1) that the directors consider most relevant to the Company, and the key stakeholders of the Company. The directors receive training relevant to their role, including on directors' duties, to support their consideration of stakeholder impact.

The directors have delegated day-to-day engagement with stakeholders to management with relevant subject matter expertise, but they oversee this engagement and consider stakeholder impacts in relation to key decisions that are escalated to the board.

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**Strategic report (continued)**

**Section 172 Statement (continued)**

### **Culture**

The Company is part of the Apple Inc. group of companies. The Company aligns its corporate governance structures, policies and values with Apple Inc., and these structures, policies and values are adopted and applied in the Company by the directors. Apple's core values, which guide the Company's directors and management, are accessibility, education, the environment, inclusion & diversity, privacy and supplier responsibility. These values, including how they are applied by the Company, are discussed in more detail in our statement of engagement with employees on pages 7 to 8; statement of engagement with suppliers, customers and others in a business relationship with the Company on pages 8 to 9; and in our streamlined energy and carbon report, on pages 10 to 11.

### **Considering long-term impact of decisions**

We believe business can and should be a force for good. Achieving that takes innovation, hard work, and a focus on serving others. It also means leading with our values in the technology we make, in the way we make it, and in how we treat people and the planet we share. Apple is dedicated to leaving the world better than we found it, and the directors seek to have a long-term mindset when making decisions on behalf of the Company.

### **Employees**

At Apple, we're not all the same. And that's our greatest strength. We draw on the differences in who we are, what we've experienced, and how we think. Because to create products that serve everyone, we believe in including everyone. We know that the long-term success of the Company is dependent on its people. We describe further how the Company engages with employees in our statement of engagement with employees, on pages 7 to 8.

### **The community, suppliers, customers and others in a business relationship**

Our Human Rights Policy, which has been adopted by the Company following approval by the directors of the Company, governs how we treat everyone, including our customers, employees, business partners, and people at every level of our supply chain. See our statement of engagement with suppliers, customers and others in a business relationship with the Company, on pages 8 to 9 for more detail on how we monitor and nurture our business relationships.

### **The environment**

The Company participates in the global ambitions and targets of the Apple Inc. group. Apple is committed to creating products that enrich the lives of our customers in a way that protects the earth's resources that we all share.

Apple will become carbon neutral across its entire business, manufacturing supply chain, and product life cycle by 2030. Apple is already carbon neutral today for its global corporate operations, and this new commitment means that by 2030, every Apple device sold will have net zero climate impact.

Our strategy focuses on three interconnected areas: climate change, resources, and smarter chemistry. Our comprehensive carbon footprint informs the work we do to reduce our emissions, including our roadmap to carbon neutrality. Within our resources pillar, we're working to make our products using only recycled and renewable materials and eliminate plastic from our packaging. And we are committed to using safer materials to create better products for those who design, make, use, and recycle them. All the work we do aims to improve environmental health, not just for our customers, suppliers, and employees, but also for broader global communities.

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**Strategic report (continued)**

**Section 172 Statement (continued)**

**Principal decisions of the Company**

Decisions which are of strategic importance, are commercially material, or have a significant impact on key stakeholders are considered principal decisions of the Company. The board of the Company has taken the following principal decisions during the financial year:

**Declaration and payment of dividend to shareholder**

A dividend of £120,000,000 (FY20: £67,862,000) was proposed and paid during the year. In proposing and approving the payment of such dividend, the directors carefully considered its financial impact on the Company (taking into account the impact on the Company's stakeholders), including whether there were any actual or reasonably foreseeable contingent or prospective liabilities the payment or settlement of which would be jeopardised by the payment of the dividend. The directors also considered carefully the effect that the dividend would have on the Company's ability to pay its debts as they fell due, having regard to the entirety of the Company's business and the actual and contingent liabilities (present and future) inherent in that business.

**Impact of COVID-19**

Since the beginning of the COVID-19 pandemic (the "Pandemic"), Apple's first priority has been the health and safety of our teams, their families and communities. We supported the COVID-19 public health response, delivered new innovative tools, and adapted our business to empower people with the information and technology they needed most.

**COVID-19 – office closures**

The Company substantially closed all of its office locations on a temporary basis in March 2020 in response to the Pandemic, with this and related decisions being discussed and approved by the directors of the Company. These office closures continued in some form during the year, with some flexibility to work in offices introduced from time to time based on local conditions, local laws and the evaluation of risk to employees and the public by the Company and the Apple Inc. group. Further details of the Company's response to the Pandemic, including the way in which our stakeholders' interests were taken into account in decision-making, can be found in the statement of engagement with employees, on pages 7 to 8.

By order of the board

Director



Peter Denwood

Dated: 24 June 2022

100 New Bridge Street  
London, EC4V 6JA

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### **Directors' report**

The directors of the Company present their report for the year ended 25 September 2021.

The Company's ultimate parent is Apple Inc. ("Ultimate Parent", "Apple" or "Apple Inc."), a company incorporated in California, United States of America.

### **Directors**

The directors who held office during the year were as follows:

Michael Boyd  
Peter Denwood

The Company Secretary is Abogado Nominees Limited.

### **Dividend**

A dividend of £120,000,000 was proposed and paid during the year (2020: £67,862,000).

### **Future developments**

There are no significant future developments expected to impact the Company.

### **Post balance sheet events**

Post balance sheet events are disclosed in the Strategic Report.

### **Going concern**

The Company's business activities, together with factors likely to affect its future development, performance and position are set out in the principal activities and business review, risks and uncertainties and key performance indicators sections of the Strategic Report. The directors believe the Company is well placed to manage its business risks successfully.

The Company's directors have a reasonable expectation that the Company has adequate resources to continue its operations for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

The results of the Company for the year ended 25 September 2021 as set out on page 17 are considered satisfactory.

### **Political contributions**

The Company made no political contributions during the year (2020: £Nil).

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**Directors' report** (continued)

**Other information**

The combined business results of the Company together with Apple Europe Limited and Apple Retail UK Limited were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Turnover	2,336,469	2,286,439
Operating profits	729,976	590,387
UK corporation tax for year at 19% (2020: 19%)	110,253	102,262
Total tax on profit on ordinary activities	95,882	96,368
Average monthly number of employees during the year	7,048	7,115

**Disabled employees**

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

**Risks and uncertainties**

The risks and uncertainties facing the Company are disclosed in the Strategic Report.

**Disclosure of information to the auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Qualifying third-party indemnity provisions**

The Company benefits from a global indemnity policy which protects its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

**Reappointment of the auditors**

In accordance with s.487 of the Companies Act 2006, Ernst & Young, Chartered Accountants will be deemed to be reappointed as auditors of the Company.



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## **Directors' report (continued)**

### **Statement of engagement with employees**

#### **Employee engagement**

At Apple, we're not all the same. And that's our greatest strength. We draw on the differences in who we are, what we've experienced, and how we think. Because to create products that serve everyone, we believe in including everyone. We believe that open and honest communication among team members, managers, and leadership fosters an open, collaborative work environment where everyone can participate, develop, and thrive. Team members are encouraged to come to their manager with questions, feedback, or concerns. Our goal is to listen and learn—and to use those lessons to build an even better work environment for all. Our Company directors delegate day-to-day management of employee matters to local managers, trusting their expertise to ensure the best experience and support for their teams.

#### **Consulting with employees and their representatives**

Employees receive regular updates on their department, the business, and products. Leaders are using skip-level 1:1s, round-tables and meetings with our Diversity Network Associations to hear directly from team members about their own experiences of working at the Company, to help support an environment of consistent and ongoing feedback among the Company's teams and leadership. We use the data and comments from these meetings to inform our employee experience, engagement levels, and feedback on any Company initiatives. Feedback is analysed at a team and organisational level with action plans in place where we see areas for improvement.

The Company's employees are also represented in the European Consultation Forum (ECF), Apple's European Works Council. The ECF gives Apple employees and central management in the European Economic Area (EEA), Switzerland and the UK ("the Region") a way to exchange views and establish dialogue on relevant transnational issues. Apple fully supports the ECF as a way to assist communication between the parts of its business in the Region and to provide a venue for feedback from its employees through the ECF's representatives. The ECF, however, does not replace consultation with employee representatives at the country and site level where applicable.

In addition, employees and managers can report incidents, near-misses, and observations—including newly identified hazards and risks—through an internal iOS app. Incident responses are addressed by Apple's Environmental, Health and Safety ("EHS") team through a consistent process that connects employees with care and support while identifying corrective actions where appropriate to prevent future occurrences.

#### **Involvement of employees in the Company's performance**

As outlined further in Note 4 to the financial statements, the Company's ultimate parent, Apple Inc. operates two employee benefit plans relevant to the Company: the 2014 Employee Stock Plan and the Employee Stock Purchase Plan. This is part of Apple's global approach to employee benefits. All employees are eligible to receive awards of restricted stock units from Apple Inc. under the 2014 Employee Stock Plan and have the opportunity to invest in Apple Inc. stock through participation in the Employee Stock Purchase Plan, which enables employees to participate in the success of the Company and the Group.

#### **Inclusion and Diversity**

Across Apple, we're strengthening our long-standing commitment to making our company more inclusive and diverse. We're committed to hiring inclusively, providing training and development opportunities, fostering an inclusive culture, and ensuring equitable pay for all employees. And we're continuing to focus on increasing diverse representation at every level of the company to help Apple become an even better reflection of the world we live in.

We believe in equal pay for equal work. In every country where we operate, team members of all genders earn the same when engaging in similar work with comparable experience and performance. To maintain pay equity, we engage a third party to independently evaluate compensation across all of Apple using statistical modelling. This rigorous review considers annual total compensation, including base salary, bonuses, and Restricted Stock Units (RSUs), as well as a variety of data related to pay, including job level, location, performance ratings, and tenure. As part of our commitment, we've also stopped asking candidates about their salary history. We continue to publish our Gender Pay Gap report on an annual basis. Whilst we currently have a gender pay gap in favour of men, this gender pay gap is driven by the representation of women in our workforce across levels and tenure. We will continue our efforts to improve the representation of women at all levels of the Company, and hold ourselves accountable for driving progress.

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**Directors' report (continued)**

**Statement of engagement with employees (continued)**

**Accessibility**

The Company encourages applications for employment from people with a disability. Equal opportunities are available to employees with disabilities for training, career development and promotion. The Company is registered as a Disability Confident Employer. Please see our statement of engagement with suppliers, customers and others in a business relationship on pages 8 to 9 for more details on our newest accessibility features, such as SignTime, which bring benefits to our employees as well as customers.

**The impact of COVID-19**

Since the beginning of the Pandemic, Apple's first priority has been the health and safety of our teams, their families and communities. We supported the COVID-19 public health response, delivered new innovative tools, and adapted our business to empower people with the information and technology they needed most.

Apple was one of the first major companies to lead the COVID-19 response, temporarily closing our retail stores and moving to flexible work arrangements for our corporate offices globally. We have continued to pay our teams during temporary store and office closures; expanded our paid leave policies; provided team members with personal protective equipment; and established policies and procedures for a safe environment. Together with our suppliers, we also implemented new health and safety procedures for supplier workforces, and worked to support our suppliers' ability to pay their hourly workers. And we have further supported our business partners by accelerating our payments to suppliers and extending payment and credit terms for our resellers.

We're dedicated to protecting our team members and our customers everywhere we operate—a responsibility COVID-19 has brought into even greater focus. At every stage of the Pandemic, we make decisions based on the latest local data and public health guidance, and we share lessons across our EHS teams globally so we can continuously improve our safety programs.

The decisions to close, from time to time, substantially all of the Company's offices and ask employees to work remotely during this time were considered principal decisions of the Company. The key stakeholders impacted by such decisions were the employees and customers of the Company. The interests of the stakeholders were aligned with the Company's goal of safeguarding the health and well-being of employees and customers. The Company seeks feedback on its response to the Pandemic on a continuous basis and has received positive feedback from impacted stakeholders.

**Statement of engagement with suppliers, customers and others in a business relationship with the Company**

Our Human Rights Policy, which has been adopted by the Company following approval by the directors of the Company, governs how we treat everyone, including our customers, employees, business partners, and people at every level of our supply chain. We've worked hard to embed respect for human rights across Apple—in the technology we make, the way we make it, and how we treat people.

**Supplier responsibility and environment**

Developed in 2005, the Apple Supplier Code of Conduct (the "Code") and the Apple Supplier Responsibility Standards (the "Standards") outline our requirements for suppliers in the areas of labour and human rights, health and safety, environment, management systems and ethics. Both the Code and the Standards have been adopted by the Company following approval by the directors of the Company. Apple continues to evaluate and update the Code and Standards annually, raising the bar that suppliers must meet and then supporting them in reaching it.

**Accessibility**

Apple believes accessibility is a human right and technology should be accessible to everyone. Our products are powerful and affordable assistive devices, with built-in accessibility features such as VoiceOver, Voice Control, and support for Made for iPhone hearing aids. New features, such as AssistiveTouch on Apple Watch, Background Sounds, and support for eye-tracking devices continue Apple's mission to make our technology customisable to the diverse needs of all our users. Apple launched a new service in 2021, called SignTime. This enables customers to communicate with AppleCare and retail customer care by using British Sign Language (BSL) right in their web browsers. Customers

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**Directors' report (continued)**

**Statement of engagement with suppliers, customers and others in a business relationship with the Company**  
(continued)

visiting Apple store locations can also use SignTime to remotely access a sign language interpreter without booking ahead of time. You can read more about Apple's commitment to accessibility at <https://www.apple.com/accessibility>.

**Education**

At Apple, we believe that our customers should expect more from their technology in learning. For over 40 years Apple has helped educators spark student engagement with new ways to learn, giving students complete freedom of expression. Apple technology and services support learning that's connected, collaborative, creative and personal for every individual, no matter how they learn, where they learn or what they love to do. Beyond our hardware and software — our programs and curriculums ensure that education institutions have what they need to effectively employ their use of technology in schools. These include Apple Teacher, a free, self paced online professional learning program to help teachers learn how to get the most from iPad or Mac, and our free suite of creativity apps for teaching and learning. Apple has developed curricula to support creative learning and coding such as Everyone Can Create and Everyone Can Code. To date these curriculum and teaching materials have reached millions of users worldwide. In Apple retail stores, customers can participate in free 'Today at Apple' sessions based on Everyone Can Create and Everyone Can Code. Topics include photography, video, music, design, and coding basics as well as Photography on iPhone, Directing the Portrait, Getting Started with Swift Playgrounds, Capturing Cinematic Shots, Sketching Ideas in Notes, Getting Started with Podcasting, and Managing Screen Time.

**Privacy**

At Apple, we believe privacy is a fundamental human right. And so much of our customers' personal information—information they have a right to keep private—lives on their Apple devices. Every Apple product is designed from the ground up to protect that information. And to empower our customers to choose what they share and with whom. With every software release we introduce ever greater controls for our users so they can manage these choices including for the apps that they download from the App Store.

Our customers' personal data should always be protected on devices and never shared without our customers' permission. Apple supports privacy by building tools into devices, making data requests clear, empowering users with controls, and requiring external groups to follow applicable laws if seeking access to personal data controlled by Apple. Encryption, on-device intelligence, and other tools are built into Apple products to let customers share what they want on their terms. Sometimes user data is used to provide customers with a more personalised experience; however, users are given controls to manage these settings. We also use techniques like Differential Privacy to improve user experiences while protecting the information they share with Apple. Differential Privacy adds random information to user data before it is analysed by Apple, so we can't link that data to a specific device.

Apple's detailed privacy policy has been adopted by the Company following approval by the directors of the Company, and can be found at <https://www.apple.com/legal/privacy/en-ww>.

**Bribery and corruption**

Apple seeks to conduct business ethically, honestly and in full compliance with applicable laws and regulations. Apple does not tolerate any form of corruption. Apple's Anti-Corruption Policy details our commitment to complying with anti-corruption laws.

The directors of the Company have delegated authority to Apple's Business Conduct and Global Compliance group, which helps employees and third parties make the right decisions regarding ethical and lawful behaviour. This is done through a variety of resources, including Apple's policy "Business Conduct: The Way We Do Business Worldwide" and various anti-corruption policies, which have been adopted by the Company following approval by the directors of the Company. The Company's business conduct policy describes Apple's principles for employee interactions with customers, other businesses, governments, and communities.

Our compliance policies can be found on Apple's Ethics and Compliance website at <https://www.apple.com/compliance/policies>.

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**Directors' report** (continued)

**Streamlined Energy and Carbon Reporting**

**Methodology**

This assessment has been verified by a third-party (Delta-Simons Environmental Consultants Limited) to be carried out in general accordance to ISO14064-1:2006 Greenhouse Gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.

**Results**

The table below sets out total energy consumption and resulting GHG emissions by Scope arising from business operations of the Company.

**Summary GHG Emissions Results**

Scope	FY20		FY21	
	kWh	tCO <sub>2</sub> e	kWh	tCO <sub>2</sub> e
Scope 1 – Heating Fuels	853,878	157.00	853,878	156.40
Scope 1 – Company Vehicles	90,554	20.73	221,364	50.93
Scope 2 – Purchased Electricity (Location-Based) <sup>1</sup>	1,737,649	405.12	1,575,050	334.43
Scope 2 – Purchased Electricity (Market-Based) <sup>1</sup>	1,737,649	0	1,575,050	0
Scope 3 – Rental Vehicles	58,751 <sup>2</sup>	13.93	58,751	13.72
Scope 3 – Employee Mileage	14,580	3.61	12,310	3.02
<b>Total Gross Footprint*</b>	<b>2,755,412<sup>3</sup></b>	<b>195.27</b>	<b>2,721,353</b>	<b>224.07</b>
Carbon Offset (April 2020 onwards)	-	-57.95	-	-224.07
<b>Total Net Footprint</b>	-	137.32	-	0.00
<b>Intensity Ratios</b>	<b>FY20</b>		<b>FY21</b>	
kWh/sq.ft/year	39.18		36.73	
tCO <sub>2</sub> e/employee/year (Location-Based Electricity)	0.52		0.40	
tCO <sub>2</sub> e/£m/year (Location-Based Electricity)	1.61		1.31	

<sup>1</sup> Energy Consumption from purchased electricity is reported as both (1) Location-Based emissions, using UK Government emissions factors for grid electricity; and (2) Market-Based emissions, which take into account procurement of renewable electricity (backed by Renewable Energy Guarantees of Origin (REGO)) resulting in a net nil tCO<sub>2</sub>e count.

<sup>2</sup> Previously stated as 59,238 kWh. On review of data for the current reporting period, this error was identified within the calculations for the previous financial year, as previously reported by the Company. This has been amended at the earliest available opportunity in accordance with relevant guidance.

<sup>3</sup> Previously stated as 2,755,899 kWh, due to different underlying figures, as described in footnote 2.

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**Registered number 1591116**

**Directors' report** (continued)

**Streamlined Energy and Carbon Reporting** (continued)

**Climate Action Statement**

Building on our achievement of carbon neutrality for Apple's corporate emissions, Apple is committed to total carbon neutrality across its entire supply chain by 2030, including material sourcing, manufacturing, shipping and in-use power of customer devices.

We have reduced our comprehensive carbon footprint by 40% since it peaked in 2015, with the aim of becoming carbon neutral by 2030, including a 75% reduction in emissions compared to 2015.

To reduce emissions from Apple facilities, we conduct regular energy audits of our corporate offices, retail stores and data centres to identify system improvements that could reduce energy use. We have improved energy tracking and benchmarking processes. This helps us to identify low-performing buildings early and ensure issues are rectified quickly. We have integrated energy efficiency early in the design process for our new stores and refurbishments to ensure that savings are maximised.

For our electricity, we source 100% renewable energy primarily through Apple-created projects, including direct ownership, equity investments (such as solar, wind and low-impact hydro), or long-term renewable energy contracts (primarily sourced from solar and wind). In the few remaining cases where we need more renewable energy than what's generated by our Apple-created projects, we directly purchase renewable energy through available utility green energy programs.

Apple has partnered with Conservation International to invest in high-quality forest, wetland and grassland protection or restoration projects to offset residual carbon and cover our remaining corporate scope 1 & 3 emissions. Apple is committed to leading by example when tackling global climate change; and we will continue to lend our voice to climate advocacy, joining with others to drive for collective action and strong climate positive policies. For more details on Apple's environmental performance, please go to [apple.com/environment](https://apple.com/environment).

By order of the board

Director



Peter Denwood

Dated 24 June 2022

100 New Bridge Street  
London, EC4V 6JA

1 References to Apple in this paragraph apply to the Group. The Company, as part of the Group, shares this commitment and participates in the Group's global actions to reduce the carbon and emissions.

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**Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

UK company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law), including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board

Director



Peter Denwood

Dated: 24 June 2022

100 New Bridge Street  
London, EC4V 6JA

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPLE (UK) LIMITED**

### **Opinion**

We have audited the financial statements of Apple (UK) Limited for the year ended 25 September 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 21, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 25 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included the following:

- We confirmed, through management enquiry, our understanding of management's going concern assessment process. We also engaged with management early to ensure all key risks and factors were considered in their assessment.
- We evaluated the appropriateness of management's assessment by assessing the financial condition of the company including but not limited to:
  - assessing the recoverability of intercompany amounts and the company's access to working capital facility arrangements within the Apple group;
  - inspecting the existence of intercompany agreements; and
  - re-calculating historic trend of net assets, net current assets and net profit.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPLE (UK) LIMITED (Continued)**

### **Conclusions relating to going concern (continued)**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from 24 June 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements;

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPLE (UK) LIMITED (Continued)**

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are FRS 102, Companies Act 2006 and the relevant tax compliance regulations in the UK. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters, environmental, bribery and corruption practices, and Miscellaneous Reporting Regulations 2018.
- We understood how Apple (UK) Limited is complying with those frameworks by making enquiries of management. We corroborated our enquires through reading the board minutes, and we noted that there was no contradictory evidence.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur through inquiry of management, those charged with governance and others within the entity, as to whether they have knowledge of any actual or suspected fraud. Where this risk was considered higher, we performed audit procedures to address the fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPLE (UK) LIMITED (Continued)

### *Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud*

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved reading board minutes to identify any non-compliance with laws and regulations and enquiries of management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Ernst & Young*

Mark Hegarty  
Senior Statutory Auditor  
for and on behalf of Ernst & Young, Statutory Auditor

Cork, Ireland

Date: 27 June 2022

Apple (UK) Limited

Statement of comprehensive income  
for the year ended 25 September 2021

	Note	2021	2020
		£'000	£'000
<b>Turnover</b>	2	420,452	372,294
Administrative expenses		(370,448)	(329,527)
<b>Operating profit</b>	3	<b>50,004</b>	<b>42,767</b>
Other interest receivable and similar income	5	726	1,209
Interest payable and similar charges	6	(34)	(18)
<b>Profit before taxation</b>		<b>50,696</b>	<b>43,958</b>
Tax on profit	7	7,144	(6,503)
<b>Profit for the financial year</b>		<b>57,840</b>	<b>37,455</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>57,840</b>	<b>37,455</b>

Apple (UK) Limited

Statement of financial position  
at 25 September 2021

	Note	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Tangible fixed assets	9	20,129	19,244
		<b>20,129</b>	<b>19,244</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	283,450	246,847
		<b>283,450</b>	<b>246,847</b>
<b>Creditors: amounts falling due within one year</b>	11	(41,098)	(38,699)
<b>Net current assets</b>		<b>242,352</b>	<b>208,148</b>
<b>Total assets less current liabilities</b>		<b>262,481</b>	<b>227,392</b>
<b>Provisions</b>	12	(30,880)	(26,792)
<b>Net assets</b>		<b>231,601</b>	<b>200,600</b>
<b>Capital and reserves</b>			
Called up share capital	13	1,000	1,000
Profit and loss account		230,601	37,455
Capital reserves		-	162,145
<b>Shareholder's funds</b>		<b>231,601</b>	<b>200,600</b>

These financial statements were approved by the board of directors on 24 June 2022 .  
and were signed on its behalf by:

Director



Peter Denwood

Dated: 24 June 2022

100 New Bridge Street  
London, EC4V 6JA

Apple (UK) Limited

Statement of changes in equity  
for the year ended 25 September 2021

	Called up share capital	Profit and loss account	Capital reserves	Total
	£'000	£'000	£'000	£'000
<b>At 28 September 2019</b>	<b>1,000</b>	<b>67,862</b>	<b>88,818</b>	<b>157,680</b>
Profit for the financial year	-	37,455	-	37,455
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	37,455	-	37,455
Share-based payment charge	-	-	73,327	73,327
Dividends paid (note 8)	-	(67,862)	-	(67,862)
<b>At 26 September 2020</b>	<b>1,000</b>	<b>37,455</b>	<b>162,145</b>	<b>200,600</b>
Profit for the financial year	-	57,840	-	57,840
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	57,840	-	57,840
Dividends paid (note 8)	-	-	(120,000)	(120,000)
Transfer between reserves	-	42,145	(42,145)	-
Share-based payment charge	-	93,161	-	93,161
<b>At 25 September 2021</b>	<b>1,000</b>	<b>230,601</b>	<b>-</b>	<b>231,601</b>

## **Apple (UK) Limited**

### **Notes to the financial statements for the year ended 25 September 2021**

#### **1. Accounting Policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

##### **Statement of compliance**

Apple (UK) Limited is a limited liability company incorporated in the United Kingdom. The Registered Office is 100 New Bridge Street, London, EC4V 6JA.

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law), including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102"), and with the Companies Act 2006.

##### **Basis of preparation**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102:

- Section 3 Financial Statement Presentation paragraph 3.17(d)
- Section 7 Statement of Cash Flows
- Section 11 Basic Financial Instruments paragraphs 11.42, 11.44, 11.45, 11.47, 11.48 (a) (iii), 11.48 (a) (iv), 11.48 (b) and 11.48 (c)
- Section 12 Other Financial Instruments Issues paragraphs 12.26, 12.27, 12.29 (a), 12.29 (b) and 12.29 (A)
- Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23; and
- Section 33 Related Party Disclosures paragraph 33.7.

The financial statements are presented in sterling which is the functional currency of the Company and rounded to the nearest £'000.

##### **Going concern**

The financial statements have been prepared on the going concern basis. The directors are satisfied that adequate resources are available to the Company and they have no reason to believe that any material uncertainty exists that would cast a doubt about the ability of the Company to continue as a going concern.

##### **Judgments and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognized in the financial statements.

## **Apple (UK) Limited**

### **Notes to the financial statements for the year ended 25 September 2021**

#### **1. Accounting Policies (continued)**

##### **Judgments and key sources of estimation uncertainty (continued)**

- **Taxation**  
The Company establishes provisions using reasonable estimates of taxable profits. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the Company and the responsible tax authority.
- **Deferred Tax Asset**  
Management estimation is required to determine the amount of deferred tax assets that can be recognized, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 7.
- **Impairment of non-financial assets**  
The Company reviews its non-financial assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of these assets is measured by comparison of their carrying amounts to fair value. If these assets are considered to be impaired, the impairment recognized is equal to the amount by which the carrying value of the assets exceeds its fair value.

##### **Revenue recognition**

Net sales consist of revenue from the sale of services. The Company recognizes revenue at the amount to which it expects to be entitled when control of the services is transferred to its customers, which generally occurs over time as services are delivered. Payment for services net sales is collected within a short period of time following transfer of control or commencement of delivery of services, as applicable.

##### **Interest**

Income is recognised as interest accrues using the effective interest method.

##### **Related party transactions**

As the Company is an indirect subsidiary of Apple Inc., the Company has taken advantage of the exemption contained in section 33.1A of FRS102 and has therefore not disclosed transactions or balances with entities which form part of the Group.

The consolidated financial statements of Apple Inc., within which the results of this Company are included, can be obtained from the address given in note 18 to the accounts.

## Apple (UK) Limited

### Notes to the financial statements for the year ended 25 September 2021

#### 1. Accounting Policies (continued)

##### Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes the costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life, as follows:

Leasehold improvement	lesser of 10 years or lease term
Office equipment	3-7 years

The carrying values of tangible fixed assets are reviewed at each reporting date for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

##### Taxation

Current tax is provided on the Company's taxable profits, at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Provision is made at the rates and laws that have been enacted or substantively enacted at the balance sheet date and expected to apply when the timing differences reverse. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

##### Foreign currencies

The financial statements are presented in Sterling ("£"), which is the Company's presentational and functional currency and the level of rounding is to the nearest £'000. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. The resulting monetary assets and liabilities are translated at the closing rate and the exchange differences are dealt with in the statement of comprehensive income.

##### Pensions

The Company operates a defined contribution pension scheme. Contributions are charged to the statement of comprehensive income as they become payable in accordance with the rules of the scheme.



## **Apple (UK) Limited**

### **Notes to the financial statements for the year ended 25 September 2021**

#### **1. Accounting Policies (continued)**

##### **Operating leases**

Rentals payable under operating leases are charged in the statement of comprehensive income on a straight line basis over the term of the lease. Lease incentives are recognised over the lease term on a straight-line basis.

##### **Share based payments (SBP)**

The Company recognises no shareholder dilution related to share-based payment transactions in which it receives employee services in exchange for equity instruments of the Company's ultimate parent, Apple Inc. Share-based compensation cost for restricted stock units ("RSUs") is measured based on the closing fair market value of the Apple Inc.'s common stock on the date of grant. Share-based compensation cost for stock options is estimated at the grant date based on each option's fair-value as calculated by the Black-Scholes-Merton ("BSM") option pricing model. The Company recognizes share-based compensation cost as an expense over the requisite service period with a corresponding shareholder contribution recorded within equity.

##### **Provisions**

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to that liability.

##### **Leasehold property restoration**

Full provision is made for the Company's costs in relation to restoration liabilities at its leasehold properties. The estimated costs are capitalised as leasehold improvements and depreciated over the remaining useful life of the leasehold property. Current cost estimates are revised each year and any resulting change is reflected in the carrying amount of the relevant assets.

##### **Short-term debtors and creditors**

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Short-term debtors and creditors are not discounted.

#### **2. Turnover**

Turnover comprises consideration received or receivable for the sale of services in the ordinary course of the Company's activities.

As permitted by paragraph 68(5) of schedule 1 to the Large and Medium-sized Companies and Groups (Accounts and reports) Regulations 2008, turnover is not analysed as in the opinion of the directors the disclosure of this information would be seriously prejudicial to the interests of the Company.

## Apple (UK) Limited

### Notes to the financial statements for the year ended 25 September 2021

#### 3. Operating profit

	2021	2020
	£'000	£'000
Operating profit is stated after charging:		
Loss on disposal of fixed assets	236	20
Depreciation of tangible fixed assets (note 9)	9,226	9,669
Foreign exchange (gain)/loss	(411)	34
Amortization of intangible fixed assets	-	2,438
Lease payments recognised as expenses	3,236	3,310

Audit fees were borne by another group company in 2021 and 2020.

#### 4. Staff costs

(a) Staff costs are analysed as follows:

	2021	2020
	£'000	£'000
Wages and salaries	148,066	115,943
Social security costs	49,272	47,239
Pension costs (note 14)	8,326	6,670
Share based payments	93,161	73,327
<b>Total staff costs</b>	<b>298,825</b>	<b>243,179</b>

The average monthly number of employees during the year was 1,385 (2020: 1,150).

(b) Directors' remuneration

There were no payments to directors during the financial year (2020: Nil).

(c) Share-based payments

As of 25 September 2021 and 26 September 2020, the Company did not have any equity-settled plans or transactions. However, the Company's ultimate parent, Apple Inc. had two employee benefit plans relevant to the Company: the 2014 Employee Stock Plan (the "2014 Plan") and the Employee Stock Purchase Plan (the "Purchase Plan"). Under these plans, the Company's ultimate parent issues shares of Apple Inc. upon vesting of restricted stock units ("RSUs"), the employees' purchase of shares under the plans. The issuance of shares and cash received upon exercise or sale is undertaken solely by Apple Inc. and as a result no dilution in shareholder's equity or cash inflows will occur for the Company. Apple Inc.'s relevant employee benefit plans are summarised as follows:

##### 2014 Employee Stock Plan

RSUs granted under the 2014 Plan generally vest over four years, based on continued employment, and are settled upon vesting in shares of Apple Inc.'s common stock on a one-for-one basis.

## Apple (UK) Limited

### Notes to the financial statements for the year ended 25 September 2021

#### 4. Staff costs (continued)

##### (c) Share-based payments (continued)

##### Employee Stock Purchase Plan

The Purchase Plan is an Apple Inc. shareholder approved plan under which substantially all employees may purchase Apple Inc. common stock through payroll deductions at a price equal to 85% of the lower of the fair market values of the stock as of the beginning or the end of six-month offering periods. An employee's payroll deductions under the Purchase Plan are limited to 10% of the employee's compensation and employees may not purchase more than US\$25,000 of stock during any calendar year. As of 25 September 2021, approximately 96 million shares were reserved for future issuance under the Purchase Plan.

#### 5. Other interest receivable and similar income

	2021	2020
	£'000	£'000
Interest on amounts owed from related undertakings	726	1,209
	<b>726</b>	<b>1,209</b>

#### 6. Interest payable and similar charges

	2021	2020
	£'000	£'000
Bank charges and fees	17	18
Other charges and interest payable	17	-
	<b>34</b>	<b>18</b>

#### 7. Tax on profit

##### (a) Tax on profit on ordinary activities

The tax (credit)/charge is made up as follows:

	2021	2020
	£'000	£'000
Current tax:		
UK corporation tax at 19% (2020: 19%)	3,991	10,897
Adjustment in respect of prior years	(2,102)	11
<b>Total current tax charge</b>	<b>1,889</b>	<b>10,908</b>
Deferred tax:		
Depreciation/ capital allowances	(1,042)	(731)
Other timing differences	(5,128)	(3,674)
Impact of previously enacted future tax rate	(2,863)	-
<b>Deferred tax credit</b>	<b>(9,033)</b>	<b>(4,405)</b>
<b>Tax on profit on ordinary activities</b>	<b>(7,144)</b>	<b>6,503</b>

## Apple (UK) Limited

### Notes to the financial statements for the year ended 25 September 2021

#### 7. Tax on profit (continued)

##### (b) Reconciliation of the total tax (credit)/charge

The tax (credit)/charge for the year is different to the standard rate of corporation tax in the UK of 19% (2020:19%). The differences are explained below:

	2021	2020
	£'000	£'000
Profit on ordinary activities before taxation	50,696	43,958
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	9,632	8,352
Difference between UK GAAP and UK tax treatment of share based compensation	(11,686)	(2,918)
Other permanent differences	250	1,324
Impact of previously enacted future tax rate	(2,863)	-
Adjustment in respect of prior years - (over)/under provision	(2,102)	11
Adjustment in respect of prior year deferred tax asset - (over)/under provision	(375)	(266)
<b>Total tax (credit)/charge</b>	<b>(7,144)</b>	<b>6,503</b>

##### (c) Factors that may affect future tax charges

UK Government has enacted a new corporation tax rate of 25% from 1 April 2023. The rate applied to UK deferred tax assets and liabilities is 19% or 25% depending on the year that the deferred tax reverses (2020: 19%)

##### Deferred tax

The Company has a recognised deferred tax asset of £25,788,000 (2020: £16,755,000) comprising:

	2021	2020
	£'000	£'000
Accelerated capital allowances	2,219	1,177
Share based payments timing difference	23,569	15,578
	<b>25,788</b>	<b>16,755</b>
Deferred tax asset at start of year	16,755	12,350
Deferred tax credit in profit and loss account	9,033	4,405
<b>Deferred tax asset at end of year</b>	<b>25,788</b>	<b>16,755</b>

The Company reviews its position on the utilisation of deferred tax assets on an annual basis. Currently the Company expects £12,529,000 (2020: £9,414,000) of the closing deferred tax asset to be reversed during the next financial year.

# Apple (UK) Limited

## Notes to the financial statements for the year ended 25 September 2021

### 8. Dividends

	2021	2020
	£'000	£'000
Declared and paid during the year	120,000	67,862

### 9. Tangible fixed assets

	Leasehold improvement	Office equipment	Construction in progress	Total
	£'000	£'000	£'000	£'000
<b>Cost:</b>				
At the beginning of year	9,052	36,218	1,293	46,563
Additions	425	8,274	1,671	10,370
Disposals	(69)	(452)	-	(521)
Transfer from CIP	198	1,732	(1,930)	-
<b>At end of year</b>	<b>9,606</b>	<b>45,772</b>	<b>1,034</b>	<b>56,412</b>
<b>Depreciation:</b>				
At the beginning of year	5,801	21,518	-	27,319
Charge for year	1,450	7,776	-	9,226
Disposals	(69)	(193)	-	(262)
<b>At end of year</b>	<b>7,182</b>	<b>29,101</b>	<b>-</b>	<b>36,283</b>
<b>Net book value:</b>				
<b>At 25 September 2021</b>	<b>2,424</b>	<b>16,671</b>	<b>1,034</b>	<b>20,129</b>
<b>At 26 September 2020</b>	<b>3,251</b>	<b>14,700</b>	<b>1,293</b>	<b>19,244</b>

### 10. Debtors: amounts falling due within one year

	2021	2020
	£'000	£'000
Amounts owed by group undertakings	199,354	162,195
Amounts owed by parent undertaking	45,300	63,979
VAT receivable	2,283	2,744
Prepayments and accrued income	677	1,174
Corporation tax	10,048	-
Deferred tax asset (Note 7)	25,788	16,755
	<b>283,450</b>	<b>246,847</b>

The amounts owed by group undertakings are interest bearing and repayable on demand.

## Apple (UK) Limited

### Notes to the financial statements for the year ended 25 September 2021

#### 11. Creditors: amounts falling due within one year

	2021	2020
	£'000	£'000
Trade creditors	3,418	2,306
Amounts owed to group undertakings	3,264	20
Corporation tax	-	2,463
Other taxes and social security taxes	8,628	7,606
Accruals	25,788	26,304
	<b>41,098</b>	<b>38,699</b>

The amounts owed to group undertakings are non-interest bearing and repayable on demand.

#### 12. Provisions

	National insurance on unvested SBP	Long term leasehold improvement	Total
	£'000	£'000	£'000
<b>At 26 September 2020</b>	24,658	2,134	26,792
Arising during the year	7,435	10	7,445
Utilised during the year	(3,357)	-	(3,357)
<b>At 25 September 2021</b>	<b>28,736</b>	<b>2,144</b>	<b>30,880</b>

The long-term leasehold improvement provision is in respect of asset retirement obligations whereby the Company has an obligation to restore its leased premises to their original condition on vacation of the leases between 2024 and 2025.

A provision has been applied for national insurance contribution liability in relation to unvested restricted stock units and unexercised stock options, which are expected to vest between 2021 and 2024.

#### 13. Called up share capital

	2021	2020
	£'000	£'000
<b>Allotted, called up and fully paid</b>		
1,000,000 ordinary shares of £1 each	1,000	1,000

The ordinary shares carry the right to:

- receive notice of, attend, speak or vote at any general meeting of the Company. Where a matter is being decided on a show of hands, every member present in person and every proxy shall have one vote and poll, every member shall have one vote for every share held or for each £1 of stock held;
- participate in any dividends (if any) declared on that class of share; and
- in the winding up of the Company, repayment of capital paid upon such shares and the right to participate in the division of any surplus assets or profits of the Company.

## Apple (UK) Limited

### Notes to the financial statements for the year ended 25 September 2021

#### 14. Pension scheme

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independent administered fund. The pension costs charged for the year represents contributions payable by the Company to the scheme and amounted to £8,326,000 (2020: £6,670,000). The liability outstanding at year end was £1,408,000 (2020: £1,103,000).

#### 15. Commitments

##### Capital Commitments

There were no capital commitments at 25 September 2021 (2020: £Nil).

#### 16. Guarantees

The Company has issued a guarantee in favour of HM Customs & Excise in the amount of £174,000 (2020: £174,000).

#### 17. Obligations under lease contracts

Future minimum rentals payable under non-cancellable operating leases are as follows:

	2021	2021	2020	2020
	Buildings	Others	Buildings	Others
	£'000	£'000	£'000	£'000
- Not later than one year	3,217	2,507	2,667	2,503
- Later than one year and not later than five years	6,264	1,744	6,653	1,887
- Later than five years	1,915	175	-	596
	<b>11,396</b>	<b>4,426</b>	<b>9,320</b>	<b>4,986</b>

#### 18. Ultimate parent undertaking and parent undertaking of largest group of which the Company is a member

The Company's immediate parent undertaking is Apple Operations International Limited, a company incorporated in the Republic of Ireland, the consolidated financial statements of which are publicly available from the Registrar of Companies, CRO Public Office, Gloucester Place Lower, Mountjoy, Dublin 1, D01 F2X5, Ireland. The Company's ultimate parent undertaking is Apple Inc., a company incorporated in California, United States of America, the consolidated financial statements of which are publicly available from Investor Relations, Apple Inc., One Apple Park Way, Cupertino, California, 95014, United States of America. The smallest group in which the results of the Company are consolidated is that headed by its immediate parent undertaking, Apple Operations International Limited and the largest group in which the results of the Company are consolidated is that headed by its ultimate parent undertaking, Apple Inc.

## **Apple (UK) Limited**

### **Notes to the financial statements for the year ended 25 September 2021**

#### **19. Related party transactions**

The Company undertakes transactions with other group undertakings. As the Company is a wholly-owned indirect subsidiary undertaking of Apple Inc., the consolidated financial statements of which are publicly available, disclosure of such transactions is not required under Section 33 Related party disclosures paragraph 33.1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

#### **20. Events after the reporting period**

There have been no other significant events affecting the Company since 25 September 2021.

#### **21. Approval of financial statements**

The directors issued and approved the financial statements on 24 June 2022.