

Apple (UK) Limited

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

Year ended 24 September 2022

Registered number 1591116

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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 24 September 2022.

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") designs, manufactures and markets smartphones, personal computers, tablets, wearables and accessories, and sells a variety of related services.

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:

	2022	2021	Change
	£'000	£'000	%
Operating costs	470,340	370,448	27%
Total equity	425,528	231,601	84%

Operating costs increased by 27% year on year, due to increased activities performed by the Company during the year.

Total equity increased by 84% year on year, due to the share-based payment charge, the addition of the net profit recognised for the year, and no dividend being declared or paid in 2022.

In 2022, the Company had a monthly average number of employees of 1,597 (2021: 1,385) which was a movement of 15% 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.

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

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Strategic report (continued)

Risk and uncertainties (continued)

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. Public safety measures can also adversely impact consumer demand for the group's products and services in affected areas.

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 and services. 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 £76,603,000 (2021: £57,840,000).

Post balance sheet events

There have been no other significant events affecting the Company since 24 September 2022.

Section 172 Statement

The directors of the Company have acted during the financial period 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 member, 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 9 to 11; and in our *streamlined energy and carbon report*, on pages 12 to 13

Considering long-term impact of decisions

Apple Inc. and its subsidiaries (collectively, "Apple"), are demonstrating every day that business can and should be a force for good. At Apple, we're committed 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. That means supporting communities with global and local initiatives, investments, and donations that combat inequity, expand access to opportunity, and help respond to urgent needs.

Employees

At Apple, we work every day to create an inclusive, safe, and supportive environment for all our team members. We're always finding new ways to invest in our teams' development and to encourage collaboration and creativity. And we provide strong and comprehensive benefits and highly competitive total compensation. We believe we're a better and more innovative company when people have support and the opportunity to do their best work. 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 9 to 11 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 acting with urgency to protect our planet's limited resources and to be a leader in the fight against climate change. Since 2020, we've been carbon neutral for our worldwide operations, and by 2030, our goal is to expand that progress to our entire supply chain and the lifetime use of our products. This carbon neutrality goal includes reducing emissions 75 percent compared with fiscal year 2015 and balancing the residual emissions with carbon removal — across the life cycle of all of our products by 2030. See our *streamlined energy and carbon report* on pages 12 to 13 for more information on the Company's energy and carbon usage and Apple's climate action commitments.

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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 period:

Impact of COVID-19 and return to office

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. During the financial period, applicable Company employees were asked to return to working regularly in Company offices, subject to considerations of local conditions, local laws and the evaluation of risk to employees. Further details can be found in the *statement of engagement with employees*, on pages 7 to 8.

By order of the board

Director


Peter Denwood

Dated 23 May 2023

100 New Bridge Street
London, EC4V 6JA

Apple (UK) Limited
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Directors' report

The directors of the Company present their report for the year ended 24 September 2022.

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 (resigned 24 January 2023)
Peter Denwood
Eamonn Clancy (appointed 24 January 2023)

The Company Secretary is Abogado Nominees Limited.

Dividend

No dividend was proposed and paid during the year (FY21: £120,000,000).

Research & Development

The Company provides services to Group affiliates. These services include research and development.

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 24 September 2022 as set out on page 19 are considered satisfactory.

Political contributions

The Company made no political contributions during the year (2021: £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:

	2022	2021
	£'000	£'000
Turnover	3,122,378	2,336,469
Operating profits	756,175	729,976
UK corporation tax for year at 19% (2021: 19%)	115,951	110,253
Total tax on profit on ordinary activities	96,466	95,882
Average monthly number of employees during the year	7,514	7,048

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

Statement of engagement with employees

We've worked to embed respect for human rights across Apple in the technology we make, the way we make it, and how we treat people. 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 set out an overview of our engagement with employees below, however for more detailed information, please see Apple's 2022 Environmental Social Governance website, which can be found here: <https://investor.apple.com/essg>.

Employee engagement

At Apple, we work every day to create an inclusive, safe, and supportive environment for all our team members. We're always finding new ways to invest in our teams' development and to encourage collaboration and creativity. And we provide strong and comprehensive benefits and highly competitive total compensation. We believe we're a better and more innovative company when people have support and the opportunity to do their best work.

At Apple, we believe that open and honest communication among team members, managers, and leaders helps create a collaborative work environment where everyone can contribute, grow, and succeed.

Team members are encouraged to come to their managers with questions, feedback or concerns. If a team member is ever uncomfortable raising a particular issue with their manager, they can discuss it with any manager at Apple, their People Business Partner, People Support, or they can contact the Business Conduct team.

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 team through a consistent process that connects employees with care and support while identifying corrective actions where appropriate to prevent future occurrences.

Consulting with employees and their representatives

Another way team members can let us know how Apple is doing is to participate in surveys that we conduct regularly. These survey results are a great way for us to learn about what's going well and how we can do better in areas like career development, manager performance, and inclusivity, and teams are encouraged to create action plans based on the survey results.

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.

Opportunities to become shareholders in Apple Inc.

Beyond our highly competitive pay, employees are eligible to receive discretionary restricted stock unit ("RSU") grants and become Apple shareholders. As outlined further in Note 4 to the financial statements, the Company's ultimate parent, Apple Inc. operates discretionary employee stock programs relevant to the Company. Apple is one of the few companies in the S&P 500, and the largest technology company, in which employees at all levels are eligible for RSU grants on an annual basis. Employees can also purchase Apple stock at a discount if voluntarily participating in Apple's Employee Stock Purchase Plan.

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Directors' report (continued)

Statement of engagement with employees (continued)

Inclusion and diversity

At Apple, we remain committed to our vision to build and sustain a more inclusive workforce that is representative of the communities we serve. Apple continues to work to increase diverse representation at every level, foster an inclusive culture, and support access to opportunity for all employees.

Apple aims to offer highly competitive total compensation that's in the top tier of each local market and provides all employees with the opportunity to become a shareholder in Apple Inc. Since 2017, Apple has achieved and maintained gender pay equity for all employees. To maintain pay equity, Apple conducts regular, in-depth assessments of total compensation including base pay, discretionary bonuses, and discretionary RSUs granted by Apple Inc.

We publish our Gender Pay Gap report on an annual basis and we're committed to improving the representation of women at all levels of the Company.

Accessibility

Accessibility is one of our values and a fundamental human right. To make sure that all of our team members have the support they need, Apple's own best-in-class accessibility features are in use across Apple by team members with disabilities to remove barriers and enable them to be more productive and successful. We have multiple accessibility-focused trainings available to team members, managers, and recruiters.

We have a dedicated global accessibility and accommodations team to support team members throughout their career journeys. And we have a directory of all of these accessibility resources available that team members can access and search. 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 9 to 11 for more details on our newest accessibility features, which bring benefits to our employees as well as customers.

The impact of COVID-19 and return to the office

At every stage of the pandemic, our first priority has always been the health of our teams, customers, and communities. That meant being one of the first companies to close our offices and finding innovative ways to connect with colleagues and customers virtually.

Since 2020, we've continued our efforts and programs to support our people. To keep our teams informed, we deployed comprehensive resources with up-to-date COVID-19 information, including a dedicated platform for teams returning to the office. COVID-19 case support, implemented for all team members, included return-to-work guidance and contact tracing, with the utmost regard for employee privacy.

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

We've worked to embed respect for human rights across Apple in the technology we make, the way we make it, and how we treat people. 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 set out an overview of our engagement with key stakeholders below, however for more detailed information, please see Apple's Environmental Social Governance website, which can be found here: <https://investor.apple.com/esg>.

Supplier responsibility

Apple is deeply committed to working with our suppliers so that people in our supply chain are safe at work, are treated with dignity and respect, and so that our planet is protected throughout the process of building our products. Through our Supplier Code of Conduct (the "Code") and Supplier Responsibility Standards (the "Standards"), we hold ourselves and our suppliers to the highest standards of labour and human rights, environmental protections, and responsible business practices in our supply chain. And we go further to empower the people in our supply chain through initiatives like our Supplier Employee Development Fund, a \$50 million investment in programs designed to amplify worker voice and provide educational opportunities to the people in our supply chain.

Our suppliers must operate in full compliance with all applicable laws and regulations and in accordance with the principles included in the Code and the Standards, which draw from industry and internationally accepted principles, including, among others, the International Labour Organization's International Labour Standards and the United Nations' Guiding Principles on Business and Human Rights.

Further details on Apple's commitment to supplier responsibility are available at <https://www.apple.com/supplier-responsibility/>.

Accessibility

At Apple, we believe technology can play a powerful role in helping people to create, learn, be more collaborative and independent, foster dignity, and live out their dreams. Accessibility is a human right. Nowhere is that more evident than in our work in accessibility.

Vision
Our features for blind and low-vision users include VoiceOver, an industry-leading screen reader that describes exactly what's happening on your device, and Zoom, a screen magnifier that lets you enlarge the content you see on your device. Magnifier, Apple's built-in app for iPhone and iPad, turns the camera into a digital magnifying glass to increase the size of any physical object you point it at. Detection Mode¹ in Magnifier combines the camera, LiDAR Scanner, and on-device machine learning to offer intelligent tools like People Detection, Door Detection² and Image Descriptions, which give you rich details of your surroundings.

Hearing
Apple was the first to work with top manufacturers to create hearing aids, cochlear implants, and sound processors designed specifically for iPhone and iPad to provide outstanding sound quality. Sound Recognition notifies users of external environmental sounds like running water, alarms, electrical appliances, breaking glass, and more, with the option to train your iPhone or iPad to listen for a specific alarm or electrical appliance sounds. Other features include sign language prominence in FaceTime, which can detect when someone uses sign language in group calls; and Conversation Boost for AirPods Pro, which helps users better follow conversations in crowded or noisy environments.

¹ Detection Mode requires devices with the LiDAR Scanner. The LiDAR Scanner is available only on iPhone 12 Pro, iPhone 12 Pro Max, iPhone 13 Pro, iPhone 13 Pro Max, iPad Pro 12.9 inch (4th generation or later), and iPad Pro 11 inch (2nd generation or later).
² Door Detection can read signs in Cantonese (Simplified, Traditional), Chinese (Simplified, Traditional), English (U.S.), French (France), German (Germany), Italian (Italy), Japanese (Japan), Korean (Korea), Portuguese (Brazil), Russian (Russia), Spanish (Spain), and Ukrainian (Ukraine). Door Detection should not be relied on in circumstances where you may be harmed or injured or in high-risk or emergency situations.

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Directors' report (continued)

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

Physical and motor skills

Users with limited mobility can use Switch Control to navigate their device with a variety of switches, including head-tracking, sound actions, and certified MFi switches. Voice Control³ helps a user control a device with voice commands across iPhone, iPad, and Mac. AssistiveTouch for Apple Watch helps users with upper-body limb differences to enjoy the benefits of Apple Watch without having to touch the display. Apple Watch Mirroring⁴ supports users with quadriplegia or other physical and motor disabilities in controlling Apple Watch via iPhone supported assistive features. iPadOS supports third-party eye-tracking devices, making it possible for people to control iPad using just their eyes.

Learning

Our products are built with an array of features to support people who are neurodivergent or have cognitive disabilities. Background sounds help minimize distractions and support users who want to focus, stay calm, or rest. With Speak Selection for iOS and macOS, audio can be used to support reading or writing comprehension, and Dictation and Siri help anyone who finds speaking easier than typing or writing. Another feature, Guided Access, limits a device to a single app and lets users control which features are available. Learn more about Apple's commitment to accessibility at <https://www.apple.com/accessibility>.

Education

Apple has worked alongside educators for more than 40 years to inspire the next generation of learners, supporting creativity, problem-solving, communication, and collaboration. We believe that education can be a great force for equity, and our goal is to empower all educators and learners with technology that protects student privacy and is accessible for all.

We develop products, programs, tools, and resources for educators to create engaging learning experiences, and we support education leaders and administrators so they can get the most out of the technology in the classroom and beyond.

We believe coding is an essential literacy. Coding with Apple gives educators the tools and resources to help students express themselves and prepare for the future, no matter what career they pursue. Our coding resources make it easy for anyone to learn, write, and teach coding and app design using Swift, Apple's powerful open source programming language.

And we work hand in hand with communities, particularly communities of colour and others that are under resourced, to bring coding, creativity, and entrepreneurship opportunities to learners of all ages.

Privacy

Privacy is a fundamental human right, and we're constantly innovating to give users more transparency and control over their data. It's why we set the industry standard for minimizing data collection and processing a user's data on-device, and build industry-leading transparency and controls into our technology.

Hand in hand with the privacy of our users are our commitments to free expression and access to information. Our products and services help our customers learn, express their creativity, exercise their ingenuity, communicate privately and securely, and share information globally, whether by text message, audio, or sign language over FaceTime video.

Apple's products and services are built with innovative privacy technologies and techniques designed to minimize how much of your data Apple — or anyone else — can access. They contain features designed and implemented over decades to protect customers' privacy and give them control over their information.

³ Voice Control is not available in all areas and on all Apple software. Voice Control utilizes the Siri speech recognition engine for Cantonese (Hong Kong), Chinese (China mainland), English (Australia, Canada, India, UK, U.S.), French (France), German (Germany), Japanese (Japan), and Spanish (Mexico, Spain, U.S.).

⁴ Apple Watch mirroring is available on Apple Watch Series 6 and later.

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Directors' report (continued)

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

Safari was the first browser to block third-party cookies by default as far back as 2003, and in 2017, Safari added Intelligent Tracking Prevention to further limit tracking while still enabling websites to function normally. Random identifiers ensure that routes customers take and the places they search in Maps are not associated with their Apple ID, and iMessage and FaceTime are end-to-end encrypted, so Apple can't eavesdrop on user communications. We launched Advanced Data Protection in December 2022 to provide our users with a means to end to end encrypt additional classes of their iCloud data including iCloud back-up and Photos. Siri was designed from the very beginning in 2011 to not associate the things that users say to Siri with their Apple ID, but instead uses a random identifier generated when a user first enables Siri. That has remained the same since then, and in 2021, with newly introduced on-device speech recognition, the audio of users' Siri requests is processed right on their iPhone or iPad by default.

Apple's Privacy Policy ensures that privacy remains a top priority in all that we do. Our suppliers are also obligated to apply our privacy principles via our contractual terms. We respect users' ability to know, access, change, transfer, restrict, and delete personal data, and we strive to collect the minimum amount of data necessary to power our products and services.

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/privacy/>.

Ethics and compliance

Apple's Business Conduct Policy, which has been adopted by the Company following approval by the directors of the Company, outlines the principles of honesty, respect, confidentiality, and compliance that guide Apple's business practices and apply to Apple suppliers, contractors, consultants, and other business partners when providing goods and services to Apple or acting on our behalf. The Business Conduct Policy applies to all full time and part-time employees and is available to employees in over 20 languages.

The directors of the Company have delegated authority to Apple's Compliance and Business Conduct team, who focus on business conduct, political compliance, export and sanctions compliance, health compliance, antitrust compliance, anti-corruption compliance, and third-party compliance. Additional compliance functions are integrated into our business organizations.

Apple's ethical business practices are set out in our Business Conduct Policy and additional key compliance policies, which have also been adopted by the Company.

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 carried out by Antea Group USA in general accordance with the Greenhouse Gas Protocol and *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	FY21		FY22	
	kWh	tCO ₂ e	kWh	tCO ₂ e
Scope 1 – Heating Fuels	853,878	156.40	593,426	107.55
Scope 1 – Company Vehicles	221,364	50.93	240,525	54.96
Scope 2 – Purchased Electricity (Location-Based) ¹	1,575,050	334.43	2,279,598	440.82
Scope 2 – Purchased Electricity (Market-Based) & Renewable Energy Generation ¹	1,575,050	0	2,279,598	0
Scope 3 – Rental Vehicles	58,751	13.72	40,530	9.21
Scope 3 – Employee Mileage	12,310	3.02	8,316	1.89
Total Gross Emissions*	2,721,353	224.07	3,162,395	173.60
Carbon Offset	-	-224.07	-	-173.6
Total Net Emissions	-	0.00	-	0.00
Intensity Ratios	FY21		FY22	
kWh/sq.ft/year	36.73		31.53	
tCO ₂ e/employee/year (Location-Based Electricity)	0.40		0.38	
tCO ₂ e/£m/year (Location-Based Electricity)	1.31		1.16	

* *Total Gross Emissions includes all Scope 1 emissions; only Scope 2 – Purchased Electricity (Market- Based) & Renewable Energy Generation; and all Scope 3 emissions.*

¹ 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 (REGOs)) and emissions saved through the Company's renewable energy purchasing, resulting in a net nil tCO₂e count.

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Directors' report (continued)

Streamlined Energy and Carbon Reporting (continued)

Climate Action Statement

Building on our achievement of carbon neutrality for Apple's² 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.

The Company is part of the Group and the Group as a whole has reduced its comprehensive carbon footprint by over 45% since the base year of 2015, with the aim of becoming carbon neutral by 2030, including a 75% reduction in emissions compared to 2015.

To reduce emissions from Apple's global facilities, we conduct regular energy audits of our corporate offices, retail stores and data centres to identify system improvements that could reduce energy use. The Group has 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.

The Group sources 100% renewable energy for our electricity use at our offices and data centers. For over 90% of the electricity, we source renewable energy from 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 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.

The Group is applying 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.

By order of the board

Director



Peter Denwood

Dated 23 May 2023

100 New Bridge Street
London, EC4V 6JA

² 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.

Apple (UK) Limited
Registered number 1591116

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 period.

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 23 May 2023

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 ("the Company") for the year ended 24 September 2022 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 24 September 2022 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 our assessment of the financial condition of the Company including but not limited to:

- 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 23 May 2023.

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 14, 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 the Company 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.
- 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.



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 (continued)

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 LLP, Statutory Auditor
Cork, Ireland

Date: 24 May 2023

Apple (UK) Limited

**Statement of comprehensive income
for the year ended 24 September 2022**

	Note	2022 £'000	2021 £'000
Turnover	2	533,365	420,452
Administrative expenses		(470,340)	(370,448)
Operating profit	3	63,025	50,004
Other interest receivable and similar income	5	2,111	726
Interest payable and similar charges	6	(75)	(34)
Profit before taxation		65,061	50,696
Tax on profit	7	11,542	7,144
Profit for the financial year		76,603	57,840
Other comprehensive income		-	-
Total comprehensive income for the year		76,603	57,840

Apple (UK) Limited

**Statement of financial position
at 24 September 2022**

	Note	2022 £'000	2021 £'000
Fixed assets			
Tangible fixed assets	9	17,763	20,129
		17,763	20,129
Current assets			
Debtors: amounts falling due within one year	10	514,248	283,450
		514,248	283,450
Creditors: amounts falling due within one year	11	(70,712)	(41,098)
Net current assets		443,536	242,352
Total assets less current liabilities		461,299	262,481
Provisions	12	(35,771)	(30,880)
Net assets		425,528	231,601
Capital and reserves			
Called up share capital	13	1,000	1,000
Profit and loss account		424,528	230,601
Shareholder's funds		425,528	231,601

These financial statements were approved by the board of directors on 23 May 2023.
and were signed on its behalf by:

Director



Peter Denwood

Dated 23 May 2023

100 New Bridge Street
London, EC4V 6JA

Apple (UK) Limited

**Statement of changes in equity
for the year ended 24 September 2022**

	Called up share capital	Profit and loss account	Capital reserves	Total
	£'000	£'000	£'000	£'000
At 26 September 2020	1,000	37,455	162,145	200,600
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
At 25 September 2021	1,000	230,601	-	231,601
Profit for the financial year	-	76,603	-	76,603
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	76,603	-	76,603
Dividends paid (note 8)	-	-	-	-
Transfer between reserves	-	-	-	-
Share-based payment charge	-	117,324	-	117,324
At 24 September 2022	1,000	424,528	-	425,528

Apple (UK) Limited

Notes to the financial statements for the year ended 24 September 2022

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 24 September 2022

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 recognises 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 24 September 2022

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.

The capital costs associated with capital projects, are accumulated in a construction in progress account until the project is placed in service. When a capital project is placed in service, the fixed assets are transferred from the construction in progress account to the appropriate capital asset accounts.

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 24 September 2022

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.

Dividends

Dividends are recognised as a liability in the financial statements in the year in which they are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

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 24 September 2022

3. Operating profit

	2022	2021
	£'000	£'000
Operating profit is stated after charging:		
Loss on disposal of fixed assets	-	236
Depreciation of tangible fixed assets (note 9)	8,751	9,226
Foreign exchange (gain)/loss	534	(411)
Lease payments recognised as expenses	6,616	3,236

Audit fees were borne by another group company in 2022 and 2021.

4. Staff costs

(a) Staff costs are analysed as follows:

	2022	2021
	£'000	£'000
Wages and salaries	181,053	148,066
Social security costs	57,578	49,272
Pension costs (note 14)	10,370	8,326
Share based payments	117,324	93,161
Total staff costs	366,325	298,825

The average monthly number of employees during the year was 1,597 (2021: 1,385).

(b) Directors' remuneration

There were no payments to directors during the financial year (2021: £Nil).

(c) Share-based payments

As of 24 September 2022 and 25 September 2021, the Company did not have any equity-settled plans or transactions. However, the Company's ultimate parent, Apple Inc. had three employee benefit plans relevant to the Company: the 2022 Employee Stock Plan ("2022 Plan"), 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), exercise of stock options or 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:

2022 Employee Stock Plan

RSUs granted under the 2022 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.

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 24 September 2022

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.

5. Other interest receivable and similar income

	2022	2021
	£'000	£'000
Interest on amounts owed from related undertakings	1,905	726
Other interest income	206	-
	2,111	726

6. Interest payable and similar charges

	2022	2021
	£'000	£'000
Bank charges and fees	21	17
Other charges and interest payable	54	17
	75	34

7. Tax on profit

(a) Tax on profit on ordinary activities

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

	2022	2021
	£'000	£'000
Current tax:		
UK corporation tax at 19% (2021: 19%)	1,865	3,991
Adjustment in respect of prior years	(3,352)	(2,102)
Total current tax (credit)/charge	(1,487)	1,889
Deferred tax:		
Depreciation/ capital allowances	(455)	(1,042)
Other timing differences	(6,077)	(5,128)
Impact of previously enacted future tax rate	(3,523)	(2,863)
Deferred tax credit	(10,055)	(9,033)
Tax on profit on ordinary activities	(11,542)	(7,144)

Apple (UK) Limited

Notes to the financial statements for the year ended 24 September 2022

7. Tax on profit (continued)

(b) Reconciliation of the total tax credit

The tax (credit)/charge for the year is different to the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022	2021
	£'000	£'000
Profit on ordinary activities before taxation	65,061	50,696
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	12,362	9,632
Difference between UK GAAP and UK tax treatment of share based compensation	(17,207)	(11,686)
Other adjustments	48	250
Impact of previously enacted future tax rate	(3,523)	(2,863)
Adjustment in respect of prior years - (over)/under provision	(3,352)	(2,102)
Adjustment in respect of prior year deferred tax asset - (over)/under provision	130	(375)
Total tax credit	(11,542)	(7,144)

(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 (2021: 19% or 25%)

Deferred tax

The Company has a recognised deferred tax asset of £35,843,000 (2021: £25,788,000) comprising:

	2022	2021
	£'000	£'000
Accelerated capital allowances	3,518	2,219
Share based payments timing difference	32,325	23,569
	35,843	25,788
Deferred tax asset at start of year	25,788	16,755
Deferred tax credit in profit and loss account	10,055	9,033
Deferred tax asset at end of year	35,843	25,788

The Company reviews its position on the utilisation of deferred tax assets on an annual basis. Currently the Company expects £17,160,000 (2021: £12,529,000) 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 24 September 2022

8. Dividends

	2022	2021
	£'000	£'000
Declared and paid during the year	-	120,000

9. Tangible fixed assets

	Leasehold improvement	Office equipment	Construction in progress	Total
	£'000	£'000	£'000	£'000
Cost:				
At the beginning of year	9,606	45,772	1,034	56,412
Additions	302	5,909	711	6,922
Disposals	(566)	(1,465)	(489)	(2,520)
Transfer from CIP	540	83	(623)	-
At end of year	9,882	50,299	633	60,814
Depreciation:				
At the beginning of year	(7,182)	(29,101)	-	(36,283)
Charge for year	(978)	(7,773)	-	(8,751)
Disposals	566	1,417	-	1,983
At end of year	(7,594)	(35,457)	-	(43,051)
Net book value:				
At 24 September 2022	2,288	14,842	633	17,763
At 25 September 2021	2,424	16,671	1,034	20,129

10. Debtors: amounts falling due within one year

	2022	2021
	£'000	£'000
Amounts owed by group undertakings	374,767	199,354
Amounts owed by parent undertaking	83,934	45,300
VAT receivable	3,337	2,283
Prepayments and accrued income	1,971	677
Corporation tax	14,396	10,048
Deferred tax asset (Note 7)	35,843	25,788
	514,248	283,450

Included within 'amounts owed by group undertakings' are amounts that arise as a result the Company's participation in an intragroup working capital facility. These amounts are interest bearing and repayable on demand.

The amounts owed by parent undertaking are non-interest bearing and repayable on demand.

Apple (UK) Limited

Notes to the financial statements for the year ended 24 September 2022

11. Creditors: amounts falling due within one year

	2022	2021
	£'000	£'000
Trade creditors	3,723	3,418
Amounts owed to group undertakings	14,459	3,264
Other taxes and social security taxes	11,449	8,628
Accruals	41,081	25,788
	70,712	41,098

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
At 25 September 2021	28,736	2,144	30,880
Arising during the year	8,900	-	8,900
Utilised during the year	(3,821)	(188)	(4,009)
At 24 September 2022	33,815	1,956	35,771

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 2022 and 2025.

13. Called up share capital

	2022	2021
	£'000	£'000
Allotted, called up and fully paid		
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 24 September 2022

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 £10,370,000 (2021: £8,326,000). The liability outstanding at year end was £3,356,000 (2021: £1,408,000).

15. Commitments

Capital Commitments

There were capital commitments of £25,000 at 24 September 2022 (2021: £Nil).

16. Guarantees

The Company has issued a guarantee in favour of HM Customs & Excise in the amount of £174,000 (2021: £174,000).

17. Obligations under lease contracts

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

	2022	2022	2021	2021
	Buildings	Others	Buildings	Others
	£'000	£'000	£'000	£'000
- Not later than one year	2,926	3,337	3,217	2,507
- Later than one year and not later than five years	4,025	1,545	6,264	1,744
- Later than five years	1,488	-	1,915	175
	8,439	4,882	11,396	4,426

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 24 September 2022**

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 24 September 2022.

21. Approval of financial statements

The directors issued and approved the financial statements on 23 May 2023.