Registered number: 00115834

Legrand Electric Limited

Annual report and financial statements

For the Year Ended 31 December 2022

Contents

The directors present their strategic report on the company for the year ended 31 December 2022.

Business review

The company manufactures and sells cable management systems, electrical work station solutions, energy saving lighting controls, electrical user interface products and monitoring systems for the assisted living market.

Turnover increased by 16% from £104,663,000 to £121,895,000 as business continued to grow despite continuing material supply problems. The company held its market share in most of the segments it sells into, with no significant decline.

Gross margin performance has decreased slightly by 1.3%, from 44.0% to 42.7%. Raw material price increases and component availability caused problems in the company's ability to service its customers. The directors have maintained their vigilance in containing expenditures wherever possible.

The working capital position of the company has decreased from £81,400,000 to £57,911,000. This decrease has been caused by the funding of investment in new subsidiaries. The working capital position is constantly monitored to ensure funds are available to meet liabilities.

Principal risks and uncertainties

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval.

The principal risks and uncertainties facing the company are:

Non-financial risks

In common with many organisations, the impact of wage inflation and skill shortages in key areas created high staff turnover for the company. The company believes it offers competitive salaries and a good working environment. Redundancy costs were incurred as a result of a reorganisation of customer-facing departments in order to provide an improved service to customers.

Financial risk management and objectives

The company's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk and liquidity risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. The company invests in new technology to ensure both its' products and operations remain as climate friendly as possible.

Price risk

The company is exposed to commodity price risk as a result of its operations. Of particular note would be the steel price and energy costs. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Credit risk

The principal financial assets of the business are trade debtors and loans to group undertakings. The company has implemented policies that require appropriate credit checks on potential customers before sales are made.
The company has a diverse range of customers with no great dependency on any one individual customer. A credit insurance policy is in place on the customer base.
Loans from group companies are monitored and verified on a monthly basis.

Principal risks and uncertainties (continued)

Liquidity risk
The company actively maintains an appropriate level of liquidity. Borrowing facilities are available from group companies in the event of the company being in a negative liquid position.

Key performance indicators

The company uses the following key performance indicators to monitor and assess performance:

Gross profit as a percentage of sales: 42.7% in the year ended December 31, 2022 and 44.0% in the year ended December 31, 2021.

Operating profit as a percentage of sales: 10.4% in the year ended December 31, 2022 and 8.1% in the year ended December 31, 2021. The main cause of this increase is that distribution and administration costs have remained stable while gross profit has increased. Management are continuing to monitor distribution and administration costs.

Net assets: Increased from £161,967,000 at December 31, 2021 to £178,008,000 at December 31, 2022 - caused by the net profit and actuarial gain on pension schemes.

Staff turnover: 26.1% for 2022, an increase from 20.7% for 2021 – which reflects the buoyant jobs market in the UK, together with the skill shortages in the country.

Future developments

The company intends to pursue its current policies of pursuing sustainable growth across the various customer verticals, and with vigilance on gross margin levels and tight control of overhead expenditure, expects to be profitable in the forthcoming year.

There has been no significant impact on the business caused by the Russia/Ukraine war other than an increase in energy prices. New contracts have been negotiated to mitigate this as much as possible.

Section 172(1) statement

The Companies (Miscellaneous Reporting) Regulations 2018 require directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company.

The directors recognise that they have an important role in assessing and monitoring that the desired culture is embedded in the values, attitudes and behaviours the company demonstrates in its activities and stakeholder relationships. The Legrand Group has established honesty, integrity and respect for people as core values. The Group's Corporate and Social Responsibility (CSR) programme helps everyone act in line with these values and comply with relevant laws and regulations. The directors also strive to maintain a diverse and inclusive culture.

Section 172(1) (A) - The likely consequences of any decision in the long term

The company is a member of the Legrand Group CSR programme. The overall sustainability and growth objective of the Group programme to which the company subscribes takes account of megatrends in society – technology and user habits, ageing populations, environmental protection, urbanisation, increasing mobility, the Internet of Things, the digital revolution and more, offer important development opportunities, especially in energy efficiency, assisted living, datacentres and connected products. This is why the Group launched its 'Eliot' programme in 2015 with the aim of accelerating the rollout of the Group's Internet of Things offer, and position it at the heart of the connected building ecosystem. The impact of the 'Eliot' programme has meant that existing products have been enhanced to meet, or surpass, current market expectations.

The company operates a research and development programme in order to develop innovative products to introduce to the market to safeguard the company's long-term future.

The directors understand the business and the evolving environment in which the company operates. The company's trade has 5 divisions – Cable Management Systems, Power Supply, Energy Controls, User Interface and Assisted Living and Healthcare. While all divisions of the trade are allied to the overall general construction market, the nature of each division's products and customers means that the business cycles vary for each division which results in a more sustainable business environment for the company to operate in and which benefits the overall trade of the company.

Section 172(1) (B) - The interests of the company's employees

The directors recognise that its employees are fundamental and core to the business and the delivery of its strategic ambitions. The success of the business depends on attracting, retaining and motivating employees. By ensuring that we remain a responsible employer, from pay and benefits to the health, safety and workplace environment, the directors take into consideration the implications of decisions on employees, where relevant and feasible.

The company recognises the importance of engaging with its workforce. Engagement is especially important in maintaining strong business delivery in volatile times. The company therefore strives to maintain a dialogue between management and the workforce – both directly and where appropriate, through representative bodies. Management regularly engages with the workforce through a range of formal and informal channels, including via e-mails, team meetings and the quarterly in-house magazine.

Section 172(1) (C) - The need to foster the company's business relationships with suppliers, customers and others

Delivering the company's strategy requires strong mutually beneficial relationships with suppliers and customers, most commonly by meetings held with the various parties. The company seeks the promotion and application of certain general principles in such relationships, in particular with reference to anti-corruption, anti-fraud, and compliance with sanctions and embargoes. The ability to promote these principles effectively is an important factor in the decision to enter into or remain in such relationships. In particular, the company requires its business partners to abide by the principles set out in the Legrand Compliance programme, especially with reference to the Legrand Guide to Good Business Practices.

The directors recognise the role the company plays in society and is deeply committed to collaboration and stakeholder engagement. This commitment is at the heart of the company's strategic ambitions. The directors strongly believe that the company will only succeed by working with customers, business partners and other stakeholders. Working together is critical, particularly at a time when society, including businesses, governments and consumers, face issues as complex and challenging as climate change.

The company aims to build on its record of working with others, such as industry and trade groups, universities, and in some instances our competitors through industry bodies. We believe that working together and sharing knowledge and experience with others offers greater insight into our business.

We engage with our customers and suppliers regularly and request formal feedback through our annual customer satisfaction survey.

Section 172(1) (D) - The impact of the company's operations on the community and the environment

The company respects all rules and regulations in the communities where it operates.

As a global specialist in electrical and digital building infrastructures, the company capitalises on its privileged position as a supplier of energy efficiency solutions that can be applied at its own sites. Legrand is committed to a policy of continuous improvement of its energy efficiency.

All of the company's production sites are certified to the Environmental Management Standard ISO 14001 : 2015.

The company has four production sites in the UK. Approximately 80% of the company's sales are of products manufactured at these sites. The company is proud of maintaining a manufacturing base in the UK and providing jobs and opportunities in the areas where it operates.

Section 172(1) (E) - The desirability of the company maintaining a reputation for high standards of business conduct

The company is a member of the Legrand Group Compliance Programme that aims to promote and ensure high standards of business conduct.

The four elements of the programme are –

- Anti-Corruption
- Promotion of Fair Competition
- Adherence to Trade Embargoes and Anti-Money Laundering
- Prevention of Fraud

Part of the company's customer base is Local and National Government accounts. The company is aware of the strict requirements required when dealing with these customers.

The directors periodically review and approve clear frameworks, including Ethics & Compliance guides, and its Modern Slavery Statements, to ensure that its high standards are maintained both within the business as well as with business partners.

This, complemented by the ways the directors are informed and monitor compliance with relevant governance standards help assure its decisions are taken in ways that promote high standards of business conduct.

Section 172(1) (F) - The need to act fairly as between members of the company

The company is a wholly-owned subsidiary of Legrand UK Limited. Consequently, conflicts of interest between different members is not applicable.

Principal Decisions

Company acquisitions

The company made two acquisitions during the year: USystems Limited and Power Control Limited. These acquisitions expand the product range into data centres bringing existing footholds in the United States as well as the UK.

Approval of the annual budget

The annual budget approval process is an integral part of the structure of the Legrand Group. The assumptions, calculations and capital spending plans made by the board are questioned and tested by the French parent company before a final budget is approved.

Capital allocation and dividend policy

Details of capital expenditure can be found in notes 10 and 11.

The company's balance sheet shows that the company has positive reserves. Consideration will be given by the directors as to the appropriateness of paying a dividend to its parent company.

This report was approved by the board on 02 February 2024 and signed on its behalf.

Paolo Murdocca
Company Secretary

Registered office:
Great King Street North
Birmingham
B19 2LF

The directors present their directors' report on the affairs of Legrand Electric Limited ('the Company'), together with the financial statements and auditor's report, for the year ended 31 December 2022.

Comments on future developments and Financial Risk Management Objectives can be found in the Strategic report on pages 1 to 6.

Directors' responsibilities statement
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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 Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK 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 accounting estimates that are reasonable and prudent; 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 adequate 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. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Results and dividends
The profit for the year, after taxation, amounted to £9,386,000 (2021 - £5,918,000).

The directors are to consider the payment of a dividend (2021 - £ Nil).

Directors
The directors who served throughout the year and to the date of this report were as follows:

Legrand France SA
A E Chessy Appareillage Electrique de Chessy SAS
F Lemery

Going concern

The company has no external borrowings or covenanted payments to make. The net funding position of loans payable to the company by other Legrand Group companies is £25,915,000 (2021: £57,292,000).

The net current asset position of the company has decreased from £81,400,000 at 31 December 2021 to £57,911,000 at 31 December 2022. This decrease has been caused by the funding of investment in new subsidiaries.

The company is a member of the Legrand Group cash pooling facility that provides immediate access to funding in the event of the company requiring any short term funding.

After making enquiries and considering forecasts and projections, taking into account reasonably possible changes in trading performance such as supply chain issues and increases in costs, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements, having a detailed cashflow analysis out to the end of 2024.

Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts. The principal risks and uncertainties are discussed in the strategic report.

Research and development activities

Research and development work is performed by the company into product improvement and development. Details of expenditure on research and development incurred in the year are given in notes 4 and 10 of the financial statements.

Engagement with employees

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Employees are encouraged to become involved in the company's performance.

Further details are given in the S172 statement in the Strategic report on pages 1 to 6.

Disabled employees

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, where possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Director's Indemnities

No qualifying third-party indemnity provisions have been put in place for the benefit of any directors.

Streamlined energy and carbon report

Scope and reporting methodology

In accordance with the 2018 regulations which amend the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008, the following energy and carbon sources are required to be reported within Large Unquoted Company Annual Accounts:

• Natural Gas Consumption
• Electricity Consumption
• Transport Consumption where the organisation has direct responsibility for the purchasing of fuel e.g., for company vehicles and personal vehicles used for business purposes.
*Although Scope 3 Emissions from the Generation of Electricity is not strictly required, Legrand Electric Ltd has continued to include it in their SECR reporting for continuity purposes.

The following methodologies have been used to calculate the above CO2e emissions:
• The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (revised edition)
• The Department of Environment, Food and Rural Affairs (DEFRA) Environmental Reporting Guidelines (2020).

Legrand Electric Ltd undertook many energy saving actions in the 2022 year, including the following projects:

Utilise Renewable Technologies
• The Consett site continues to generate electricity using solar PV technology in efforts to reduce emissions. In 2022, Consett generated nearly 186 MWh of electricity; of which 114 MWh (61%) was consumed on site and the remainder exported to the grid.

LED lighting:
• The Wembley site replaced their fluorescent lighting with LED lighting and lighting controls at their site in July 2022. As reported by the company, a saving of 22 MWh of electricity was made. This reduced CO2 emissions by 12.7 tonnes.

Heating Improvements:
• The company invested in many different areas to help reduce the impact of heating our buildings during 2022. In late 2021 at the Consett site, a new efficient gas boiler was installed along with new UPVC double glazed windows.
• In June 2022 at the Wembley site, a whole new factory heating system was installed, along with a BMS and destratification fans. Heating output was reduced across the site and control over it was improved.
• At the Scarborough site in July 2022, destratification fans were installed across the production area and extra insulation was put in the packing area.
• A new Heating standard was also introduced to all company sites in the UK to harmonise the parameters to which the heating systems should be set at.
• As reported by the company, a total UK saving of 432 MWh of gas was made. This reduced CO2 emissions by 128.8 tonnes.

Process Improvements:
• At Scarborough, a process improvement trial was conducted in late 2022 in the galvanising plant, where gas consumption is high due to process heating demand. The trial involved reducing the operating temperature of the galvanising furnaces by up to 3qC to help reduce gas consumption and zinc coating thickness of the final products.
• As reported by the company, this is estimated to reduce energy consumption by 48 MWh and CO2 emissions by 13.7 tonnes, but the full benefit will not be seen until March 2024.

Air conditioning Improvements:
• At the Wembley site, solar reflective window film was installed on all windows around the building in October 2022. This will help to reduce the amount of heat that transfers from the sun into the building and will help reduce the demand on the air conditioning units during the summer, saving electricity.
• As reported by the company, a saving of 18 MWh of electricity was calculated, further reducing CO2 emissions by 5.2 tonnes.

Greenhouse gas emissions and energy use data:

	Units	1 Jan – 31 Dec 2022 Location based	1 Jan – 31 Dec 2021 Location based
Emissions from combustion of gas and fuel for transport purposes (Scope 1)	tCO2e	1,562	1,571
Emissions from purchased electricity (Scope 2)	tCO2e	519	571
Emissions from generation of electricity that is consumed in a transmission and distribution system for which the company does not own or control (Scope 3)	tCO2e	48	51
Emissions from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel (Scope 3)	tCO2e	9	7
Total gross emissions	tCO2e	2,138	2,200
Energy consumption used to calculate above emissions	kWh	10,626,197	10,577,317
Intensity measurement	£m revenue	121.895	104.663
Intensity ratio	tCO2e / £m Revenue	18	21

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Due to the change of auditor at Legrand S.A., it is expected that Mazars LLP will be appointed auditor of the company following the signing of these financial statements, in accordance with section 485 of the Companies Act 2006.

Political contributions

The Company made no political contributions during the year (2021 - £Nil).

Differences between market and balance sheet value of land and buildings

The directors are of the opinion that the market value of land and buildings at 31 December 2022 exceeded its net book value by approximately £737,000 (2021 - £965,000). No provision for has been made in the financial statements in respect of this surplus.

Engagement with suppliers, customers and others

The Company has an active policy of engaging with suppliers, customers and other interested parties in order to foster good working relationships. Regular exchanges are made on topical issues, such as General Data Protection Regulation, Brexit and COVID19.

In such exchanges the Company raises awareness of the Legrand Group Corporate and Social Responsibility programme and Compliance programme.

Events after the balance sheet date

No significant events that would have had an impact on the company, have occurred since the balance sheet date and the signing of these financial statements.

This report was approved by the board on and signed on its behalf.

02 February 2024

Paolo Murdocca
Company Secretary

Independent auditor's report to the members of Legrand Electric Limited

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of Legrand Electric Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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.

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 at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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

Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. This included UK General Data Protection and Streamlined Energy and Carbon Reporting Regulations.

We discussed among the audit engagement team including relevant internal specialists such as pensions regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- *Accounting and Recognition of sales rebates*
  The valuation of accrued sales rebates is an area containing elements of estimation and requires management to exercise judgements in this regard. The valuation is primarily impacted by the level of sales and percentage of rebate agreed per the contract. Whilst the calculation of sales rebates before payment to a customer is mechanical, management must apply judgement to estimate the accrued rebate balance for year-end reporting based on historical trading patterns.

To address the risk of fraud in the accounting and recognition of sales rebates, we have performed the following:

- Understood the controls in respect of management's review of the sales rebate accrual;
- Performed an independent expectation of the annual rebate expense based on rebate agreements and revenue and compared with the annual rebate expense per the financial statements;
- For a sample of customers, performed a recalculation of the rebate accrual based on revenue recognised, the rebate percentages in the rebate agreements and settlements already made in the year to date;
- Compared the amount accrued as of 31 December 2021 with the subsequent settlements made in 2022 to verify the accuracy of the amount accrued in prior year; and
- Reviewed post year end rebate settlements in 2023 and compared against the level accrual as of 31 December 2022 to note any material differences.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

Report on other legal and regulatory requirements

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 the directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.

LLClamp

Louise Clamp FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, UK
Date: 02 February 2024

Legrand Electric Limited

Profit and loss account
For the Year Ended 31 December 2022

	Note	2022 £000	2021 £000
Turnover	3	121,895	104,663
Cost of sales		(69,823)	(58,629)
Gross profit		52,072	46,034
Distribution costs		(16,636)	(15,062)
Administrative expenses		(22,745)	(22,535)
Operating profit	4	12,691	8,437
Finance income/(costs) net	8	401	(199)
Profit before taxation		13,092	8,238
Tax on profit	9	(3,706)	(2,320)
Profit for the year attributable to the equity shareholders of the Company		9,386	5,918

All amounts relate to continuing operations.

The notes on pages 21 to 47 form part of these financial statements.

Statement of comprehensive income
For the Year Ended 31 December 2022

	Note	2022 £000	2021 £000
Profit for the financial year		9,386	5,918
Other comprehensive income			
Actuarial gain on defined benefit schemes	17	8,873	13,164
Recognition of deferred tax on defined benefit pension scheme	20	(2,218)	2,922
Total comprehensive income for the year		16,041	22,004

Legrand Electric Limited
Registered number: 00115834

Balance sheet
As at 31 December 2022

	Note		2022 £000		2021 £000
Fixed assets					
Intangible assets	10		64,439		70,035
Tangible assets	11		14,465		15,460
Investments	12		41,193		5,589
			120,097		91,084
Current assets					
Stocks	13	23,677		18,230	
Debtors: Amounts falling due after more than one year	14	33,027		39,358	
Debtors: Amounts falling due within one year	14	37,795		51,942	
Cash at bank and in hand		213		2,072	
		94,712		111,602	
Creditors: Amounts falling due within one year	15	(36,801)		(30,202)	
Net current assets			57,911		81,400
Total assets less current liabilities			178,008		172,484
Provision for liabilities	17		-		(10,517)
Net assets			178,008		161,967
Capital and reserves					
Called up share capital	22		145,110		145,110
Profit and loss account	21		32,898		16,857
Shareholders' funds			178,008		161,967

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

F Lemery
Director

02 February 2024

The notes on pages 20 to 47 form part of these financial statements.

Statement of changes in equity
As at 31 December 2022

	Note	Share capital £000	Profit and loss account £000	Total share holders' funds £000
At 1 January 2022		145,110	16,857	161,967
Profit for the year		-	9,386	9,386
Actuarial gain on pension scheme	17	-	8,873	8,873
Recognition of deferred tax liability		-	(2,218)	(2,218)
Other comprehensive income for the year		-	6,655	6,655
Total comprehensive income for the year		-	16,041	16,041
At 31 December 2022		145,110	32,898	178,008

Statement of changes in equity
As at 31 December 2021

	Note	Share capital £000	Profit and loss account £000	Total share-holders' funds £000
At 1 January 2021		145,110	(5,147)	139,963
Profit for the year		-	5,918	5,918
Actuarial gain on pension scheme	18	-	13,164	13,164
Recognition of deferred tax asset		-	2,922	2,922
Other comprehensive income for the year		-	16,086	16,086
Total comprehensive income for the year		-	22,004	22,004
At 31 December 2021		145,110	16,857	161,967

The notes on pages 21 to 47 form part of these financial statements.

1. Accounting policies

General information and basis of accounting

Legrand Electric Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 6. The nature of the company's operations and its principal activities are set out in the strategic report on pages 1 to 6. The financial statements have been prepared under the historical cost convention modified to include pension assets at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the following disclosure exemptions in preparing its financial statements, as permitted by FRS 102:

- The requirements of Section 33 Related Party Disclosures, paragraph 33.7;
- The requirements of section 11 Basic Financial Instruments; and
- The requirement to prepare a company only cash flow statement.

The following principal accounting policies have been applied:

1.1 Going concern

The company is a member of the Legrand Group cash pooling facility that provides immediate access to funding in the event of the company requiring any short term funding.

The company has no external borrowings or covenanted payments to make. The net funding position of loans payable to the company by other Legrand Group companies is £25,915,000 (2021: £57,292,000).

The net current asset position of the company has fallen from £81,400,000 at 31 December 2021 to £57,911,000 at 31 December 2022.

After making enquiries and considering forecasts and projections, taking into account reasonably possible changes in trading performance such as supply chain issues and increases in costs, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements, having a detailed cashflow analysis out to the end of 2024.

Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts. The principal risks and uncertainties are discussed in the strategic report.

1.2 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

1. Accounting policies (continued)

1.2 Financial instruments (continued)

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments that comply with all of the condition of paragraph 11.9 of FRS 102 are classified as 'basic'. For debt instruments that do not meet the conditions of FRS 102.11.9, the company considers whether the debt instrument is consistent with the principle in paragraph 11.9A of FRS 102 in order to determine whether it can be classified as basic. Instruments classified as 'basic' financial instruments are measured subsequently at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year and are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

Investments in non-derivative instruments that are equity of the issuer (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of transaction costs.

(iv) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique. Certain exemptions from paragraphs 11 and 12 of FRS 102 have been taken.

1. Accounting policies (continued)

The company assesses at each reporting date whether an asset may be impaired. If any such indication exists the company estimates recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs. The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in profit and loss unless the asset is carried at a revalued amount where the impairment loss of a revalued asset is a revaluation decrease.

If an impairment loss is subsequently reversed, the carrying amount of the asset or group of related assets is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognised for the asset or group of related assets in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss.

1.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold buildings	-	40 years
Freehold land	-	Not depreciated
Other assets	-	5 to 15 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Assets under construction represents ongoing construction costs of fixed assets not yet completed. Assets under construction are not depreciated until they are completed and available for use.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the profit and loss account.

1.4 Impairment of assets

Fixed assets and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cashflows. The impairment loss is charged to the profit and loss account and is included in Cost of sales. Any subsequent increase in recoverable amount is recognised in the profit and loss account as a reversal to the impairment loss. Impairment losses are disclosed in note 4.

1. Accounting policies (continued)

1.5 Consolidation

The company is a wholly owned subsidiary of Legrand UK Limited, a company incorporated in the United Kingdom, which in turn is owned by Legrand France SA which is wholly owned by Legrand SA, a company incorporated in France. As permitted by section 400 of the Companies Act 2006, the company is exempt from the requirement to prepare consolidated financial statements. These financial statements are separate financial statements.

Legrand SA's consolidated financial statements are publicly available. See note 23.

1.6 Stocks

Stocks and work in progress are stated at the lower of cost and net realisable amount. In general, cost is determined on a first in first out basis and includes all direct expenditure and production overheads based on the normal level of activity.

Net realisable amount is the price at which the stock can be realised in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from its existing state to a finished condition.

Provision is made for obsolete, slow moving and defective stock.

1.7 Foreign currency translation

Functional and presentation currency
The company's functional and presentational currency is GBP.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

1.8 Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable.

Provisions for rebates to customers are based upon the terms of individual contracts, with rebates granted based upon a tiered structure dependent upon an individual customer's purchases during the rebate period. Customer rebates are recorded in the same period as the related sales as a deduction from turnover.

Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

1. Accounting policies (continued)

1.9 Taxation

The charge or credit for taxation is based on the result for the period as adjusted for disallowable and non taxable items.

Consideration receivable or payable in respect of losses surrendered or claimed by way of group relief is dealt with in the profit and loss account.

1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if 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.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

1.11 Pensions

The company operates four defined contribution plans for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

The company also operates three defined benefit pension schemes, the assets of which are held separately from those of the company in independently administered funds. The Legrand Ireland Limited Retirement and Death Benefits Plan will close in 2023.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability. The increase in the present value of the liabilities of the company's defined benefit pension schemes expected to arise from employee service in the period is charged to operating profit. The expected returns on the schemes' assets and the increase during the year in the present values of the schemes' liabilities arising from the passage of time are included in other finance income/charges. Actuarial gains and losses are recognised in the statement of other comprehensive income.

Pension schemes' surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet.

1.12 Research and development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised on a straight line basis over the period during which the company is expected to benefit. This period is expected to be between five and six years. Provision is made for any impairment.

Development costs are capitalised in accordance with FRS 102 section 18 Intangible Assets other than goodwill and are therefore not treated, for dividend purposes, as a realised loss.

1. Accounting policies (continued)

1.13 Cash flow statement

The ultimate parent company is Legrand SA, a company incorporated in France whose accounts are publicly available. Consequently, the company has taken advantage of the exemption given in FRS 102 section 7 and accordingly, a separate cash flow statement is not presented for the company.

1.14 Related party disclosure

The company is exempt under the terms of FRS 102 section 33 from disclosing related party transactions with entities that are part of the Legrand SA group or investees of the Legrand SA group. The company is also exempt from disclosing the remuneration for key management personnel.

1.15 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses.

Goodwill is amortised over its estimated useful economic life of 20 years using the straight line method.

Other Intangible assets

Intangible assets consist of intellectual property and capitalised development expenditure and are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life of between 6 and 10 years. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed 5 years. Amortisation is made on a straight line basis and is charged as an Administrative expense.

1.16 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

2. Critical judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. Critical judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Judgements

No key judgements were made during the year.

Estimates

2.1 Pension assumptions

The company operates 3 defined benefit pension schemes and the directors are required to set a number of actuarial assumptions in order to perform the valuation of the schemes' liabilities as at year end. The directors are required to estimate a number of assumptions including discount rate and inflation. Due to the nature of such assumptions and the significant level of sensitivity of the schemes' liabilities to them, the directors engage qualified actuaries to assist with determining these and performing valuation in accordance with FRS 102. A 0.5% increase in discount rate decreases liabilities of all 3 schemes by £4,168,000; a 0.25% increase in inflation increases liabilities of all 3 schemes by £815,000. Pension assumptions and year end values can be found in note 18.

2.2 Rebate provision

The company carries a provision for rebates based on forecasted annual sales revenue and agreed rebate rates for each customer. Such forecasts require management to apply some levels of estimation of final sales outcomes. The rebate provision, which is included within accruals within Creditors: amounts falling due within one year, amounted to £3,997,000 in 2022 (£3,243,000 in 2021).

3. Analysis of turnover and revenue

All turnover arises from the company's principal activities of the sale of electrical cable management systems, electrical work station solutions, electrical wiring accessories and electronic security systems which constitute a single class of business.

Analysis of turnover by market:

	2022 £000	2021 £000
United Kingdom	106,387	92,469
Rest of Europe	11,079	8,711
Rest of the World	4,429	3,483
Total turnover	**121,895**	**104,663**

4. Operating profit

The operating profit is stated after charging/(crediting):

	2022 £000	2021 £000
Amortisation - goodwill	5,199	5,198
Depreciation of tangible fixed assets	1,903	1,852
Amortisation of research and development expenditure	975	1,198
Stock impairment – included in Cost of sales	79	367
Reversal of stock impairment – included in Cost of sales	(13)	(207)
Bad debt charge	86	130
Gain on sale of fixed assets	20	25
Operating lease rentals		
- plant and machinery	1,226	1,228
- other	899	949
Research and development expenditure expensed	1,761	1,956
Exchange loss/(gain)	630	(40)

5. Auditor's remuneration

	2022 £000	2021 £000
Fees payable to the company's auditor and its associates for the audit of the company's financial statements	195	170

There were no non-audit services provided to the company by the company's auditor in the current or prior period.

6. Employees

Staff costs were as follows:

	2022 £000	2021 £000
Wages and salaries	23,946	22,680
Social security costs	2,294	2,065
Cost of defined benefit schemes	230	359
Cost of defined contribution schemes	1,783	1,667
	28,253	26,761

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Production	285	287
Selling and distribution	160	159
Administration	192	187
	637	633

7. Directors' remuneration

No remuneration was paid to the directors specifically for their services to the company in either year. There were no retirement benefits accruing to the directors (2021 - none). Each of the directors receives remuneration from other companies in the Legrand SA group of companies.

8. Finance (income)/costs net

	2022 £000	2021 £000
Interest receivable and similar income		
Interest receivable on loans to group companies	(595)	(130)
Other interest receivable	-	(4)
	(595)	(134)
Interest payable and similar expenses		
Interest payable on loans from group companies	32	-
Net interest cost on pension obligations (note 18)	162	383
	194	333
Finance (income)/costs net	(401)	199

9. Tax on profit

	2022 £000	2021 £000
Corporation Tax		
Current tax charge on profits for the year	2,776	1,942
Corporation tax - adjustments re prior years	64	(202)
Foreign tax suffered	174	-
Total Corporation Tax	3,014	1,740
Deferred Tax (note 20)		
Origination and reversal of timing differences	548	432
Adjustments in respect of prior periods	(29)	(40)
Effect of changes in tax rates	173	188
Total Deferred Tax	692	580
Total current tax	3,706	2,320

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19.00% (2021 – 19.00%). The differences are explained below:
The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2022 £000	2021 £000
Profit before taxation	13,092	8,238
Profit multiplied by standard rate of corporation tax in the UK of 19.00% (2021 – 19.00%)	2,487	1,565
Effects of:		
Fixed asset differences	1,127	1,206
Expenses not deductible for tax purposes	30	27
Income not taxable for tax purposes	(33)	(48)
Adjustments to tax charge in respect of prior periods	35	(242)
Fixed asset investment credit	(21)	(52)
Movement in deferred tax not recognised	-	(324)
Effect of overseas tax	(92)	-
Tax rate change	173	188
Total tax charge for the year	3,706	2,320

Factors that may affect future tax charges
In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17% as previously enacted). This new law was deemed substantively enacted on 17 March 2020. In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase from 19% to 25%. This new law was deemed substantively enacted on 24 May 2021 and the deferred tax balances at the year end have been calculated based on this rate.

10. Intangible assets

	Goodwill £000	Intellectual property & Development expenditure £000	Total £000
Cost			
At 1 January 2022	103,970	8,126	112,096
Additions	-	578	578
At 31 December 2022	103,970	8,704	112,674
Amortisation			
At 1 January 2022	36,390	5,671	42,061
Charge for the year	5,199	975	6,174
At 31 December 2022	41,589	6,646	48,235
Net book value			
At 31 December 2022	62,381	2,058	64,439
At 31 December 2021	67,580	2,455	70,035

Goodwill has arisen on the acquisition of the businesses, assets and liabilities from subsidiary companies.

Development costs have been capitalised in accordance with the requirements of FRS 102. Such costs relate to the development of identifiable new products that have not yet been launched onto the market, but in the opinion of the directors, such products will be a profitable addition to the portfolio of the company's product range.

The directors believe that no impairment is required against the value of intangible fixed assets.

11. Tangible assets

	Freehold land and buildings £000	Other assets £000	Assets under construction £000	Total £000
Cost				
At 1 January 2022	10,367	27,140	2,358	39,865
Additions	87	472	354	913
Disposals	-	(350)	-	(350)
Transfers between classes	129	1,487	(1,616)	-
At 31 December 2022	10,583	28,749	1,096	40,428
Depreciation				
At 1 January 2022	4,343	20,062	-	24,405
Charge for the period	248	1,655	-	1,903
Disposals	-	(345)	-	(345)
At 31 December 2022	4,591	21,372	-	25,963
At 31 December 2022	5,992	7,377	1,096	14,465
At 31 December 2021	6,024	7,078	2,358	16,460

12. Investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2022	135,964
Additions	35,604
At 31 December 2022	171,568
Impairment	
At 1 January 2022	130,375
Charge for the period	-
At 31 December 2022	130,375
At 31 December 2022	41,193
At 31 December 2021	5,589

12. Investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Tyneteo Ltd	England	Ordinary	100% Direct	Dormant
Electrak Holdings Ltd	England	Ordinary	100% Direct	Parent of a group of dormant companies
Electrak International Ltd[1]	England	Ordinary	100% Indirect	Dormant
Electrak Ltd[1]	England	Ordinary	100% Indirect	Intermediate holding company
Electrak Overseas Ltd[2]	England	Ordinary	100% Indirect	Dormant
Jontek Ltd	England	Ordinary	100% Direct	Dormant
CP Electronics Ltd	England	Ordinary	100% Direct	Dormant
Raritan Computer UK Ltd	England	Ordinary	100% Direct	Support the sales and marketing of Raritan products in the UK
Starline Holdings Technology Ltd	England	Ordinary	100% Direct	Provider of systems solutions for power distribution and management
18MC Global Ltd	England	Ordinary	100% Direct	Intermediate holding company
USystems Ltd[3]	England	Ordinary	100% Indirect	Trading company
PCL Holdings Ltd	England	Ordinary	100% Direct	Intermediate holding company
Siel Energy Systems Ltd[4]	England	Ordinary	100% Indirect	Trading company
Advanced Hospital Solutions Ltd[4]	England	Ordinary	100% Indirect	Dormant
Power Control Ltd[4]	Scotland	Founder & Ordinary	100% Indirect	Trading company
Borri Ltd[5]	England	Ordinary	100% Indirect	Dormant
Energy Systems UK Ltd[5]	England	Ordinary	100% Indirect	Dormant

1 - wholly owned subsidiary of Electrak Holdings Ltd
2 - wholly owned subsidiary of Electrak Ltd
3 - wholly owned subsidiary of 18MC Global Ltd
4 - wholly owned subsidiary of PCL Holdings Ltd
5 - wholly owned subsidiary of Power Control Ltd

In the opinion of the directors the value of the investments, including indebtedness, is supported by their underlying assets.

The registered office of Raritan Computer UK Ltd is Dawson House, 5 Jewry Street, London, EC3N 2EX
The registered office of Starline Holdings Technology Ltd is Unit C, Island Road, Reading, RG2 0RP
The registered office of 18MC Global Ltd is Systems House, 235 Ampthill Road, Bedford, MK42 9QG
The registered office of PCL Holdings Ltd, Borri Ltd and Energy Systems UK Ltd is System House, Rotherside Road, Eckington, Sheffield S21 4HL
The registered office of Siel Energy Systems Ltd is Draycott Business Park, Cam, Dursley, GL11 5DQ
The registered office of Advanced Hospital Solutions Ltd is Cenpro Legal The Wilkins Building, Private Road 1, Colwick, Nottingham, NG4 2JQ
The registered office of Power Control Ltd is 272 Bath Street, Glasgow, G2 4JR

The registered office of all other entities is Great King Street North, Birmingham, B19 2LF

13. Stocks

	2022	2021
	£000	£000
Raw materials and consumables	**14,204**	9,723
Work in progress	**2,070**	2,389
Finished goods and goods for resale	**7,403**	6,118
	23,677	18,230

There is no material difference between the balance sheet value of stocks and their replacement cost.

14. Debtors

	2022 £000	2021 £000
Due after more than one year		
Pension schemes in surplus (Note 18)	1,196	422
Loans to subsidiary companies	1,831	6,799
Loan to intermediate holding company	30,000	30,000
Deferred taxation (Note 20)	-	2,137
	33,027	39,358

	2022 £000	2021 £000
Due within one year		
Trade debtors	31,551	21,283
Amounts owed by other group undertakings	2,082	2,085
Loans to group undertakings	-	23,978
Corporation tax	1,223	2,196
Other debtors	1	-
Prepayments	2,938	2,400
	37,795	61,942

The loan to intermediate company is unsecured and repayable on 2 January 2025. It bears interest at a rate of 0.358% above GBP Swap vs SONIA 1 month (2021: 0.358% above LIBOR GBP 1 month).

The 2021 loans to group undertakings were unsecured and repayable on demand. They bore interest at a rate of LIBOR GBP 1 month.

The other amounts owed by group undertakings relate to trade sales and are payable on normal trade credit terms.

The loans to subsidiary companies are unsecured and repayable on 1 June 2024. They bear interest at a rate of 0.358% above GBP Swap vs SONIA 1 Month (2021: 0.46% above the Bank of England Base Rate).

15. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	10,018	8,267
Amounts owed to group undertakings	5,453	4,255
Corporation tax - group relief payable	10	10
Amount owed to subsidiary undertaking	3,484	3,484
Loan from group company	2,432	-
Taxation and social security	2,923	1,384
Overseas tax	174	-
Deferred taxation (Note 20)	773	-
Other creditors	671	974
Accruals	8,818	11,406
Deferred income	2,045	422
	36,801	30,202

The amounts owed to group undertakings relate to trade purchases and are repayable on normal trade credit terms.

The loan from group company is unsecured and repayable on demand. It bears interest at a rate of 0.35% above GBP Swap vs SONIA 1 month.

The amount owed to a subsidiary undertaking is unsecured, and repayable with no fixed repayment terms. It is interest free.

16. Capital commitments

At 31 December 2022 the Company had capital commitments as follows:

	2022 £000	2021 £000
Plant and equipment	2,584	21

17. Provision for pensions liability

	Pension plans £000
Movements on provisions during the year were:	
At 31 December 2021 (Note 18)	10,517
Long term debtor 31 December 2021 (Note 14)	(422)
Charged to Profit & loss account	460
Credited to Statement of comprehensive income	(8,873)
Employer contributions	(2,878)
Long term debtor 31 December 2022 (Note 14)	1,196
At 31 December 2022 (Note 18)	-

The provision for liabilities relates to pension plans. Details of these plans are given in Note 18.

18. Pension plans

The company operates four defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £1,783,000 (2021- £1,667,000). Contributions totalling £147,000 (2021 - £127,000) were payable to the funds at the balance sheet date.

The company is the principal employer for three defined benefit pension schemes (a) the Legrand UK Limited Pension Scheme, (b) the First Olympian Securities Group Pension Scheme and (c) the Legrand Ireland Limited Retirement and Death Benefits Plan. The assets of all of the schemes are held in independently administered funds. Contributions to the schemes are determined on the basis of actuarial valuations carried out by independent qualified actuaries at least every three years. The schemes are closed to new entrants and the First Olympian Securities Group Pension Scheme and the Legrand Ireland Limited Retirement and Death Benefits Plan are closed to future accrual.

A 0.5% increase in discount rate decreases liabilities by £4,168,000; a 0.25% increase in inflation increases liabilities by £815,000.

Summary of defined benefit schemes

	2022 £000	2021 £000
Fair value of plan assets	69,567	90,803
Present value of plan liabilities	(68,371)	(100,898)
Net pension scheme asset/(deficit)	1,196	(10,095)

18. Pension plans (continued)

The amounts recognised in the Profit and loss account are as follows:

	2022 £000	2021 £000
Current service cost and expenses paid	319	432
Net interest cost on pension liabilities	162	333
Currency (gain)/loss on Legrand Ireland Retirement and Death Benefits Plan	(21)	12
	460	777

Reconciliation of present value of plan liabilities:

	2022 £000	2021 £000
Present value of plan liabilities at 1 January	100,898	113,333
Current service cost	230	359
Interest on pension liabilities	1,766	1,539
Contributions by scheme participants	4	4
Actuarial gain	(31,662)	(11,505)
Currency exchange loss/(gain) on Legrand Ireland Retirement and Death Benefits Plan	100	(177)
Benefits paid	(2,965)	(2,655)
Present value of plan liabilities at 31 December	68,371	100,898

Reconciliation of fair value of plan assets:

	2022 £000	2021 £000
Fair value of plan assets at 1 January	90,803	88,368
Expected return on plan assets	1,604	1,206
Actuarial (loss)/gain	(22,789)	1,659
Actual expenses, taxes and premiums paid	(89)	(73)
Contributions by employer	2,878	2,483
Contributions by scheme participants	4	4
Currency exchange gain/(loss) on Legrand Ireland Retirement and Death Benefits Plan	121	(189)
Benefits paid	(2,965)	(2,655)
Fair value of plan assets at 31 December	69,567	90,803

The cumulative amount of actuarial gains and losses recognised in the Statement of other comprehensive income was £11,594,000 (2021 - £20,467,000).

18. Pension plans (continued)

Pension schemes in deficit

	2022 £000	2021 £000
Legrand UK Limited Pension Scheme	-	(10,517)
Provision for liabilities (Note 17)	-	(10,517)

Pension schemes in surplus

	2022 £000	2021 £000
Legrand UK Limited Pension Scheme	548	-
First Olympian Securities Group Pension Scheme	141	267
Legrand Ireland Limited Retirement and Death Benefits Scheme	507	155
Debtor due after more than one year (Note 14)	1,196	422

Legrand UK Limited Pension Scheme

The company operates a defined benefit scheme in the United Kingdom. A full actuarial valuation was carried out as at April 6, 2021 and updated to December 31, 2022 by Capita Hartshead a qualified independent actuary.

The major assumptions used by the actuary were:

	2022 £000	2021 £000	2020 £000
Rate of increase in salaries	4.20% pa	4.45% pa	4.20% pa
LPI pension increases	3.00% pa	3.20% pa	3.00% pa
Rate of increase of deferred pensions	2.60% pa	2.85% pa	2.60% pa
Inflation assumption	2.60% pa	2.85% pa	2.60% pa
Discount rate	4.90% pa	1.80% pa	1.40% pa

The company contributions during the year amounted to £2,854,000 (2021 - £2,459,000) and the agreed company contribution rate for the coming year is 32.8%. Since April 2005 the company has made additional contributions to the scheme. From April 2022 this amount has been £211,000 per month, increasing by 3% on 1 April each year. The total contributions expected to be made to the scheme by Legrand Electric Limited in the year to December 31, 2023 is £2,744,000. Expenses and death in service premiums will be paid by the company as they fall due.

The scheme is closed to new entrants. In accordance with FRS 102, the valuation of the scheme's liabilities has been determined using the projected unit method. In these circumstances the use of this method can lead to the contribution rate underlying the current service cost increasing in future years.

The current service cost as a percentage of pensionable salaries will increase as members of the plan approach retirement.

18. Pension plans (continued)

Mortality assumptions

The principal mortality assumptions used to calculate the plan's liabilities under FRS 102 reflect the characteristics and experience of the membership of the plan.

The mortality tables used are:
2022 – S3PA base table with allowance for the standard CMI 2021 Improvement model using a long term rate of 1.25% per year, and an initial addition to mortality improvements of 0% and w2020 & w2021 parameters of 10%

2021 – S3PA base table with allowance for the standard CMI 2020 Improvement model using a 1.0%pa long term rate and an initial addition to mortality improvements of 0%

Other mortality assumptions are shown below:

	2022	2021
Male member aged 65 (current life expectancy)	21.5 years	21.7 years
Female member aged 65 (current life expectancy)	24.0 years	24.1 years
Male member aged 45 (life expectancy at age 65)	22.8 years	22.7 years
Female member aged 45 (life expectancy at age 65)	25.4 years	25.2 years

Funded status

The funded status of the plan is as follows:

	2022 £000	2021 £000
Fair value of plan assets	66,592	86,958
Present value of plan liabilities	(66,044)	(97,475)
Net surplus/(deficit) recognised	**548**	(10,517)

Allocation of plan assets

	% at 31 Dec 2022	% at 31 Dec 2021
Equities	52.8	51.9
Bonds	21.8	17.6
Gilts, Cash and Other	25.4	30.5
	100.0	100.0

Plan assets do not include any of the company's own financial instruments or any property occupied by the company.

	2022 £'000	2021 £'000
Return on plan assets	1,560	1,175

18. Pension plans (continued)

First Olympian Securities Group Pension Scheme

On January 1, 2007 the company became responsible for the First Olympian Securities Group Pension Scheme, being the pension scheme of its liquidated sister company, Wiremold Limited. The scheme is a defined benefit scheme in the United Kingdom. A full actuarial valuation was carried out as at May 1, 2019 and updated to December 31, 2022 by Aon Hewitt a qualified independent actuary.

The major assumptions used by the actuary were:

	2022	2021	2020
Rate of increase in salaries	N/A	N/A	N/A
LPI pension increases	3.00% pa	3.20% pa	3.00% pa
Rate of increase of deferred pensions	3.20% pa	3.45% pa	3.20% pa
Inflation assumption	3.20% pa	3.45% pa	3.20% pa
Discount rate	4.90% pa	1.80% pa	1.40% pa

The company contributions during the year amounted to £24,000 (2021 - £24,000). The scheme is closed to future accrual. The total contributions expected to be made to the scheme by Legrand Electric Limited in the year to December 31, 2023 is £24,000. Expenses and death in service premiums will be paid by the company as they fall due.

The scheme is closed to new entrants and future accrual. In accordance with FRS 102, the valuation of the scheme's liabilities has been determined using the projected unit method. In these circumstances the use of this method can lead to the contribution rate underlying the current service cost increasing in future years.

Mortality assumptions

The principal mortality assumptions used to calculate the plan's liabilities under FRS 102 reflect the characteristics and experience of the membership of the plan.

The mortality tables used are:
2022 – 100% of S3PxA tables CMI 2021 with a parameter 0.5% (2021:100% of S3PxA tables CMI 2020 with a parameter 0.5%)

The minimum future improvements in life expectancy are:
2022 – 1.25% pa for males and females (2021: 1.25% pa for males and females)

Other mortality assumptions are shown below:

	2022	2021
Male member aged 65 (current life expectancy)	22.4 years	22.3 years
Female member aged 65 (current life expectancy)	24.7 years	24.6 years
Male member aged 45 (life expectancy at age 65)	23.7 years	23.6 years
Female member aged 45 (life expectancy at age 65)	26.1 years	26.1 years

18. Pension plans (continued)

Funded status

The funded status of the plan is as follows:

	2022 £000	2021 £000
Fair value of plan assets	760	1,161
Present value of plan liabilities	(619)	(894)
Net surplus recognised	141	267

Allocation of plan assets

	% at 31 Dec 2022	% at 31 Dec 2021
Bonds	95.8	93.1
Other assets	4.2	6.9
	100.0	100.0

Plan assets do not include any of the company's own financial instruments or any property occupied by the company.

	2022 £'000	2021 £'000
Return on plan assets	20	17

Legrand Ireland Limited Retirement and Death Benefits Plan

On July 31, 2009 the company became responsible for the Legrand Ireland Limited Retirement and Death Benefits Plan, being the pension scheme of its sister company, Legrand Ireland Limited. The scheme is a defined benefit scheme in the Republic of Ireland. A full actuarial valuation was carried out as at January 1, 2021 and updated to 31 December, 2022 by a qualified independent actuary at Lane Clark & Peacock Ireland Limited.

The major assumptions used by the actuary were:

	2022	2021	2020
Rate of increase in salaries	N/A	N/A	N/A
LPI pension increases	2.50% pa	2.10% pa	1.30% pa
Rate of increase of deferred pensions	2.50% pa	2.10% pa	1.30% pa
Inflation assumption	2.50% pa	2.10% pa	1.30% pa
Discount rate	3.60% pa	0.90% pa	0.50% pa

The company contributions during the year amounted to £ Nil (2021 - £ Nil). The total contributions expected to be made to the scheme by Legrand Electric Limited in the year to December 31, 2023 is EUR Nil as no request for contributions has been made by the scheme trustees. Expenses and death in service premiums will be paid by the company as they fall due. The scheme planned to close during 2023.

18. Pension plans (continued)

The scheme is closed to new entrants. In accordance with FRS 102, the valuation of the scheme's liabilities has been determined using the projected unit method. In these circumstances the use of this method can lead to the contribution rate underlying the current service cost increasing in future years. However, as long as the scheme is closed to future accrual, there is no service cost to consider in future years.

The deficit of the scheme and net pension liability at July 31, 2009 was £129,000. This deficit was incorporated into the financial statements of the company when the assets and liabilities of Legrand Ireland Limited were transferred to the company.

Mortality assumptions

The principal mortality assumptions used to calculate the plan's liabilities under FRS 102 reflect the characteristics and experience of the membership of the plan.

The mortality pre and post retirement tables used are :
2022: 58% ILT15 (males) 62% ILT15 (females) (2021: 58% ILT15 (males) 62% ILT15 (females))

Age difference between spouses:
2022 - A male is assumed to be 3 years older than his spouse (2021: A male is assumed to be 3 years older than his spouse)

Other mortality assumptions are shown below:

	2022	2021
Allowance for future improvements in mortality	Yes	Yes
Expected life expectancy for a 65 year old male in 2022	22.1 years	21.9 years
Expected life expectancy for a 65 year old male in 2032	23.3 years	23.2 years
Withdrawals	No	No
Percentage married	Current %	Current %

Funded status

The funded status of the plan is as follows:

	2022 £000	2021 £000
Fair value of plan assets	2,215	2,684
Present value of plan liabilities	(1,708)	(2,529)
Net surplus recognised	507	155

18. Pension plans (continued)

Allocation of plan assets

	% at 31 Dec 2022	% at 31 Dec 2021
Equities	42.1	42.2
Fixed interest	57.9	57.8
	100.0	100.0

Plan assets do not include any of the company's own financial instruments or any property occupied by the company.

	2022 £'000	2021 £'000
Return on plan assets	24	14

19. Commitments under operating leases

At 31 December 2022 the Company had total future minimum lease payments under non-cancellable operating leases as follows:

	2022 £000	2021 £000
Land and buildings		
Not later than 1 year	1,014	851
Later than 1 year and not later than 5 years	1,506	962
Greater than 5 years	34	126
Total	2,554	1,939

	2022 £000	2021 £000
Other assets – motor vehicles and office equipment operating leases		
Not later than 1 year	789	892
Later than 1 year and not later than 5 years	919	1,330
Total	1,708	2,222

20. Deferred taxation

	2022 £000
At 1 January 2022	2,137
Adjustment in respect of prior years	29
Charged to profit and loss account	(721)
Charged to other comprehensive income	(2,218)
Deferred tax liability as at 31 December 2022	(773)

Deferred tax liability is recognised as follows:

	2022 £000	2021 £000
Depreciation in excess of capital allowances	**(872)**	(756)
Short term timing differences	**398**	336
Pension plan (asset)/liabilities	**(299)**	2,557
	(773)	2,137

There is not expected to be any reversal of the deferred taxation liability within the next 12 months.

21. Reserves

Profit & loss account
The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments.

22. Share capital

	2022 £000	2021 £000
Authorised, allotted, called up and fully paid		
290,219,658 - Ordinary shares of £0.50 each (2021: 290,219,658 shares)	145,110	145,110

23. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Legrand UK Limited, a company incorporated in England.

The ultimate parent undertaking and controlling party is Legrand SA, a company incorporated in France.

Legrand SA is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at December 31, 2022. The consolidated financial statements of Legrand SA can be obtained from the company's registered address at 128 Avenue de Lattre-de-Tassigny, 87000 Limoges, France.

24. Events after the balance sheet date

No significant events that have had an impact on the company have occurred since the balance sheet date and the signing of these financial statements.