

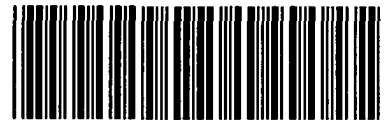
Registered number: 00115834

Legrand Electric Limited

Annual report and financial statements

For the Year Ended 31 December 2023

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Legrand Electric Limited

Contents

	Page
Strategic report	1 - 6
Directors' report	7 - 11
Independent auditor's report	12 - 15
Profit and loss account	16
Statement of other comprehensive income	17
Balance sheet	18
Statement of changes in equity	19 - 20
Notes to the financial statements	21 - 47

Legrand Electric Limited

Strategic report For the Year Ended 31 December 2023

The directors present their strategic report on the company for the year ended 31 December 2023.

Business review

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

Turnover increased by 1% from £121,895,000 to £123,096,000 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 increased by 2.8%, from 42.7% to 45.5%. Raw material price increases eased and component availability improved which made the manufacturing process more efficient in servicing customers. The directors have maintained their vigilance in containing expenditures wherever possible.

The working capital position of the company has increased from £58,684,000 to £69,009,000. This increase has been caused by the generation of funds from trading activities. 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 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.

Legrand Electric Limited

Strategic report (continued)

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: 45.5% in the year ended December 31, 2023 and 42.7% in the year ended December 31, 2022.

Operating profit as a percentage of sales: 9.2% in the year ended December 31, 2023 and 10.4% in the year ended December 31, 2022. The main cause of this decrease is that distribution and administration costs have increased while gross profit has not increased to cover the increase in overheads. Management are continuing to monitor distribution and administration costs.

Net assets: Increased from £178,008,000 at December 31, 2022 to £184,949,000 at December 31, 2023 - caused by the net profit and actuarial movement on pension schemes.

Staff turnover: 19.6% for 2023, a reduction from 26.1% for 2022 – which reflects a more settled position in the UK jobs market.

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.

Legrand Electric Limited

Strategic report (continued)

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. In 2022 the Group launched its 2022-2024 Roadmap. There are fifteen priorities for 2024 that fall into four classifications – Promote diversity and inclusion, Reduce the group's carbon footprint, Develop a circular economy, Be a responsible business - including business ethics and health and safety.

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 4 business units – Cable Management Systems, Critical Power, Working and Living Spaces, and Assisted Living and Healthcare. While all of the business units of the company 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 no acquisitions during the year.

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.

Legrand Electric Limited

Strategic report (continued)

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
its behalf.

17 July 2024

and signed on



Darminder Tiwana
Company Secretary

Registered office:
Great King Street North
Birmingham
B19 2LF

Legrand Electric Limited

Directors' report For the Year Ended 31 December 2023

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 2023.

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 £8,825,000 (2022 - £9,386,000).

The dividend paid during the year was £nil (2022: £nil). The Directors expect to pay a dividend of £39,500,000 during 2024.

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 £38,750,000 (2022: £25,915,000).

The net current asset position of the company has increased from £58,684,000 at 31 December 2022 to £69,009,000 at 31 December 2023. This increase has been caused by the generation of funds from trading activities.

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.

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.

Legrand Electric Limited

Directors' report
For the Year Ended 31 December 2023

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 a mandatory requirement, 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 2023 year, including the following projects:

Process Improvements:

- Smart burners were installed on one of the galvanising furnaces at the Scarborough site. This technology will help to reduce gas consumption on what is the highest significant energy use in the UK for the company.
- Process control was improved on one of the Wave soldering ovens at the Wembley site. Rather than run both machines at once, a method was determined whereby only one machine now needs to be operated. The second machine is only operated when the capacity is needed.
- As reported by the company, these improvements are estimated to result in energy savings of 281 MWh, and will reduce CO2 emissions by 80 tonnes.

HVAC Improvements:

- Destratification fans were installed at the Consett site in the production area.
- Insulation was added to the inside of an external shutter door at the Scarborough site.
- UV solar film was added to the windows of the Blyth site to reduce air conditioning demand.
- As reported by the company, total energy savings across the UK sites were circa 79 MWh of electricity and natural gas. This reduced CO2 emissions by 22.6 tonnes.

Utility Improvements:

- Compressed air leak maintenance schedules were implemented at the Consett site to find and repair leaks that can not necessarily be heard by the human ear, using ultrasonic detection techniques.
- A power factor correction unit and a voltage optimiser were installed at the Scarborough site to help optimise the electricity supply to the site and reduce wasted energy as a result.
- As reported by the company, a saving of 78 MWh of electricity was made. This reduced CO2 emissions by 22 tonnes.

Other improvements:

- Lengthy feasibility studies and trials have been carried out on the galvanising process at the Scarborough site to test if one of the galvanising lines can be decommissioned and to run all substrate through just a single galvanising line instead. This would have a major impact on reducing energy and waste. This project will be implemented in 2025 subject to trials being successful.

Legrand Electric Limited

Directors' report
For the Year Ended 31 December 2023

Greenhouse gas emissions and energy use data:

Emissions Source	Current Reporting Period 1 st January 2023 to 31 st December 2023		Previous Reporting Period 1 st January 2022 to 31 st December 2022	
	UK and Offshore		UK and Offshore	
	Energy Consumption (kWh)	CO2e tonnes	Energy Consumption (kWh)	CO2e tonnes
Scope 1 – Fuel and company vehicles	8,290,364	1,653	7,904,386	1,562
Scope 2 – Purchased electricity and EV's	2,749,641	569	2,685,711	519
Scope 3 – Hire cars	97,015	24	35,100	9
Scope 3 – Emissions from generation of electricity*	N/A	49	N/A	48
Total (Scopes 1 + 2 +3)	11,137,020	2,295	10,625,197	2,138
Revenue (£m)	123.1		121.9	
Intensity Ratio : CO2e tonnes / Revenue (£m)	18.6		17.5	
Intensity Ratio : CO2e kg / Revenue Yearly % change	+6.3%		-16.1%	

Legrand Electric Limited

Directors' report (continued) For the Year Ended 31 December 2023

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., Forvis Mazars LLP have been appointed auditor of the company, in accordance with section 485 of the Companies Act 2006.

Political contributions

The Company made no political contributions during the year (2022 - £ 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 2023 exceeded its net book value by approximately £188,000 (2022 - £737,000). 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 and Brexit.

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 behalf,

17 July 2024

and signed on its



Darminster Tiwana
Company Secretary

Legrand Electric Limited

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

Opinion

We have audited the financial statements of Legrand Electric Limited (the 'company') for the year ended 31 December 2023 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of change in equity and notes to the financial statements, 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 state of the company's affairs as at 31 December 2023 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.

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.

Legrand Electric Limited

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

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.

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.

Matters on which we are required to report by exception

In 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 the 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.

Legrand Electric Limited

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

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 7, 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Legrand Electric Limited

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

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition which we pinpointed to the cut-off assertion and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit 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.



Louis Burns (Senior Statutory Auditor) for and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor

First Floor

Two Chamberlain Square

Birmingham, B3 3AX

Date: 5 August 2024



Legrand Electric Limited

**Profit and loss account
For the Year Ended 31 December 2023**

	Note	2023 £000	2022 £000
Turnover	3	123,096	121,895
Cost of sales		(67,091)	(69,823)
Gross profit		56,005	52,072
Distribution costs		(18,830)	(16,636)
Administrative expenses		(25,852)	(22,745)
Operating profit	4	11,323	12,691
Finance income	8	1,766	401
Profit before taxation		13,089	13,092
Tax on profit	9	(4,264)	(3,706)
Profit for the year attributable to the equity shareholders of the Company		8,825	9,386

All amounts relate to continuing operations.

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

Legrand Electric Limited

**Statement of comprehensive income
For the Year Ended 31 December 2023**

	Note	2023 £000	2022 £000
Profit for the financial year		<u>8,825</u>	<u>9,386</u>
Other comprehensive income			
Actuarial (loss)/gain on defined benefit schemes	18	(2,512)	8,873
Recognition of deferred tax on defined benefit pension scheme	20	628	(2,218)
Total comprehensive income for the year		<u><u>6,941</u></u>	<u><u>16,041</u></u>

Legrand Electric Limited
Registered number: 00115834

Balance sheet
As at 31 December 2023

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	10	59,094	64,439
Tangible assets	11	17,649	14,465
Investments	12	41,193	41,193
		<u>117,936</u>	<u>120,097</u>
Current assets			
Stocks	13	22,496	23,677
Debtors: Amounts falling due after more than one year	14	30,000	31,831
Debtors: Amounts falling due within one year	14	47,120	37,795
Pension schemes in surplus	18	825	1,196
Cash at bank and in hand		227	213
		<u>100,668</u>	<u>94,712</u>
Creditors: Amounts falling due within one year	15	(31,659)	(36,028)
Net current assets		<u>69,009</u>	<u>58,684</u>
Total assets less current liabilities		<u>186,945</u>	<u>178,781</u>
Creditors: Amounts falling due after more than one year	17	(1,109)	-
Provision for liabilities	20	(887)	(773)
Net assets		<u>184,949</u>	<u>178,008</u>
Capital and reserves			
Called up share capital	22	145,110	145,110
Profit and loss account	21	39,839	32,898
Shareholders' funds		<u>184,949</u>	<u>178,008</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 July 2024

F Lemery
Director



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

Legrand Electric Limited

**Statement of changes in equity
As at 31 December 2023**

	Note	Share capital £000	Profit and loss account £000	Total share holders' funds £000
At 1 January 2023		145,110	32,898	178,008
Profit for the year		-	8,825	8,825
Actuarial loss on pension scheme	18	-	(2,512)	(2,512)
Recognition of deferred tax liability		-	628	628
Other comprehensive income for the year		-	(1,884)	(1,884)
Total comprehensive income for the year		-	6,941	6,941
At 31 December 2023		145,110	39,839	184,949

Legrand Electric Limited

**Statement of changes in equity
As at 31 December 2022**

	Note	Share capital £000	Profit and loss account £000	Total share- hold ers' 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	18	-	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

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 £38,750,000 (2022: £25,915,000).

The net current asset position of the company has increased from £58,684,000 at 31 December 2022 to £69,009,000 at 31 December 2023.

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.

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	-	3 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. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the income statement. Reversals of impairment losses are also recognised in the income statement.

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 recognised when the Company transfers the significant risks and rewards of ownership to the buyer and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received net of discounts and rebates, excluding VAT and other sales taxes.

Revenue from sales of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), and the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from supply of services is recognised by reference to the stage of completion of the contract determined by the value of the services provided at the balance sheet date as a proportion of the total value of the contract.

Revenues from the rendering of maintenance services are recognised when the services have been rendered or over the contract term when the work is being carried out. For maintenance services the performance obligation is satisfied over time as the customer receives and consumes the benefits provided as services are performed.

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 (note 15) or creditors due after one year (note 17) as appropriate.

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 two 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 closed 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.

Legrand Electric Limited

Notes to the financial statements For the Year Ended 31 December 2023

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.

Legrand Electric Limited

Notes to the financial statements For the Year Ended 31 December 2023

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 2 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. Pension assumptions and year end values can be found in note 18.

2.2 Sales 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 £4,440,000 in 2023 (£3,997,000 in 2022).

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:

	2023 £000	2022 £000
United Kingdom	108,925	106,387
Rest of Europe	10,110	11,079
Rest of the world	4,061	4,429
Total turnover	<u>123,096</u>	<u>121,895</u>

Analysis of turnover by business activity:

	2023 £'000	2022 £'000
Sale of goods	108,369	107,470
Services	14,727	14,425
Total turnover	<u>123,096</u>	<u>121,895</u>

Legrand Electric Limited

**Notes to the financial statements
For the Year Ended 31 December 2023**

4. Operating profit

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

	2023	2022
	£000	£000
Amortisation - goodwill	5,198	5,199
Depreciation of tangible fixed assets	1,971	1,903
Amortisation of research and development expenditure	700	975
Stock impairment – included in Cost of sales	452	79
Reversal of stock impairment – included in Cost of sales	-	(13)
Bad debt charge	370	86
Gain on sale of fixed assets	50	20
Operating lease rentals		
- plant and machinery	1,370	1,226
- other	1,234	899
Research and development expenditure expensed	1,737	1,761
Exchange loss	<u>49</u>	<u>530</u>

5. Auditor's remuneration

	2023	2022
	£000	£000
Fees payable to the company's auditor and its associates for the audit of the company's financial statements	<u>169</u>	<u>195</u>

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

Legrand Electric Limited

**Notes to the financial statements
For the Year Ended 31 December 2023**

6. Employees

Staff costs were as follows:

	2023 £000	2022 £000
Wages and salaries	28,166	23,946
Social security costs	2,575	2,294
Cost of defined benefit schemes	127	230
Cost of defined contribution schemes	2,007	1,783
	<u>32,875</u>	<u>28,253</u>

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

	2023 No.	2022 No.
Production	276	285
Selling and distribution	154	160
Administration	193	192
	<u>623</u>	<u>637</u>

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 (2022 - none). Each of the directors receives remuneration from other companies in the Legrand SA group of companies.

Legrand Electric Limited

Notes to the financial statements
For the Year Ended 31 December 2023

8. Finance (income)/costs net

	2023 £000	2022 £000
Interest receivable and similar income		
Interest receivable on loans to group companies	(1,638)	(595)
Net interest receipt on pension assets (note 18)	(129)	-
	<u>(1,767)</u>	<u>(595)</u>
Interest payable and similar expenses		
Other interest payable	1	-
Interest payable on loans from group companies	-	32
Net interest cost on pension obligations (note 18)	-	162
	<u>1</u>	<u>194</u>
Finance (income)/costs net	<u>(1,766)</u>	<u>(401)</u>

Legrand Electric Limited

Notes to the financial statements
For the Year Ended 31 December 2023

9. Tax on profit

	2023 £000	2022 £000
Corporation Tax		
Current tax charge on profits for the year	3,107	2,776
Corporation tax - adjustments re prior years	259	64
Foreign tax suffered	156	174
Total Corporation Tax	3,522	3,014
Deferred Tax (note 20)		
Origination and reversal of timing differences	683	548
Adjustments in respect of prior periods	16	(29)
Effect of changes in tax rates	43	173
Total Deferred Tax	742	692
Total current tax	4,264	3,706

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - lower than) the standard rate of corporation tax in the UK of 23.52% (2022 - 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:

	2023 £000	2022 £000
Profit before taxation	13,089	13,092
Profit multiplied by standard rate of corporation tax in the UK of 23.52% (2022 - 19.00%)	3,078	2,487
Effects of:		
Fixed asset differences	1,286	1,127
Expenses not deductible for tax purposes	33	30
Income not taxable for tax purposes	(32)	(33)
Adjustments to tax charge in respect of prior periods	275	35
Fixed asset investment credit	-	(21)
Reversal of untaxed provision	(282)	-
Effect of overseas tax	(137)	(92)
Tax rate change	43	173
Total tax charge for the year	4,264	3,706

Factors that may affect future tax charges

The UK corporation tax rate for the period ended 31 December 2023 is a hybrid rate of 23.52%. This rate is due to the increasing of the corporation tax rate to 25% from 19% being enacted during the year, with effect from 1 April 2023.

10. Intangible assets

	Goodwill £000	Intellectual property & Development expenditure £000	Total £000
Cost			
At 1 January 2023	103,970	8,704	112,674
Additions	-	551	551
At 31 December 2023	103,970	9,255	113,225
Amortisation			
At 1 January 2023	41,589	6,646	48,235
Charge for the year	5,198	698	5,896
At 31 December 2023	46,787	7,344	54,131
Net book value			
At 31 December 2023	57,183	1,911	59,094
At 31 December 2022	62,381	2,058	64,439

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.

Legrand Electric Limited

Notes to the financial statements
For the Year Ended 31 December 2023

11. Tangible assets

	Freehold land and buildings £000	Other assets £000	Assets under construction £000	Total £000
Cost				
At 1 January 2023	10,583	28,749	1,096	40,428
Additions	49	216	4,986	5,251
Transfers between classes	678	4,021	(4,699)	-
Disposals	(3)	(2,726)	-	(2,729)
At 31 December 2023	11,307	30,260	1,383	42,950
Depreciation				
At 1 January 2023	4,591	21,372	-	25,963
Charge for the period	269	1,702	-	1,971
Disposals	(3)	(2,630)	-	(2,633)
At 31 December 2023	4,857	20,444	-	25,301
At 31 December 2023	6,450	9,816	1,383	17,649
At 31 December 2022	5,992	7,377	1,096	14,465

Included in Other assets are plant and machinery, tooling, fixtures and fittings, motor vehicles and computer equipment.

12. Investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2023	171,568
Additions	-
At 31 December 2023	171,568
Impairment	
At 1 January 2023	130,375
Charge for the period	-
At 31 December 2023	130,375
At 31 December 2023	41,193
At 31 December 2022	41,193

Legrand Electric Limited

**Notes to the financial statements
For the Year Ended 31 December 2023**

12. Investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Tynetec 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
USystems Inc ³	USA	Ordinary	100% Indirect	Sales office
18MC Global Private Ltd ³	India	Ordinary	100% Indirect	Sales office
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 and USystems Ltd is Systems House, 235 Amptill Road, Bedford, MK42 9QG

The registered office of USystems Inc is 350 Fifth Avenue, 41st Floor, New York, NY, 10118 USA

The registered office of 18MC Global Private Ltd is No 109, Vellala Street, 111 Floor, Puraswalkam Chennai, Chennai, TN-600084 India

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

Legrand Electric Limited

**Notes to the financial statements
For the Year Ended 31 December 2023**

13. Stocks

	<u>2023</u>	<u>2022</u>
	£000	£000
Raw materials and consumables	13,004	14,204
Work in progress	1,576	2,070
Finished goods and goods for resale	7,916	7,403
	<u>22,496</u>	<u>23,677</u>

Inventories are stated after provisions for impairment of £2,104,000 (2022: £1,770,000).

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

Legrand Electric Limited

Notes to the financial statements
For the Year Ended 31 December 2023

14. Debtors

	2023 £000	2022 £000
Due after more than one year		
Loans to subsidiary companies	-	1,831
Loan to intermediate holding company	30,000	30,000
	<u>30,000</u>	<u>31,831</u>
Due within one year		
Trade debtors	28,521	31,551
Amounts owed by other group undertakings	2,704	2,082
Loan to group undertakings	10,335	-
Loans to subsidiary companies	1,900	-
Corporation tax	1,105	1,223
Other debtors	142	1
Prepayments	2,413	2,938
	<u>47,120</u>	<u>37,795</u>

The loan to intermediate holding 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 (2022: 0.358% above GBP Swap vs SONIA 1 month).

The loan to group undertakings is unsecured and repayable on demand. It bears interest at a rate of 0.00% spread vs SONIA 1 month. The loan forms part of the Legrand Group cash pooling banking facility.

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 (2022: 0.358% above GBP Swap vs SONIA 1 month).

Trade debtors are stated after provisions for impairment of £1,384,000 (2022: 1,174,000)

Legrand Electric Limited

Notes to the financial statements
For the Year Ended 31 December 2023

15. Creditors: Amounts falling due within one year

	2023 £000	2022 £000
Trade creditors	6,929	10,018
Amounts owed to group undertakings	5,005	5,453
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	3,085	2,923
Overseas tax	-	174
Other creditors	313	671
Accruals	10,765	8,818
Deferred income	2,068	2,045
	<u>31,659</u>	<u>36,028</u>

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

The loan from group company in 2022 was unsecured and repayable on demand. It bore interest at a rate of 0.358% above GBP Swap vs SONIA 1 month. The loan forms part of the Legrand Group cash pooling banking facility.

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 2023 the Company had capital commitments as follows:

	2023 £000	2022 £000
Plant and equipment	<u>333</u>	<u>2,584</u>

Legrand Electric Limited

Notes to the financial statements
For the Year Ended 31 December 2023

17. Creditors: Amounts falling due after more than one year

	2023 £000	2022 £000
Deferred income	<u>1,109</u>	

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 £2,007,000 (2022- £1,783,000). Contributions totalling £159,000 (2022 - £147,000) were payable to the funds at the balance sheet date.

The company is the principal employer for two defined benefit pension schemes (a) the Legrand UK Limited Pension Scheme, and (b) the First Olympian Securities Group Pension Scheme. The assets of both 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 are closed to future accrual. A third defined benefit scheme, the Legrand Ireland Limited Retirement and Death Benefits Plan was closed during the year.

A 0.5% increase in discount rate decreases liabilities by £3,999,000; a 0.25% increase in inflation increases liabilities by £743,000.

Summary of defined benefit schemes

	2023 £000	2022 £000
Fair value of plan assets	70,982	69,567
Present value of plan liabilities	(70,157)	(68,371)
Net pension scheme asset	<u>825</u>	<u>1,196</u>

Legrand Electric Limited

**Notes to the financial statements
For the Year Ended 31 December 2023**

18. Pension plans (continued)

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

	2023 £000	2022 £000
Current service cost and expenses paid	275	319
Net interest (income)/cost on pension assets/liabilities	(129)	162
Liabilities and assets cancelled on closure of Legrand Ireland Ltd Retirement and Death Benefits Plan	503	-
Currency gain on Legrand Ireland Ltd Retirement and Death Benefits Plan	-	(21)
	<u>649</u>	<u>460</u>

Reconciliation of present value of plan liabilities:

	2023 £000	2022 £000
Present value of plan liabilities at 1 January	68,371	100,898
Current service cost	127	230
Interest on pension liabilities	3,225	1,766
Contributions by scheme participants	5	4
Actuarial loss/(gain)	3,224	(31,662)
Currency exchange loss on Legrand Ireland Retirement and Death Benefits Plan	-	100
Liabilities extinguished on settlement of Legrand Ireland Ltd Retirement and Death Benefits Plan	(1,675)	-
Benefits paid	(3,120)	(2,965)
Present value of plan liabilities at 31 December	<u>70,157</u>	<u>68,371</u>

Reconciliation of fair value of plan assets:

	2023 £000	2022 £000
Fair value of plan assets at 1 January	69,567	90,803
Expected return on plan assets	3,354	1,604
Actuarial gain/(loss)	712	(22,789)
Actual expenses, taxes and premiums paid	(148)	(89)
Contributions by employer	2,790	2,878
Assets distributed on settlement of Legrand Ireland Ltd Retirement and Death Benefits Plan	(2,178)	-
Contributions by scheme participants	5	4
Currency exchange gain/(loss) on Legrand Ireland Retirement and Death Benefits Plan	-	121
Benefits paid	(3,120)	(2,965)
Fair value of plan assets at 31 December	<u>70,982</u>	<u>69,567</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of other comprehensive income was £14,106,000 (2022 - £11,594,000)

Legrand Electric Limited

Notes to the financial statements
For the Year Ended 31 December 2023

18. Pension plans (continued)

Pension schemes in surplus

	2023 £000	2022 £000
Legrand UK Limited Pension Scheme	668	548
First Olympian Securities Group Pension Scheme	157	141
Legrand Ireland Limited Retirement and Death Benefits Scheme	-	507
Debtor due after more than one year (Note 14)	825	1,196

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, 2023 by Capita Hartshead a qualified independent actuary.

The major assumptions used by the actuary were:

	2023 £000	2022 £000	2021 £000
Rate of increase in salaries	4.10% pa	4.20% pa	4.45% pa
LPI pension increases	2.95% pa	3.00% pa	3.20% pa
Rate of increase of deferred pensions	2.50% pa	2.60% pa	2.85% pa
Inflation assumption	2.50% pa	2.60% pa	2.85% pa
Discount rate	4.50% pa	4.90% pa	1.80% pa

The company contributions during the year amounted to £2,766,000 (2022 - £2,854,000) 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 2023 this amount has been £218,530 per month, increasing by 3.5% 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, 2024 is £2,819,000. 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.

Legrand Electric Limited

Notes to the financial statements
For the Year Ended 31 December 2023

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:

2023 – Core CMI 2022 improvement model with smoothing parameter, $S_k=7$, a long-term rate of 1.25% pa., IAMI factor of 0% pa and w2020 & w2021 parameters of 0%, w2022 of 25%.

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%

Other mortality assumptions are shown below:

	2023	2022
Male member aged 65 (current life expectancy)	21.4 years	21.5 years
Female member aged 65 (current life expectancy)	23.9 years	24.0 years
Male member aged 45 (life expectancy at age 65)	22.6 years	22.8 years
Female member aged 45 (life expectancy at age 65)	25.3 years	25.4 years

Funded status

The funded status of the plan is as follows:

	2023 £000	2022 £000
Fair value of plan assets	70,271	66,592
Present value of plan liabilities	<u>(69,603)</u>	<u>(66,044)</u>
Net surplus/(deficit) recognised	<u>668</u>	<u>548</u>

Allocation of plan assets

	% at 31 Dec 2023	% at 31 Dec 2022
Equities	36.2	52.8
Bonds	28.2	21.8
Gilts, Cash and Other	35.6	25.4
	<u>100.0</u>	<u>100.0</u>

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

	2023 £'000	2022 £'000
Return on plan assets	<u>3,249</u>	<u>1,560</u>

Legrand Electric Limited

**Notes to the financial statements
For the Year Ended 31 December 2023
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, 2023 by Aon Hewitt a qualified independent actuary.

The major assumptions used by the actuary were:

	2023	2022	2021
Rate of increase in salaries	N/A	N/A	N/A
LPI pension increases	3.00% pa	3.00% pa	3.20% pa
Rate of increase of deferred pensions	3.10% pa	3.20% pa	3.45% pa
Inflation assumption	3.10% pa	3.20% pa	3.45% pa
Discount rate	4.50% pa	4.90% pa	1.80% pa

The company contributions during the year amounted to £24,000 (2022 - £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 2024 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:

2023 – S3PxA 'Heavy' tables using individual member scaling factors. (2022 – 100% of S3PxA tables CMI 2021 with a parameter 0.5%)

The minimum future improvements in life expectancy are:

2023 – 1.25% pa for males and females (2022: 1.25% pa for males and females)

Other mortality assumptions are shown below:

	2023	2022
Male member aged 65 (current life expectancy)	19.8 years	22.4 years
Female member aged 65 (current life expectancy)	24.8 years	24.7 years
Male member aged 45 (life expectancy at age 65)	22.3 years	23.7 years
Female member aged 45 (life expectancy at age 65)	24.9 years	26.1 years

Legrand Electric Limited

Notes to the financial statements
For the Year Ended 31 December 2023

18. Pension plans (continued)

Funded status

The funded status of the plan is as follows:

	2023 £000	2022 £000
Fair value of plan assets	711	760
Present value of plan liabilities	(554)	(619)
Net surplus recognised	<u>157</u>	<u>141</u>
Allocation of plan assets	% at 31 Dec 2023	% at 31 Dec 2022
Bonds	105.0	95.8
Other assets	(0.5)	4.2
	<u>100.0</u>	<u>100.0</u>

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

	2023 £'000	2022 £'000
Return on plan assets	<u>35</u>	<u>20</u>

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 the scheme was closed on 21st March 2023.

The major assumptions used by the actuary were:

	2023	2022	2021
Rate of increase in salaries	N/A	N/A	N/A
LPI pension increases	N/A	2.50% pa	2.10% pa
Rate of increase of deferred pensions	N/A	2.50% pa	2.10% pa
Inflation assumption	N/A	2.50% pa	2.10% pa
Discount rate	N/A	3.60% pa	0.90% pa

The company contributions during the year amounted to £ Nil (2022 - £ Nil). The total contributions expected to be made to the scheme by Legrand Electric Limited in the year to December 31, 2024 is EUR Nil as the scheme has now closed.

Legrand Electric Limited

Notes to the financial statements
For the Year Ended 31 December 2023

18. Pension plans (continued)

Mortality assumptions

Other mortality assumptions are shown below:

	2023	2022
Allowance for future improvements in mortality	N/A	Yes
Expected life expectancy for a 65 year old male in 2022	N/A	22.1 years
Expected life expectancy for a 65 year old male in 2032	N/A	23.3 years
Withdrawals	N/A	No
Percentage married	N/A	Current %

Funded status

The funded status of the plan is as follows:

	2023 £000	2022 £000
Fair value of plan assets	-	2,215
Present value of plan liabilities	-	(1,708)
Net surplus recognised	-	507

Legrand Electric Limited

**Notes to the financial statements
For the Year Ended 31 December 2023**

18. Pension plans (continued)

Allocation of plan assets

	% at 31 Dec 2023	% at 31 Dec 2022
Equities	-	42.1
Fixed interest	-	57.9
	<u>-</u>	<u>100.0</u>

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

	2023 £'000	2022 £'000
Return on plan assets	<u>70</u>	<u>24</u>

19. Commitments under operating leases

At 31 December 2023 the Company had total future minimum lease payments under non-cancellable operating leases as follows:

	2023 £000	2022 £000
Land and buildings		
Not later than 1 year	991	1,014
Later than 1 year and not later than 5 years	938	1,506
Greater than 5 years	-	34
Total	<u>1,929</u>	<u>2,554</u>

	2023 £000	2022 £000
Other assets – motor vehicles and office equipment operating leases		
Not later than 1 year	839	789
Later than 1 year and not later than 5 years	902	919
Total	<u>1,741</u>	<u>1,708</u>

Legrand Electric Limited

**Notes to the financial statements
For the Year Ended 31 December 2023**

20. Provision for liabilities

Deferred taxation

	2023	
	£000	
At 1 January 2023	(773)	
Adjustment in respect of prior years	(16)	
Charged to profit and loss account	(726)	
Charged to other comprehensive income	628	
Deferred tax liability as at 31 December 2023	<u>(887)</u>	
Deferred tax liability is recognised as follows:		
	2023	2022
	£000	£000
Depreciation in excess of capital allowances	(1,066)	(872)
Short term timing differences	385	398
Pension plan (asset)/liabilities	(206)	(299)
	<u>(887)</u>	<u>(773)</u>

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.

Legrand Electric Limited

**Notes to the financial statements
For the Year Ended 31 December 2023**

22. Share capital

	2023 £000	2022 £000
Authorised, allotted, called up and fully paid		
290,219,658 - Ordinary shares of £0.50 each (2022: 290,219,658 shares)	<u>145,110</u>	<u>145,110</u>

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, 2023. 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.

25. Reclassification of items

During 2023, certain balance sheet items were reclassified by management to improve the presentation in the financial statements. The following table summarises the impact on the 2022 comparative company's financial statements:

	Note	As previously reported 2022 £'000	Reclass- ification £'000	Adjusted Balance 2022 £'000
Debtors due after more than one year – Pension schemes in surplus	14	33,027	(1,196)	31,831
Pension schemes in surplus	18	-	1,196	1,196
Creditors: Amounts falling due within one year – Deferred taxation:	15	(36,801)	773	(36,028)
Provision for liabilities – Deferred taxation	20	-	(773)	(773)