Hitachi Energy UK Limited

Reports and Financial Statements

31 March 2025

Registered number: 02985756

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Registered No. 02985756

Company Information

Directors
MJ Hasnip
LAO Fleming
CL Roberts
MM Ghavi
JN Persson

Secretary
CL Roberts

Auditors
Ernst & Young LLP
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B4 6HQ

Bankers
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Strategic Report

The Directors present their Strategic Report of Hitachi Energy UK Limited ("the Company") for the year ended 31 March 2025.

Results and dividends

The results for the year are set out on page 16. The profit after taxation for the financial year amounted to £8,519,000 (2024: £8,197,000 profit after taxation).

The Company did not pay a dividend in respect of 2025 (2024: £nil).

Principal activities and review of the business

The principal activity of the Company during this year was the provision of energy infrastructure solutions for a secure and energy-efficient network, as well as efficient power generation and transmission within the UK. The market has grown due to increasing productivity within the industrial, commercial, and utility sector operations, as well as the development and servicing of Enterprise Software solutions that deliver asset care and maintenance.

The Company's immediate controlling party is Hitachi Energy Ltd (or "the Group"), a company incorporated in Switzerland, and the ultimate parent company is Hitachi Ltd. On 30 September 2022, the 19.9% shares owned by ABB were part of a share transfer agreement, and by 28 December 2022, the Hitachi Energy Group was wholly owned by Hitachi, Ltd.

The Company's key performance indicators during the year were:

	Year ended 31 March 2025	*Year ended 31 March 2024*	*Change*
	£'000	*£'000*	*%*
Turnover	330,024	273,408	20.7%
Operating profit from continuing operations	6,181	8,253	-25.1%
Net Assets / Shareholder's funds	24,769	16,250	52.4%

Hitachi Energy UK Limited delivered an outstanding consolidated performance for the 12 months ending 31 March 2024, achieving unprecedented growth across key business metrics. This marks the strongest financial and operational performance since the companies carve-out from ABB.

The increase in turnover is a direct result of the company's strategic emphasis on service and digital solutions, the successful transition of major projects from the execution to delivery phase, and the continued expansion across all business units. Hitachi Energy UK Limited has successfully delivered numerous high-impact projects, achieving strong financial performance across all core divisions: Grid Integration, Grid Automation, Transformers, and High Voltage.

To further strengthen its customer offering, Hitachi Energy UK Limited launched a dedicated Service business unit effective 1 April 2025, reinforcing its commitment to long-term customer support and lifecycle value.

The increase in volumes and margins across all sectors, along with an improved supply chain and business operation efficiencies, has driven the improvement in financial performance. The order pipeline is very healthy with orders received and booked in the UK, reflected a +12% year-on-year growth. The Directors are confident that this will continue to grow over the foreseeable future, as the market for renewable energy is at the forefront of the drive for Net Zero, and the business is well positioned to support this growth.

Strategic Report (continued)

Principal activities and review of the business (continued)

The financial results were equally robust, with double-digit revenue growth, alongside continued improvements in gross margins and operating profit. This performance was driven by exceptional contributions from all Business Units across sectors, underpinned by a focus on operational excellence and capital efficiency.

Additionally, sustained progress in reducing overdue receivables has further strengthened Hitachi Energy Ltd's net working capital and cash position, reinforcing the company's financial resilience and capacity to invest in future growth.

Over the past few years, Hitachi Energy UK Limited has made significant investments to strengthen its UK operations and support long-term growth. A major milestone has been the implementation of a new enterprise resource planning (ERP) system, SAP S/4HANA, which will streamline business processes and provide a strong digital foundation for future expansion.

In addition to digital transformation, the company has invested in strategic real estate developments, including:

- The relocation of the UK head office to Alpha Tower in central Birmingham,
- The establishment of a project facility in Inverness, and
- The ongoing construction of a major operational facility in Beacon Park, Stafford.

These investments clearly demonstrate the Hitachi Energy Group's commitment to its UK operations and its dedication to delivering enhanced value to customers across the country. This will also see the Company well positioned to take advantage of its place as a leading player in the UK market.

The Company is confident that the emerging opportunities that have materialised this year will continue and that the improvement in profitability will be maintained.

This growth in business has been facilitated by the embedding of a go-to-market approach and the development of the front-end sales organisation to support the expected market opportunities in the grids and renewables business segments.

Risks and Uncertainties

The principal risks and uncertainties facing the Company in the UK are in the areas of market competition, operational delivery, safety and finance. The Company was extremely diligent in managing the risks faced by the Covid 19 pandemic and now sees this risk as being minimal to its activities and employees going forward.

Despite the strong performance, the current global economic uncertainty, including the impact of rising inflation, presents a potential risk to the business. Hitachi Energy UK Limited is actively monitoring these developments and continuously assessing their impact on both the supply chain and customer base. The company is taking proactive measures to mitigate pricing pressures and ensure continued stability and value delivery across its operations.

Competitive pressures in the UK market are a continuing risk. The Company manages this risk by putting customers first and by ensuring it provides the best value. Risk reviews are performed by management to address all commercial, operational and financial aspects of business opportunities, and projects in execution.

The Company expects the orders to increase at least in line with the market growth, and the recruitment plan needed to deliver this growth is significant. This presents a resource risk on the business given the availability of qualified resource in the UK.

The Company engages in large and complex projects which span for more than a year. These projects are exposed to risks, which are identified and evaluated at each project level. Hence, the projects may see deviations from their planned calculated cost as compared to actual costs incurred.

Strategic Report (continued)

Risk and uncertainties (continued)

This can be seen in projects with new technology that has never been executed before. In addition, there are risks of unforeseeable project-related changes in financial problems of customers, cost overruns or contractual penalties due to delays or unexpected technical problems, critical personnel shortages, quality requirements, effects of the legal or political environment, unforeseen developments at the project sites, performance problems with suppliers, contractors and consortium partners, or logistical difficulties. These could lead to significant increases in actual project costs, negatively affecting the performance of projects and having a material adverse effect on the business, financial position, and results of operations.

In certain cases, these risks also could lead to disputes. To address those risks, the Hitachi Energy Group have established a separate Group to monitor risk assessment and tender approval process for bid submission, a standardized process for project execution, educational guidance to systematically improve the capabilities of our project management personnel as well as a continuous improvement programme focused on past experiences, in order to prevent project failures or mismanagement.

Health and Safety

Health, Safety and Environment (HSE) factors always come first in the decisions made by the Directors and Company. Safety is fundamental to the Company's license to operate and is committed to minimise the risk of harm and is determined to eradicate fatalities, life-changing injuries, and major environmental incidents. The Life Saving Rules are the Company's flagship safety program to protect all those who work on the tasks which have the highest potential risk. All staff are trained in the Life Saving Rules to reduce the risk of failure to comply with these, best practice or legislative standards which would have a material impact on the Company's and its employees.

The Company actively manages the HSE aspects of all its activities. Performance in these areas is integral to the Company's Sustainability 2030 plan and to delivering the purpose of advancing a sustainable energy future for all. The Directors see these as vital to the 'license to operate' and to making the Company attractive as an employer as well as a business with which others – customers, suppliers, and partners – wish to work.

Sale of the Head Office in Stone and Lease / Purchase of Office Space

As part of the Company's project "Inspire" and in line with the real estate strategy, the Company is actively marketing for sale the head office facility in Oulton Road, Stone, ST15 0RS, Staffordshire. The Company has opened a new office within the Birmingham city centre, in 2024, at Alpha Tower, Floor 24, Suffolk Street Queensway, Birmingham B1 1TT, and is in the process of assessing further facilities required to deliver 'a sustainable energy future for all'.

Geopolitical Instability

The current geopolitical instability within the Middle East, Russia and Ukraine does not have a significant impact on the Company's UK business directly. The overall impact of this situation on the wider economy, including inflation and sourcing of key materials is being monitored closely by the Directors who continue to adopt strategies to minimise the resultant impact on the Company.

Going Concern

The Financial Statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors are confident that the financial performance of the legal entity will continue to generate cash and will improve as it has over the past 4 years. This, along with the strong pipeline of orders, provides confidence in the going concern of the entity.

Strategic Report (continued)

Going concern (continued)

In addition to this, the Directors have obtained confirmation that, if required, additional funding will be provided by the Company's immediate parent company, Hitachi Energy Ltd, to meet its liabilities as they fall due for a period of 12 months from the date of approval of these Financial Statements. As with any Company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these Financial Statements, they have no reason to believe that it will not do so.

As at 31 March 2025, the Company has no borrowings and the Company has £77,000,000 of deposits to Hitachi Treasury. Consequently, taking into account also the support from Hitachi energy Ltd, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for the period through to 30 June 2026 and therefore have prepared the Financial Statements on a going concern basis.

To enhance the financial strength of Hitachi Energy UK Limited, it has been agreed that the company's parent entity, Hitachi Energy Limited, will provide a capital injection of £50.0 million GBP. This investment is scheduled to be completed in the month of July 2025 and will significantly reinforce the shareholders' equity position of Hitachi Energy UK Limited. This capital injection will further strengthen the business' foundations, enabling us to better support our customers and deliver on our long-term growth plans.

Section 172 Statement

This section of our report describes how the Directors have had regard to the matters set out in section 172 of the Companies Act 2006. Section 172 requires Directors to act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its stakeholders as a whole. The Directors receive guidance on their duties from the Company Secretary, including in relation to Section 172, and have been briefed on these reporting requirements. The Board will continue to provide increased focus on stakeholder interests in the current Financial Year and beyond.

Through open and transparent dialogue with stakeholders, the Company has developed a clear understanding of their needs and understands their importance to both the Company's short and long-term strategies. Matters that are considered of strategic importance to the Company are subject to review and challenge by the Board.

Stakeholder engagement has been developed to reflect the core activities of the Company namely:

- Providing business support services to other Hitachi Energy Group businesses in Europe
- Supplying business products and services to external customers

The Company therefore considers its key stakeholder groups to be:

- Employees
- Customers, Suppliers and Partners
- Community, Society and Environment
- Shareholders

Employees

The Directors recognise that the Company's employees are key to the business success. Recognising that part of being a successful business involves effective engagement with employees, understanding and listening to the issues that affect them. The Company undertakes a regular employee survey. The survey provides a point in time view of, and allows the tracking of, employee satisfaction. Questions related to employee satisfaction include training, work life balance, support and facilities. The Employee Survey results are reviewed by the Directors, and it has been agreed that areas of importance to employees will be reviewed at future Board meetings.

Strategic Report (continued)

Employees (continued)

Integral to the Company's business strategy are diversity, equity and inclusion. As a modem and progressive Company, we believe that the best ideas can come from anyone, anywhere - and everyone can make a difference. This belief and outlook are nurtured by the leadership philosophy. The Company works closely with leaders to cultivate and reinforce the right leadership 'role model' behaviours - exploring topics such as 'unconscious bias' and equipping leaders with the skills and support to energise their teams to give their best.

"Diversity + Collaboration = Great Innovation at Hitachi Energy UK Limited"

The Company lives by this powerful equation. Together with customers and partners, it is advancing a sustainable energy future for all. We will only recognise this future when everyone has a seat at the table in an inclusive, collaborative culture. The business heavily invested in Workday in financial year 2023, to provide an improved Human Resources system for all employees and managers. This is subject to continuous improvement annually.

Customers, Suppliers and Partners

The customers' requirements are at the heart of everything the Company does. Open collaboration and customer focus are key dimensions of our Company's culture. Wherever they are in the world, our experts thrive on 'teaming up' to co-create impactful solutions that deliver customer success and societal progress. Engrained in our behaviour norms and values, collaboration enables us to bring together the best expert teams to ideate, incubate, design, test, pilot and deliver solutions that solve customer needs and create even more value - social, environmental and economic.

Our culture continues to be organically shaped by the Company's talented experts who, together with customers, partners, academia and other research bodies, are pioneering and co-creating the next generation of sustainable solutions. Together, we work and think globally, providing technical solutions that span cities, countries, and continents. We power the world's largest wind farms, bring energy to mass transportation systems, and protect our biggest cities from blackouts. Such purposeful innovation fuels our passion and drives us forward.

Community, Society and Environment

Together with customers, partners and other key stakeholders, the Company accelerates the energy transition through innovative technologies towards a carbon-neutral future.

By 2050, green electricity will be the backbone of our entire energy system and the Company is committed to co-creating a sustainable energy future for the current generation and those to come.

Through Sustainability 2030, the Company aims to achieve carbon-neutrality in its our own operations by 2030. In addition, we target to reduce our emissions along the value chain by 50% with customers, partners, and suppliers, supporting Sustainable Development Goals ("SDG") 7 'Affordable and Clean Energy' and aligned with the Paris agreement to limit global warming to 1.5 degrees.

The Company's ambition reaches beyond carbon-neutrality. We are working to reduce waste – along with our consumption of precious resources, including materials and freshwater. We will support 'Clean Water and Sanitation' (SDG 6) and 'Responsible Consumption and Production' (SDG 12) through circularity.

In 2021, the Company launched EconiQ™. This is the Group's eco-efficient portfolio where products, services and solutions are proven to deliver exceptional environmental performance. The EconiQ™ portfolio is sustainability-oriented in design to deliver a superior environmental performance compared to conventional solutions.

Following its launch in 2021, the Company is continuing to expand and develop the EconiQ™ portfolio of products, services and solutions. The eco-efficient portfolio for sustainability uses game-changing technology continuing to reinforce our commitment to a carbon-neutral energy future and to reduce carbon footprint throughout the entire lifecycle. The new gas mixture of the EconiQ™ range delivers the reliability of our proven switchgear range, with a global warming potential ("GWP") of less than 0.01% percent.

Strategic Report (continued)

Community, Society and Environment (continued)

The new gas helps to reduce the carbon footprint of the power grid and will stepwise complement our existing portfolio.

Shareholders

Shareholders have an interest in the performance of the business, as well as good governance.

Formal monthly performance reviews take place, with formal reports submitted to Group. This incorporates reviewing financial performance, safety, customers, people and supply chain topics.

The Board uses these review meetings to reflect upon past and future developments and requirements from Group.

Approved by order of the Board

Signed by:
Claire Roberts
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CL Roberts
Company Secretary
26 June 2025

Directors' Report

The Directors submit their Report and the audited Financial Statements for the Company for the year ended 31 March 2025.

Directors

The Directors who served during the year and subsequently were as follows:

MJ Hasnip
LAO Fleming
CL Roberts
MM Ghavi appointed on13 March 2025
JN Persson appointed on 13 March 2025
AB Poulter appointed on 1 October 2024, terminated on 13 March 2025
CS Drake appointed on 1 October 2024, terminated on 13 March 2025

Directors' Qualifying Third Party Indemnity Provisions

The Company has granted indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approving the Directors' Report.

Political and Charitable Donations

The Company made charitable donations of £1,200 in the year ended 31 March 2025 (2024: £nil). There was no political expenditure during the year (2024: £nil).

Disabled employees

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

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Streamlined Energy and Carbon Reporting ("SECR")

Our Greenhouse Gas ("GHG") emissions are reported in tonnes of carbon dioxide equivalent ("tCO2e"), for the period 1 April 2024 to 31 March 2025.

Our approach to reporting is based on the GHG Protocol Corporate Accounting and Reporting Standard. In line with the guidance on Streamlined Energy and Carbon Reporting ("SECR") we have included the energy and emissions for the buildings we own and operate (those within our financial control boundary) and those where we lease facilities and are responsible for the energy consumption (but which are outside our financial control).

We have used the latest Defra emissions factors, and our gross emissions tool in the table below applying the 'location based' accounting methodology for grid emissions.

We have chosen the intensity measure gross emissions in tCO2e per square meter as our activity is predominately office based.

Directors' Report (continued)

Streamlined Energy and Carbon Reporting ("SECR") (continued)

Company's Consumption and Associated Greenhouse Gas Emissions		
Consumption	2024/25	2023/24
Total Energy Consumption (Electricity) (kWh)	775,777	834,268
Total Energy Consumption (Gas) (kWh)	0	0
Total Vehicle Fuel Consumption (kWh) [1]	75.049	46.575
Emissions	2024/25	2023/24
Emissions from Combustion of Fuel - Gas (Scope 1) (tCO2e)	0	0
Emissions from Business Travel - Company Owned (Scope 1) (tCO2e)	594.228	205.053
Emission from Electricity Purchased for Own Use - Company Owned (Scope 2) (tCO2e)	160.625	172.755
Emissions from Business Travel - Rental or Employee Owned (Scope 3) (tCO2e)	2,280.427 [2]	1,448.257 [2]
Total Annual Gross Emissions	3,035.28	1,826.065
Total Annual Net Emissions	3,035.28	1,826.065
Annual GHG Intensity Measure (tCO2/unit)	2024/25	2023/24
GHG Emissions tCO2e/sqm	0.138	0.118

[1] Assumption made that hybrid vehicles are petrol fuel for conversion to kWh.

[2] Scope 3 has been expanded to incorporate additional non-mandatory reporting.

Sustainability is integral to our business. We are committed to all the UN Sustainable Development Goals ("SDGs") and to make significant contribution to 8 of the SDGs. '**Sustainability 2030**' is our new strategic plan for sustainability where we summarise the main commitments to act and drive business in a sustainable way. Based around four pillars: **Planet, People, Peace and Partnership**, our strategy draws from the UN's Sustainable Development Goals, where each pillar has corresponding targets that drive our business to contribute social, environmental and economic values.

Planet (SDG 6,7,12). By 2030, we will achieve carbon-neutrality in our own operations. We are working towards reducing carbon emissions by 50% along the value chain, and reducing waste – along with our use of precious resources, like water.

People (SDG 3,4,5). Sustainability is about people. We are nurturing an inclusive culture and enabling all our people to thrive and give their best. We are fostering life-long learning and believe that diversity plus collaboration equals great innovation. We call this Diversity 360.

Peace (SDG 16). We promote peaceful, inclusive and sustainable societies. Everything we do is based on Safety, Integrity and Quality – our license to operate.

Partnership (SDG 17). Together with customers and partners, we are co-creating innovative technologies and building a flexible, resilient, reliable and sustainable energy system. We are accelerating the energy transition.

For the reporting period the following sustainability improvement measures have been identified and implemented including:

- Hitachi Energy has been recognised with a platinum award by EcoVardis, a leading sustainability assessment specialist. This places the company in the top 1% of the 150,000 global companies assessed across: labour and human rights, ethics, sustainable procurement, and environment. This is an improvement on the previous period's gold award, with Hitachi Energy's overall score increasing by six points to 84 out of 100.

Directors' Report (continued)

Streamlined Energy and Carbon Reporting ("SECR") (continued)

- Hitachi Energy have been acknowledged with a second consecutive 'A-' rating from CDP, an NGO encouraging and supporting companies and cities to disclose their environmental impacts. The 'A-' rating retains Hitachi Energy's place in CDP's 'leadership band' of organizations implementing current best practices – significantly ahead of the 'C-' rating average for the electrical and electronic sector
- Promotion of the updated Sustainability 2030 strategic plan for transitioning to carbon neutrality across the business, addressing climate change and further embedding SDGs in company Policies and Targets
- Hitachi Energy also publishes an annual Sustainability Report to disclose further details on the company's initiatives to deliver the sustainability strategy and targets across business operations.
- The Hitachi Energy UK specifically is sustaining flexible working practices, encouraging hybrid working and use of Augmented Reality headsets and technology (for virtual conference, audits and Factory Acceptance Tests) to reduce carbon associated with business travel
- Making fully electric vehicles more affordable to employees, through Arval Ignition salary sacrifice scheme and by subsidising cost of home charger installing
- Estate rationalisation programme has resulted in the commencing of plans for a purpose-built facility for testing and engineering activities and the decommission of the existing energy-inefficient Stone office site
- Estate rationalisation programme has relocated office staff to utilise fit-for-purpose energy efficient offices, including the new registered head office located in Birmingham city centre, that offers easy access via public transport. To assist workers with the change and encourage the use of sustainable travel, Hitachi Energy are reimbursing employees for their cost of travel

Following on from the period of societal recovery and continued cost of living crisis; Hitachi Energy has adopted a hybrid style of working. Employees within the UK have had their employment contracts reviewed and, where appropriate, re-issued to state 'home-based', entitling them to claim travel expenses for travelling for work into the office. This strategic management decision was made to ease the financial pressures of country economic recession and inflation of transport costs, ahead of the Head Office relocating from rural Staffordshire to Birmingham city centre.

Overall GHG emissions have increased YoY (0.02 tCO_2e/sqm). This may be partially accounted for by further increase in headcount, as part of the 'Super Growth Plan' to expand operations to help meet the demands of the industry (i.e. UK Net Zero targets, increasing electrification, grid expansion and network connections, increasing dependency on renewable energy sources, battery energy storage, etc.) and an increase in face-to-face collaboration increasing travel.

As a result of estate rationalisation and relocation of office workers to a more energy-efficient office location, energy consumption on site has decreased by 7.011% YoY (with a reduction of 58,491 kWh YoY). It is anticipated that energy consumption shall decrease further in the coming 12 months, as the Stone office site is decommissioned fully.

Despite an overall increase in emissions of 115.976 tCO_2e (47%), advances have been made in transitioning rented and employee-owned vehicles away from diesel (6.7% reduction) and petrol (14.3% reduction) towards fully electric vehicles (289% increase). Further gains have been made in encouraging workers to utilise public transport, with a further increase in rail travel (3.4%) and a significant increase in bus travel, as the new Birmingham office has made the company more appealing to graduates living in the city (with a 1123.2% increase).

Despites savings in some areas, overall business travel has increased YoY. As construction site activity has expanded in line with continued wider industry recovery, Scope 1 emissions of commercial vehicles used by Service Engineers across the business have increased by 79.7% YoY. The largest contributor to Scope 3 emissions is air travel, which has increased by 49.5%; exceeding pre-Covid levels. Whilst international travel has increased, domestically our commitment to transitioning to lower carbon travel alternatives is demonstrated with greater employee participation in the Arval Ignition Scheme, with a 260% increase in electric vehicle miles travelled.

Directors' Report (continued)

Streamlined Energy and Carbon Reporting ("SECR") (continued)

Whilst electricity purchased remains a significant contributor to Hitachi Energy UK's carbon footprint, the impact of estate rationalisation and relocation is beginning to show benefits with reduction in consumption. The largest area of focus is business travel. This shall be addressed through greater adoption of digital technologies to prevent travel (whilst maintaining collaboration and engagement) and continuing to embrace lower carbon alternative means, where travel is unavoidable. The sustainable travel awareness drive shall place particular emphasis on the impact of air travel, being the largest contributor to annual carbon emissions.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 3.

Engagement with suppliers, customers and others is set out in the Strategic Report above on pages 3 to 7.

Auditor

Ernst & Young LLP will be seeking re-appointment as auditors at the forthcoming Annual General Meeting A resolution to appoint the Company's auditor will be put to the forthcoming Annual General Meeting.

Disclosure of Information to the Auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that they are obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the Board.

Signed by:
Claire Roberts
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CL Roberts
Company Secretary
26 June 2025

Statement of Directors' responsibilities in respect of the Financial Statements

The Directors are responsible for preparing the Strategic Report, Directors' Report and the Financial Statements in accordance with applicable United Kingdom laws 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 Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). 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 judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- in respect of the Company's Financial Statements, state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is appropriate to presume that the Company will not 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 Company's 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.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and Directors' Report that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HITACHI ENERGY UK LIMITED

Opinion

We have audited the financial statements of Hitachi Energy UK Limited ("the Company") for the year ended 31 March 2025 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 23, including a materiality accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice) ("FRS101").

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 March 2025 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 12 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Other information

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

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

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

We have nothing to report in this regard.

Independent auditors' report (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its domestic and overseas operations, including health and safety, employees, data protection and anti-bribery and corruption.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- We understood how the Company is complying with those frameworks by making enquiries of management and those charged with governance. We corroborated those enquiries through our review of Board Minutes / relevant authorities and noted that there was no contradictory evidence. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of assessment performed by management, understanding the controls in place to mitigate fraud and considering which areas may be most susceptible to the risk of management override. We also performed risk assessment analytical procedures and identified sources and types of journals in the Company's financial processes. Any fraud risk factors identified were evaluated to identify risk of material misstatement due to fraud. We did not identify any materials risk due to fraud, other than the presumptive risk of material misstatement due to fraud in respect of revenue recognition and management override in respect of manual out of book adjustments.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations, including in respect of fraud. Our procedures involved using data analytic approaches to identify any unusual entries, including any in the revenue process and obtaining evidence that those journals are authorised, supported by appropriate documentation and have been accounted appropriately. For revenue recognised over time, we inspected contracts with customers, considered management's estimates of costs to complete each contract and checked that revenue had been correctly calculated based on the percentage of completion method. We tested specific transactions back to source documentation or independent confirmation, ensuring appropriate authorisation of the transactions. These procedures were designed to provide reasonable assurance that Company's financial statements were free from material misstatement due to fraud.

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

Use of our report

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

DocuSigned by:
Ernst & Young LLP
B6A8060B0138444...

James Golder (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Birmingham, United Kingdom

Date: 26 June 2025

At 31 March 2025

Profit and Loss Account for the year ended 31 March 2025

	Notes	*Year ended 31 March 2025 £'000*	*Year ended 31 March 2024 £'000*
TURNOVER	3	330,024	273,408
Cost of sales		(258,352)	(208,403)
GROSS PROFIT		71,672	65,005
Selling and distribution expenses		(25,564)	(19,421)
Administrative expenses		(39,927)	(37,331)
OPERATING PROFIT	4	6,181	8,253
Interest income	6	1,471	1,297
Interest expense and similar charges	7	(226)	(96)
PROFIT BEFORE TAXATION		7,426	9,454
Tax credit/(charge)	8	1,093	(1,257)
PROFIT AFTER TAXATION		8,519	8,197
Other comprehensive income		-	-
TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD		8,519	8,197

All turnover and profit are from continuing operations.

The Notes on pages 19 to 34 form part of these Financial Statements.

Balance Sheet as at 31 March 2025

	Notes	*31 March 2025 £'000*	*31 March 2024 £'000*
FIXED ASSETS			
Tangible assets	9	10,940	7,784
Intangible assets	11	288	387
		11,228	8,171
CURRENT ASSETS			
Stock	12	20,068	5,994
Debtors	13	294,120	155,725
Cash at bank and in hand		2,977	1,080
		317,165	162,799
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	14	(294,096)	(145,362)
NET CURRENT ASSETS		23,069	17,437
Creditors: amounts falling due after one year	14	(2,905)	(1,473)
Provisions for liabilities	16	(6,623)	(7,885)
NET ASSETS		24,769	16,250
CAPITAL AND RESERVES			
Called up share capital	18	37,699	37,699
Capital reserve		4,291	4,291
Merger reserve		(8,509)	(8,509)
Profit and loss Account		(8,712)	(17,231)
SHAREHOLDER'S FUNDS		24,769	16,250

The Notes on pages 19 to 34 form part of these Financial Statements.

The Financial Statements of Hitachi Energy UK Limited, registered number 02985756 were approved on behalf of the board and authorised for issue on the date shown below.

Approved by the Board and signed on its behalf

Signed by:
Matthew J Hasnip
3148F4D86C79411...

MJ Hasnip

Director

26 June 2025

At 31 March 2025

Statement of Changes in Equity for the year ended 31 March 2025

	Called up share capital	*Capital reserve*	*Merger reserve*	*Profit and Loss Account*	*Total*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
At 31 March 2023	37,699	4,291	(8,509)	(25,428)	8,053
Profit for the year	-	-	-	8,197	8,197
At 31 March 2024	37,699	4,291	(8,509)	(17,231)	16,250
Profit for the year	-	-	-	8,519	8,519
At 31 March 2025	37,699	4,291	(8,509)	(8,712)	24,769

The Capital reserve was established on 14 July 2009 when the parent company at that time made a capital contribution of £4,291,000 to the Company.

This merger reserve has arisen from the difference in the nominal value of the shares issued and the book value of the assets transferred by ABB Limited to the Company in October 2019. In accordance with Group Reconstruction Relief this has been transferred to a merger reserve. The merger reserve is reviewed annually for impairment.

The Notes on pages 19 to 34 form part of these Financial Statements.

Notes to the Financial Statements

1. Authorisation of Financial Statements and Statement of Compliance with FRS 101

The Company is a private Company limited by shares (S. 396(A1)(c) of Companies Act 2006) and is registered in England & Wales.

These Financial Statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs") but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Financial Statements were approved for issue by the Board of Directors on 26 June 2025. The material accounting policies adopted by the Company are set out in Note 2.

2. Material accounting policy information

2.1 Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the Financial Statements for the year ended 31 March 2025.

The Company has taken advantage of the following disclosure exemptions under FRS 101, as the results are included in the accounts of Hitachi Energy Ltd, the immediate parent company.

(a) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share Based Payment, because the share-based payment arrangement concerns the instruments of another group entity;

(b) the requirements of IFRS 7 Financial Instruments: Disclosures

(c) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement

(d) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 (i) paragraph 79(a)(iv) of IAS 1 Presentation of Financial Statements;
 (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 (iii) paragraph 118(e) of IAS 38 Intangible Assets; and

(e) the requirements of IAS 7 Statement of Cash Flows;

(f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;

(g) the requirements of paragraphs 10(d), 10(f), 16, 38(a) - 38(d), 40(a) - 40(d), 111 and 134 -136 of IAS 1 Presentation of Financial Statements;

(h) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) -134(f) and 135(c) -135(e) of IAS 36 Impairment of Assets;

(i) the effects of new but not yet effective IFRSs.

2.Material accounting policy information (continued)

2.2 Going Concern

The Financial Statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors are confident that the financial performance of the legal entity will continue to generate cash and will improve as it has over the past 4 years. This, along with the strong pipeline of orders, provides confidence in the going concern of the entity. In addition to this, the Directors have obtained confirmation that, if required, additional funding will be provided by the Company's immediate parent company, Hitachi Energy Ltd, to meet its liabilities as they fall due for a period of 12 months from the date of approval of these Financial Statements. As with any Company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these Financial Statements, they have no reason to believe that it will not do so.

As at 31 March 2025, the Company has no borrowings and the Company has £8,159,300 of deposits to Hitachi Treasury. Consequently, taking into account also the support from Hitachi energy Ltd, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for the period through to 30 June 2026 and therefore have prepared the Financial Statements on a going concern basis.

To enhance the financial strength of Hitachi Energy UK Limited, it has been agreed that the company's parent entity, Hitachi Energy Limited, will provide a capital injection of £50.0 million GBP. This investment is scheduled to be completed in the month of July 2025 and will significantly reinforce the shareholders' equity position of Hitachi Energy UK Limited. This capital injection will further strengthen the business' foundations, enabling us to better support our customers and deliver on our long-term growth plans.

2.3 Judgements and key sources of estimation uncertainty

The preparation of Financial Statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported for revenues and expenses during the year or period. However, the nature of estimation means that actual outcomes could differ from those estimates.

This does not mean that every accounting judgement should be disclosed. However, disclosure would be appropriate in cases where the accounting outcome is materially different dependent on the judgement taken. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the Financial Statements:

Revenue and margin recognition

Revenue and margin recognition on contracts are based on constraints on variable consideration, estimates of future costs and an assessment of technical and other risks.

Revenue is accounted for in accordance with IFRS 15 Revenue from contracts with customers. For most of the contracts, revenue and associated margin are recognised progressively over time as costs are incurred, and as risks have been mitigated or retired.

The ultimate profitability of contracts is based on estimates of revenue and costs, including allowances for technical and other risks, which are reliant on the knowledge and experience of the project managers, engineers and finance and commercial professionals. Material changes in these estimates could affect the profitability of individual contracts. Revenue and cost estimates are reviewed and updated at least quarterly, and more frequently as determined by events or circumstances.

The long-term nature of many of the Company's contracts means that judgements are made in estimating future costs on a contract as well as when risks will be mitigated or retired, which impacts when revenue and associated margin are recognised.

2. Material accounting policy information (continued)

2.3 Judgements and key sources of estimation uncertainty

Revenue and margin recognition

Construction contract debtors are presented as part of debtors in the Balance Sheet. If payments received from customers exceed the income recognised, then the difference is presented as part of creditors in the Balance Sheet.

2.4 Revenue recognition

The Company recognises revenue when it transfers the control over a good or service to a customer. The control is deemed to be transferred when the customer has the ability to direct the use of the asset or has the ability to obtain substantially all of the remaining benefits from that good or service.

Revenue is recognised on long term contracts over time as control is transferred. The basis used to determine the progress of the transfer of control is cost incurred as noted in Note 2.3 above.

Revenue is recognised on short term contracts and product sales at a point in time when the customer has control over substantially all the remaining benefits from the contract.

Revenue is recognised on service sales at the time the service has been rendered or in the case of period service contracts over the life of the contract.

2.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses if any.

Depreciation is provided on all tangible fixed assets, except for freehold land, at rates calculated to write off cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

Freehold buildings	- 15 to 50 years
Leasehold land improvements and buildings	- over the lease term
Machinery, equipment and vehicles	- 3 to 15 years

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

2.6 Intangible fixed assets

Goodwill has an indefinite life and is tested annually for impairment. Goodwill is initially measured at cost being the excess of the aggregate of the acquisition-date fair value of the consideration transferred and the amount recognised for the non-controlling interest over the net identifiable amounts of the assets acquired and the liabilities assumed in the business combination. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units (or groups of cash generating units) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which goodwill is allocated shall represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and cannot be larger than an operating segment before aggregation.

The costs of implementing major software are capitalised at cost. The cost is amortised on a straight-line basis over its useful economic life up to a maximum of 5 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

2.Material accounting policy information (continued)

2.7 Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value, as follows:

Raw materials and goods for resale	- purchase cost on a first-in, first-out basis
Work in Progress and finished goods	- cost of direct materials and labour plus attributable overheads

2.8 Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the Balance Sheet date. All differences are taken to the Profit and Loss Account.

2.9 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the exception that deferred tax assets are recognised only to the extent that the Directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and law enacted or substantively enacted at the Balance Sheet date.

2.10 Leases

At the commencement date of the lease, the Company recognises a right-of-use asset and a lease liability on the Balance Sheet. The right-of-use asset is measured at cost, which consists of the initial measurement of the lease liability, any initial direct costs incurred by the Company in setting-up/entering into the lease, an estimate of any costs to dismantle and remove the asset at the end of the lease and any payments made in advance of the lease commencement date (net of any incentive received).

The Company depreciates right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life or the end of the lease term. The carrying amounts of right-of-use assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised when the carrying value of an asset exceeds its recoverable amount.

The Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the applicable incremental borrowing rate. Lease payments included in the measurement of the lease liability comprises of fixed or variable payments (based on an index or rate), amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to the initial measurement, the liability will be reduced for payments made and increased for the interest applied and it is remeasured to reflect any reassessment or contract modifications. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or in the Profit and Loss Account if the right-of-use asset is already reduced to zero.

2. Material accounting policy information (continued)

2.10 Leases (continued)

The Company has elected to record short-term leases of less than 12 months and leases of low-value assets as defined in IFRS 16 as an operating expense in the Profit and Loss Account on a straight-line basis over the lease term.

Right-of-use assets and lease liabilities are included in Note 10.

2.11 Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

2.12 Provisions and Contingencies

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the possibility of the outflow of economic benefit is not probable but more than remote, a contingent liability is disclosed.

Provision for warranty cost is made either by a cost accrual or turnover deferral at the time of sale. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

2.13 Merger Reserve

This merger reserve has arisen from the difference in the nominal value of the shares issued and the book value of the assets transferred by ABB Limited to the Company in October 2019. In accordance with Group Reconstruction Relief this has been transferred to a merger reserve. The merger reserve is reviewed annually for impairment.

3. Turnover and Segmental analysis

The turnover is stated net of value added tax and is attributable for the financial year from the provision of solutions for secure, energy-efficient generation, transmission and distribution of electricity. As well as development, marketing and servicing of Enterprise Software solutions covering asset care and maintenance.

A geographical analysis of turnover is given below:

	2025	*2024*
	£'000	*£'000*
Within the UK	278,390	223,795
Rest of Europe	50,957	48,276
Rest of the World	677	1,337
	330,024	273,408

3. Turnover and Segmental analysis (continued)

An analysis of turnover by business segment is given below:

	2025	2024
	£'000	£'000
Grid automation	56,899	51,465
Grid integration	183,509	143,317
High voltage	47,263	41,924
Transformers	32,274	29,502
Central and Other	10,079	7,200
	330,024	273,408

The Grid automation and Grid integration segments above include contract revenues under IFRS 15.

An analysis of the operating profit / (loss) is given below:

	2025	2024
	£'000	£'000
Grid automation	3,673	811
Grid integration	18,089	9,722
High voltage	5,080	2,919
Transformers	216	(687)
Central and Other	(20,877)	(4,511)
	6,181	8,253

An analysis of net assets / (liabilities) is given below:

	2025	2024
	£'000	£'000
Grid automation	16,725	14,801
Grid integration	36,473	17,831
High voltage	19,162	14,018
Transformers	(1,289)	(1,460)
Central and Other	(46,302)	(28,940)
	24,769	16,250

Balances on contracts with customers

		Note	2025	2024
			£'000	£'000
Trade Receivables		13	41,416	43,212
Contract assets:	Accrued income	13	62,370	29,972
	Amounts recoverable on contracts	13	41,430	22,381
Contract liabilities:	Customer advances	14	195,728	58,673

The movement in contract asset and contract liability balances in the year are due to contract progression.

The trade receivables balance comprises of receivables from contracts amounting to £41,430,000 (2024: £22,381,000).

Accrued income comprises of unbilled revenue in respect of contracts.

Amounts recoverable on contracts relates to costs incurred in relation to unbilled work on contracts.

Customer advances relate to amounts due to third party customers for billings in excess of revenue and advances received in respect of work to be performed under contracts.

4. Operating profit

Operating profit is stated after charging:

	2025 £'000	2024 £'000
Research and development costs	12,561	11,400
Depreciation of tangible fixed assets	1,859	1,490
Amortisation of intangible fixed assets	99	102
Auditor's remuneration	525	509
Net loss on foreign currency translation	561	1,509

5. Directors' Remuneration and Staff Costs

	2025 £'000	2024 £'000
Directors' Emoluments		
Pensions	55	40
Benefits in kind	45	42
Wages and salaries	767	559
	867	641

The highest paid Directors' emoluments amounted to £286,185 (2024: £248,335) and pension contributions were £55,832 (2024: £19,475).

	2025 £'000	2024 £'000
Staff Costs		
Wages and salaries	53,153	39,127
Social security costs	6,038	4,471
Other pension costs	6,095	4,463
	65,286	48,061

The average number of employees during the period was 648 (2024: 497):

	2025	2024
Consulting & customer support	102	106
Sales & marketing	51	55
Administration	103	109
Production	392	227
	648	497

6. Interest Income

	2025 £'000	2024 £'000
Interest income from group undertakings	1,471	1,297

7. Interest Expense and Similar Charges

	2025 £'000	2024 £'000
Interest expense on leases	(226)	(96)
	(226)	(96)

8. Taxation

Analysis of tax credit (charge) for the year	2025 £'000	2024 £'000
Current taxation		
Current tax charge on profit	(715)	(952)
Tax (overstated) / understated in prior year	41	(305)
	(674)	(1,257)
Deferred taxation		
Origination and reversal of temporary differences	1,675	-
Tax (overstated) / understated in prior year	93	-
	1,768	
Tax credit (charge) on profit on ordinary activities	1,093	(1,257)

Factors affecting current tax credit:

The tax credit for the year differs from the standard rate of corporation tax in the UK of 25.00% (2024: 25.00%). The differences are reconciled below:

	2025 £'000	2024 £'000
Profit before taxation	7,426	9,454
Profit multiplied by standard rate of corporation tax in the UK of 25.00% (2024: 25.00%)	(1,857)	(2,364)
Expenses not deductible for tax purposes	(74)	(166)
Adjustments in respect of prior year	(52)	(305)
Utilisation of brought forward losses	1,308	1,578
Recognition of previously unrecognised deferred tax asset	1,768	-
Total current tax (charge) / credit	1,093	(1,257)

The Company has tax trading losses arising and carried forward in the UK of £5,245,000 (2024: £10,785,000) which are available indefinitely for offset against future taxable profits of the businesses in which the losses originally arose.

8. Taxation (continued)

Pillar Two taxation: Tax laws have been enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development in certain countries and regions in which the Hitachi Group is engaged in business activities. For the year ended 31 March 2025, Hitachi Group revenues exceeded 750 million euro which is a threshold of the Pillar Two model rule. Moreover, revenues for the year ending 31 March 2026 is expected to be also over 750 million euro. The Hitachi Group has performed an assessment of the potential exposure to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (hereinafter "the Pillar Two income taxes").

The assessment of the potential exposure to the Pillar Two model rules is based on the most recent tax fillings of the Hitachi Group subsidiaries and country-by-country report and is performed by taking into account special factors and the impact of business combinations.

Based on this assessment, no Pillar Two income taxes have yet been levied in the UK. Hitachi Energy UK Limited assumes that the future potential impact on its net assets, financial position and results of operations will not be material.

In addition, Hitachi Energy UK Limited declares that it is exempt from the recognition of deferred tax assets and deferred tax liabilities arising from the laws implementing the Pillar Two Model Rules (Pillar Two Legislation) and from the exemption from the Disclosure of Information Regarding Such Deferred Taxes.

9. Tangible Fixed Assets

	Land & Buildings	*Machinery, Equipment & Vehicles*	*CIP*	*Total*
	£'000	*£'000*	*£'000*	*£'000*
Cost:				
At 1 April 2024	7,989	4,265	1,111	13,365
Additions	830	1,573	2,654	5,057
Disposals	-	(368)	-	(368)
At 31 March 2025	8,819	5,470	3,765	18,054
Depreciation:				
At 1 April 2024	2,655	2,926	-	5,581
Charge for the year	977	882	-	1,859
Disposals	-	(326)	-	(326)
At 31 March 2025	3,632	3,482	-	7,114
Net Book Value:				
At 31 March 2025	5,187	1,988	3,765	10,940
At 1 April 2024	5,334	1,339	1,111	7,784

9. Tangible Fixed Assets (continued)

Freehold land amounting to £1,350,000 (2024: £1,350,000) is included in Land & Buildings.

Included in tangible fixed assets are right of use assets amounting to a net book value of £3,627,000 (2024: £3,289,000) and the analysis of these is given in Note 10 Leases.

10. Leases

The Company has entered into lease contracts in relation to its offices and vehicles used in its operations. Leases of motor vehicles have lease terms between 3-15 years, while office building have lease terms between 3-8 years.

Set out below are the carrying amounts of right-of-use assets recognised and movements during the year:

	Buildings	*Machinery, Equipment and vehicles*	*Right of use assets Total*
	£000	*£000*	*£000*
Cost:			
At 1 April 2024	3,308	1,336	4,644
Additions	829	1,076	1,905
Disposals	-	(368)	(368)
At 31 March 2025	4,137	2,044	6,181
Depreciation:			
At 1 April 2024	843	512	1,355
Charge for the year	923	601	1,524
Disposal	-	(325)	(325)
At 31 March 2025	1,766	788	2,554
Net Book Value:			
At 31 March 2025	2,371	1,256	3,627
At 1 April 2024	2,465	824	3,289

Set out below are the carrying amounts of lease liabilities:

	Buildings	*Machinery, Equipment and vehicles*	*Total*
	£000	*£000*	*£000*
At 1 April 2024	2,560	846	3,406
Additions during the year	829	1,021	1,850
Interest	143	78	221
Payments	(926)	(681)	(1,607)
At 31 March 2025	2,606	1,264	3,870

10. Leases (continued)

Analysed as:	*2025* *£000*	*2024* *£000*
Current lease liability (Note 14)	965	1,933
Non-current lease liability	2,905	1,473
	3,870	3,406

The following are the amounts recognised in Profit and Loss account:

	Buildings *£000*	*Machinery, Equipment and Vehicles* *£000*	*Total recognised in Profit and Loss Account* *£000*
Short-term lease charges	-	372	372
Depreciation expense of right of use asset	922	601	1,523
Interest expense on lease liability	146	79	225
Year ended 31 March 2025	1,068	1,052	2,120

	Buildings *£000*	*Machinery, Equipment and Vehicles* *£000*	*Total recognised in Profit and Loss Account* *£000*
Short-term lease charges	-	337	337
Depreciation expense of right of use asset	486	419	905
Interest expense on lease liability	50	46	96
Year ended 31 March 2024	536	802	1,338

Future minimum rentals payable under non-cancellable leases:

	2025 *£000*	*2024* *£000*
Within one year	941	818
In two to five years	2,431	1,069
More than five years	681	1,932
	4,053	3,819

At 31 March 2025

11. Intangible Fixed Assets

	Software *£'000*	*Goodwill* *£'000*	*Total* *£'000*
Cost:			
At 1 April 2024	668	874	1,542
Disposals		-	
At 31 March 2025	668	874	1,542
Amortisation/impairment:			
At 1 April 2024	281	874	1,155
Amortisation for the year	99	-	99
At 31 March 2025	380	874	1,254
Net Book Value:			
At 31 March 2025	288	-	288
At 1 April 2024	489	-	489

12. Stock

	2025 *£'000*	*2024* *£'000*
Work in progress	20,068	5,994
	20,068	5,994

Inventory is measured at the lower of cost and net realisable value in accordance with international accounting standard IAS 2 inventories.

The difference between purchase price or production cost of stock and their replacement cost is not material.

Work in Progress relates to costs incurred in relation to unbilled work for service contracts.

13. Debtors

	2025	*2024*
	£'000	*£'000*
Trade debtors (Note 3)	41,416	43,212
Amounts owed by group undertakings	141,988	60,145
Deferred tax asset	1,522	-
Prepayments and accrued income	67,219	29,972
Amounts recoverable on contracts (Note 3)	41,430	22,381
Other debtors	28	15
Corporate tax receivable	517	-
	294,120	155,725

Trade debtors and accrued income are stated after allowing for expected credit losses of £126,000 (2024: £160,000).

Included in amounts owed by group undertakings is an amount for £77,000,000 (2024: £31,600,000) which relates to short-term deposits with a fellow group undertaking, at a fixed interest ranging from 0.545% to 0.595% (2024: 0.545% to 0.595%).

14. Creditors

	2025	*2024*
	£'000	*£'000*
Trade creditors	16,643	10,948
Customer advances (Note 3)	195,728	58,673
Amounts owed to group undertakings	31,704	40,176
Corporate tax payable	-	1,258
Other taxes and social security payable	3,629	7,860
Lease liabilities (Note 10)	965	1,933
Accruals	39,957	19,322
Deferred income	5,470	5,192
	294,096	145,362

Amounts owed to group undertakings relates to transactions with wholly owned Hitachi Energy subsidiaries within the normal course of business. Creditors due in greater than 1 year relate wholly to lease liabilities and are shown in note 10.

15. Deferred Taxation

The amounts of deferred taxation are as follows:

	2025
	£'000
Decelerated Capital Allowances	(2)
Short term timing differences	458
Tax losses carried forward	1,312
	1,768

Deferred tax assets have been calculated at 25% which is the UK rate of corporation tax.

15. Deferred Taxation (continued)

Previously, deferred tax assets were not recognised due to insufficient positive evidence to support future recoverability. Due to continuous historical performance and higher reliability in short-term forecast, deferred tax assets has now been recognised in 2024. Net deferred tax assets are due within 12 months.

Reconciliation of net deferred tax assets are as follows:

	2025
	£'000
As of 1 April 2025	-
Recognised in profit and loss	1,768
At 31 March 2025	1,768

16. Provisions for Liabilities

	Warranties and other	*Work due*	*Losses on contracts*	*Total*
	£'000	*£'000*	*£'000*	*£'000*
Provision at 1 April 2024	1,719	5,566	601	7,886
Charged to Profit and Loss Account during the year	494	-	12	506
Utilised during the year		(1,769)		(1,769)
Provision at 31 March 2025	2,213	3,797	613	6,623

Warranty provisions are recognised for expected warranty claims on completed contracts. It is expected that these costs will be incurred within two years of the Balance Sheet date.

Work due provisions arise when a contract is fully completed and delivered, however, there are still costs relating to that contract that are not yet recognised because they have not yet been incurred.

Losses on contracts provision relates to provisions for losses or claims on ongoing contracts. The provision credited during the year pertains to completed contracts. It is expected that these costs will be incurred within three years of the Balance Sheet date.

The impact of discounting amounts arising from the passage of time and the effect of any change in the discount rate is not material to these Financial Statements.

17. Guarantees and other financial commitments

In accordance with the industry practice, guarantees of performance under contracts with customers are given. Such guarantees can, in the normal course of business extend from the tender period until the final acceptance by the customer, or the end of the warranty period and may include guarantees on project completion, or contract specific defined performance criteria.

The guarantees are provided by a bank by way of performance bonds and letters of credit. At 31 March 2025, these guarantees amounted to £231,389,000 (2024: £82,918,000). In addition, there were guarantees provided for contracts that had not yet been novated from ABB Limited. These amounted to nil as at 31 March 2025 (2024: nil). The Company provides a counter indemnity to the bank.

Projects for which guarantees are given are regularly reviewed by the management and when it becomes probable that payments pursuant to performance guarantees will be required to be made, accruals are recorded in the Financial Statements at that time.

18. Called Up Share Capital

Share Capital

	No.	*2025*	*No.*	*2024*
Ordinary Shares of £1 each		*£'000*		*£'000*
Allotted, called up and fully paid	37,698,650	37,699	37,698,650	37,699

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19. Defined Contribution Pension Scheme

The Company operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charges to income of £6,095,000 (2024: £4,463,000) represents contributions payable by the Company to the fund. Contributions of £1,239,000 (2024: £471,000) due in respect of the current reporting period were payable to the fund at the year-end and are included in creditors.

20. Contingent liabilities

The Company is party to certain legal actions in the normal course of business and only provides for them when there is a probable obligation. The directors consider there are no substantial grounds for any of these claims, and the risk of material loss is considered to be remote.

21. Related Party Transactions

The Company has taken advantage of the exemption under FRS101, not to disclose related party transactions with wholly owned subsidiaries within the Group.

22. Post Balance Sheet Events

The company has had confirmation on 10th June of an approved capital injection, amounting to £50M, from its Parent company, Hitachi Energy Ltd. The capital injection will be completed in the month of July 2025.

23. Ultimate Parent Undertaking

The immediate parent company is Hitachi Energy Ltd, a Company incorporated in Switzerland. This undertaking is the smallest group in which Hitachi Energy UK Limited is consolidated. A copy of the accounts can be obtained from PO Box 8131, CH-8050 Brown Boveri Strasse 5, Zurich, Switzerland, which is the registered office of Hitachi Energy Ltd.

The ultimate parent undertaking of the Company is Hitachi, Ltd, a Company incorporated in Japan. This undertaking is the largest group in which Hitachi Energy UK Limited is consolidated. A copy of the accounts can be obtained from 1-6-6, Marunouchi, Nihonseimei, Marunouchi Building, Chiyoda-Ku, Tokyo 100-8280, Japan.