

COOPER BUSSMANN (U.K.) LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2017

Registered number: 00363685

**COMPANIES HOUSE
EDINBURGH**

28 SEP 2018

FRONT DESK



COOPER BUSSMANN (U.K.) LIMITED

Registered No 00363685

Corporate information

Directors

J W M Butlers
A R Bruce

Auditors

Ernst & Young LLP
G1
5 George Square
Glasgow G2 1DY
United Kingdom

Bankers

Deutsche Bank AG
1 Great Winchester Street
London EC3V 9EX
United Kingdom

Solicitors

Eversheds
1 Wood Street
London
EC2V 7WS
United Kingdom

Registered Office

6 Jephson Court
Tancred Close
Leamington Spa
Warwickshire
England, CV31 3RZ

COOPER BUSSMANN (U.K.) LIMITED
INCORPORATED IN GREAT BRITAIN

11/2008

11/2008

STRATEGIC REPORT

The directors are pleased to present their report and financial statements for the year ended 31 December 2017

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £8,503,000 (2016: £6,944,000).

No dividend was paid in the year (2016: £nil).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company during the year was the manufacture and distribution of circuit protection products for the electrical, electronics and transportation industries

Cooper Bussmann (UK) Ltd successfully maintained its position in the circuit protection product market despite the uncertain economic conditions surrounding the vote in favour of the United Kingdom to leave the E.U. The Middle East market growth was slow, connected to investment freeze driven by oil prices. However, increased activity in South Europe and the Nordic region partially offset the position in the Middle East.

On 30 September 2017, as a part of an Eaton Legal entity simplification program in the UK the company sold the trade and trade related assets and liabilities of the Company for £98,600,000 to Eaton Electrical Products Limited, a fellow group company. The amount of the consideration at the time of the transfer exceeded the net assets transferred by £44,279,000. As the directors have adopted a policy of merger accounting the excess paid for the assets and liabilities of the company is recorded as a movement in reserves. Subsequent to the transaction the intercompany loan due from Eaton Electrical Products Limited was forgiven. This was also accounted for as a movement in reserves. Subsequent to the transaction the company ceased to trade.

The financial statements have been prepared on a break-up basis reflecting the fact that the company ceased to trade and the directors plan to strike off the company within a year of signing the financial statements. The adjustment arising from the transfer of the company's trade to another Eaton group entity has removed the assets and liabilities from its balance sheet. Accordingly, no further adjustments were required to reduce the value of fixed assets to their estimated realisable value or to reclassify fixed assets and long term liabilities as current.

KPI	Definition	2017	2016
Return on sales	PBT/Turnover	16.5%	8.2%
Gross profit %	GP/Turnover	34.8%	30.0%
Operating profit %	OP/Turnover	17.1%	8.2%
Operating working capital turns	Turnover/Trade debtors+stocks-trade creditors	N/A	5.0
Inventory turns	Annual COS/Stocks	N/A	6.9
Operating profit per employee	OP/Employees	82.4	38.9
Trade debtor days	Trade debtors/Av daily sales	45.4	45.0

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the company are broadly grouped as:

- Competitive Risk

Whilst the number of competitors is relatively small, the volume based business is extremely price sensitive.

The project based business is dependent on government subsidies and capital investment.

Price and service are the key to maintaining market share as quality is already assured in the company's products.

- Legislative Risk

Directives aimed at the contents of products are continually changing, the WEEE and ROHS directives being the main ones facing the company. Changes to packaging legislation have also been adopted and are complied with.

The company always aims to comply with and be ahead of current legislation.

- Economic Risk

With a portion of the company's sales in the construction, utility and telecoms markets, sales can always fluctuate with demands in these markets.

COOPER BUSSMANN (U.K.) LIMITED
STRATEGIC REPORT (continued)

:- Financial Risk Management

With large trading volumes in non sterling currencies and significant purchases of commodities where prices fluctuate, exchange rate movements and commodity price changes are always constant risks to manage.

The company's principal financial instruments comprise of cash, intercompany deposits and or borrowings, the main purpose of which is to provide finance for its normal trading operations and to reduce the impact of currency exchange rate movements on trading results. The company has various other financial instruments such as trade debtors and creditors that arise directly from its trading operations.

The main risks arising from the company's financial instruments are liquidity, foreign currency cash flow and credit risks. The company has clear policies for managing each of these risks, as summarised below.

:- Credit Risk

The risk of financial loss due to a counterparty's failure to honour its obligations arises principally in relation to transactions where the company provides goods and services on deferred credit terms. Company policies are aimed at minimising such losses, and require that deferred terms are granted only to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures. Individual exposures are monitored with customers subject to credit limits to ensure that the company's exposure to bad debts is not significant. Goods may be sold on a cash-with-order basis to mitigate credit risk. Some operating units purchase bad debt insurance where the cost is not excessive when compared to the risks covered. In agreeing annual budgets, operating units set limits for debtors' days and doubtful debts expense against which performance is monitored at both operating unit and company level. A process for alerting management to operations failing to meet monthly cash collection targets serves to reduce the likelihood of an unmanaged concentration of credit risk.

:- Foreign Currency Cash Flow Risk

The company buys and sells goods and services denominated in currencies other than sterling. The company manages such receipts and payments through the operation of other denominated currency bank accounts. As a result of the value of the company's non-sterling revenues, purchases, financial assets and liabilities, cash flows can be affected significantly by movements in exchange rates.

The company seeks, where appropriate, to mitigate its exposure to currency movements by working with the world-wide group's treasury department to enter into forward currency contracts, denominated in the same currency as the operating funds flow (against sterling), to match transactional exposures on the balance sheet and future cash flow exposures anticipated in the business. Such forward contracts are entered into on the basis of regularly updated forecast information on the level of trading in each denominated currency.

:- Liquidity Risks

Liquidity risk is the risk that an organisation may not have, or not be able to raise, cash funds when needed.

The company aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets. Investment is carefully controlled, with authorisation limits operating at different levels up to group board level appraisal process. The company participates in the overall world-wide group's funding strategy managed at corporate treasury level. The company participates in a UK cash pool. The objective is to maintain a balance between continuity of funding and flexibility.

On behalf of the board



J W M Butters

Director

DATE 25/9/18

REGISTERED ADDRESS

6 Jephson Court
Tancred Close, Leamington Spa,
Warwickshire, England
CV31 3RZ

COOPER BUSSMANN (U.K.) LIMITED
DIRECTORS' REPORT

DIRECTORS

The directors who served during the year and up to the date of this report were:

A J Upton	(resigned 17 January 2018)
J W M Butlers	
A R Bruce	

BREAK-UP BASIS

The financial statements have been prepared on a break-up basis reflecting the fact that the company ceased to trade and the directors plan to strike off the company within a year of signing the financial statements. The adjustment arising from the transfer of the company's trade to another Eaton group entity has removed the assets and liabilities from its balance sheet. Accordingly, no further adjustments were required to reduce the value of fixed assets to their estimated realisable value or to reclassify fixed assets and long term liabilities as current.

RESEARCH AND DEVELOPMENT

The Eaton Group continues to invest in research and development. This has resulted in a number of new products being launched recently which are expected to make significant contributions to the growth of the business. The directors regard investment in this area as a prerequisite for success in the medium to long-term future.

EMPLOYEES

The company is committed to the principle of equal opportunity in employment. Our employment policies for recruitment, selection, training, development and promotion of employees are designed to ensure no application receives less favourable treatment on the grounds of age, race, nationality, religion, political beliefs, disability, sex or marital status. Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability. Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are made aware of the financial and economic performance of their business units and of the company as a whole.

DIRECTORS' INDEMNITY PROVISIONS

Eaton Corporation Plc, the company's ultimate parent, has indemnified one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in place as at the date of approving the directors report.

DISCLOSURE OF INFORMATION TO THE AUDITORS

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 he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

COOPER BUSSMANN (U.K.) LIMITED
DIRECTORS' REPORT (continued)

REAPPOINTMENT OF AUDITORS

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the company.

INFORMATION CONTAINED WITHIN THE STRATEGIC REPORT

The directors have chosen to disclose information on the following, required by the Companies Act 2006 to be included in the Directors' Report, within the Strategic Report, found on pages 1 to 2:

- information on financial risk management and policies; and
- information regarding future developments of the business.

On behalf of the board



J.W.M. Bülters

Director

DATE 25/9/18

REGISTERED ADDRESS

6 Jephson Court
Tancred Close, Leamington Spa,
Warwickshire, England
CV31 3RZ

COOPER BUSSMANN (U.K.) LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' 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).

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 those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

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.

Opinion

We have audited the financial statements of Cooper Bussmann (UK) Limited for the year ended 31 December 2017 which comprise the Income Statement, the Statement of changes in equity, the Statement of financial position, and the related notes 1 to 23, 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). As disclosed in note 1, the financial statements have been prepared on a basis other than going concern.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2017 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 below. 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.

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. 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. In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the 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



Paul Copland (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow
28 September 2018

COOPER BUSSMANN (U.K.) LIMITED
 INCOME STATEMENT
 FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £'000	2016 £'000
TURNOVER	2	51,225	56,741
Cost of Sales		<u>(33,394)</u>	<u>(39,714)</u>
GROSS PROFIT		17,831	17,027
Net Operating Expenses	3	<u>(9,094)</u>	<u>(12,358)</u>
OPERATING PROFIT	4	8,737	4,669
Exceptional costs	5	(64)	-
Interest Payable	7	(406)	(274)
Interest receivable and similar income	7	<u>193</u>	<u>276</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		8,461	4,671
Tax Credit/(Charge) on profit on ordinary activities	8	42	2,273
PROFIT FOR THE FINANCIAL YEAR	17	<u>8,503</u>	<u>6,944</u>

All activities relate to continuing operations.

There was no other comprehensive income in either the current or preceding year.

COOPER BUSSMANN (U.K.) LIMITED
 STATEMENT OF CHANGES IN EQUITY
 AT 31 DECEMBER 2017

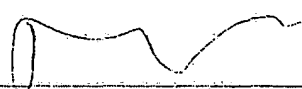
	Notes	Called up share capital £000	Profit and Loss Account £000	Other Reserves £000	Total Equity £000
At 1 January 2016		6,000	32,871	45	38,916
Profit for the year		-	6,944	-	6,944
At 31 December 2016		6,000	39,815	45	45,860
Profit for the year	17	-	8,503	-	8,503
Gain on sale of business		-	44,237	-	44,237
Other Reserves capitalisation		45		(45)	-
Capital reduction		(6,045)	6,045	-	0
Loss on forgiveness of loan		-	(98,600)	-	(98,600)
At 31 DECEMBER 2017	16/17	-	-	-	-

COOPER BUSSMANN (U.K.) LIMITED
 STATEMENT OF FINANCIAL POSITION
 AT 31 DECEMBER 2017

	Notes	2017 £'000	2016 £'000
FIXED ASSETS			
Intangible assets - goodwill	11	-	942
Tangible assets	12	-	3,483
		-	4,425
CURRENT ASSETS			
Stocks	13	-	5,746
Debtors	14	-	53,301
Cash at bank and in hand		-	282
		-	59,329
CREDITORS			
Amounts falling due within one year	15	-	(17,894)
NET CURRENT ASSETS			
		-	41,435
TOTAL ASSETS LESS CURRENT LIABILITIES			
		-	45,860
PROVISIONS FOR DEFERRED TAX LIABILITY			
		-	-
NET ASSETS			
		-	45,860
CAPITAL AND RESERVES			
Called up share capital	16	-	6,000
Other reserves	17	-	45
Profit and loss account	17	-	39,815
SHAREHOLDERS' FUNDS			
		-	45,860

APPROVED FOR ISSUE BY THE BOARD OF DIRECTORS AND SIGNED ON ITS BEHALF BY

J W M Butlers



Director

Date -

28/9/18

AT 31 DECEMBER 2017

1. ACCOUNTING POLICIES

1.1 Authorisation of financial statements and statement of compliance

Cooper Bussmann (U.K.) Limited is a limited liability company incorporated and domiciled in England and Wales. These financial statements were prepared in accordance with Financial Reporting Standard 102 (FRS 102). The financial statements are prepared under the historical cost convention and are presented in Sterling.

The financial statements of Cooper Bussmann (U.K.) Limited for the year ended 31 December 2017 were authorised for issue by the board of directors on 28 September 2018 and the balance sheet was signed on the board's behalf by J W M Butters.

1.2 Basis of Preparation

Cooper Bussmann (U.K.) Limited has taken advantage of the exemption available under section 400 of the Companies Act 2006 from the requirement to prepare group financial statements as it is a wholly owned subsidiary of Eaton Corporation PLC, which prepares publicly available group financial statements which include the results of the Company and its subsidiaries. Cooper Bussmann (U.K.) Limited financial statements therefore purely reflect the Company as an individual undertaking.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2017.

Cooper Bussmann (U.K.) limited has taken advantage of the following disclosure exemptions under FRS 102:

- (a) the requirements of section 4 Statement of Financial Position- Paragraph 4.12 (a) (iv)
- (b) the requirements of section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d)
- (c) the requirements of Basic Financial Instruments paragraphs 11.39 to 11.48A and section 12 Other Financial Instruments Issues paragraphs 12.26 to 12.29
- (d) the requirements of Section 26 Share based Payment: paragraph 26.18 (b), 26.19 to 26.21 and 26.23
- (e) the requirements of Section 33 Related Party Disclosures, paragraph 33.7

Break-up Basis

The financial statements have been prepared on a break-up basis reflecting the fact that the company ceased to trade and the directors plan to strike off the company within a year of signing the financial statements. The adjustments arising from the transfer of the company's trade to another Eaton group entity has removed the assets and liabilities from its balance sheet. Accordingly, no further adjustment were required to reduce the value of fixed assets to their estimated realisable value or to reclassify fixed assets and long term liabilities as current.

1.3 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. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgments have the most significant effect on amounts recognised in the financial statements.

Taxation

Management estimation is required to determine the amount of deferred tax assets that can be recognised based upon likely timing and level of future taxable profits together with assessment of the effect of future tax planning strategies.

Goodwill and intangible assets

The company establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2017

1.4 Significant accounting policies**Revenue Recognition**

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale 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, 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.

Rendering of services

Revenue from the rendering of services is recognised by reference to the stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Interest income

Interest income is recognised as interest accrues using the effective interest method.

Dividends

Dividends are recognised when the company's right to receive payment is established

Goodwill and Intangible Assets

The company establishes a reliable estimate of the useful life of goodwill arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Goodwill is amortised on a straight line basis as follows :

Goodwill	10 years
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It is reviewed for impairment at the end of its first full financial year following the acquisition and in other years if events or changes in circumstances indicate that the carrying value may not be recoverable.

Negative Goodwill

Negative goodwill is the difference between the cost of an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities. Negative goodwill is recognised on the balance sheet. Negative Goodwill relating to monetary assets has been credited to P&L account in the YE 31.12.2005. The remaining negative goodwill balance was attributable to non-monetary assets and amortised over 10 years on a straight line basis.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

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

Freehold Buildings	25 - 50 years
Plant and Machinery	7 - 12 years
Computers, Vehicles and Office Equipment	3 - 5 years

Freehold land is not depreciated.

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, and are written down immediately to their recoverable amount.

Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

AT 31 DECEMBER 2017

1.4 Significant accounting policies (continued)

Stocks

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

Raw materials: purchase cost on a first-in, first-out basis

Work in progress and finished goods: cost of direct materials and labour plus attributable overheads based on a first-in, first-out basis on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Research & Development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised evenly over the period of expected future benefit. During the period of development the asset is tested for impairment annually.

Deferred tax

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. 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 laws enacted or substantively enacted at the balance sheet date.

Pensions commitments

Defined benefit scheme

The company is a member of the Cooper Consolidated Pension Plan, which is multi-employer defined benefit scheme where the assets cannot be apportioned to individual companies. Accordingly, these financial statements account for the pension costs of the schemes as defined contribution schemes and charges are made as incurred.

The service cost of post retirement medical benefits is accrued in the financial statements over the expected service lives of the relevant employees and is charged to operating profit. The post-retirement benefit liabilities are calculated by the actuarial projection of estimated future benefit payments, discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability. The interest on liabilities is included in other finance costs. Actuarial gains/losses are recognised in the statement of comprehensive income.

Defined contribution scheme

Contributions to defined contribution scheme is recognised in the income statement in the period in which they become payable.

Financial Instruments

Cash at bank and in hand

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in operating expenses.

Foreign Currency

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange 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 income statement.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2017

1.4 Significant accounting policies (continued)**Leasing and hire purchase**

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful lives. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability. Rentals payable under operating leases are charged to the income statement account on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Investments

Fixed asset investments are included at cost less any provision for any impairment in value.

Going concern

The financial statements have been prepared on a break-up basis reflecting the fact that the company ceased to trade and the directors plan to strike off the company within a year of signing the financial statements. The adjustment arising from the transfer of the company's trade to another Eaton group entity have removed the assets and liabilities from its balance sheet. Accordingly, no further adjustment were required to reduce the value of fixed assets to their estimated realisable value or to reclassify fixed assets and long term liabilities as current.

Exceptional Items

Exceptional items are events or transactions that fall within the activities of the company and which by virtue of their size or incidence have been disclosed in order to improve a reader's understanding of the financial statements.

Merger Accounting

Group reorganisations where the ultimate equity holders remain the same, and the rights of each equity holder, relative to the others, are unchanged; and non-controlling interest in the net assets of the group is altered by the transfer, are accounted for by using merger accounting. The adjustments arising from the transfer of the company's trade to another Eaton group entity have removed the assets and liabilities of the company from its balance sheet. Accordingly, no further adjustments were required to reduce the value of fixed assets to their estimated realizable value or to reclassify fixed assets and long term as current. The difference, if any, between the book value of the assets and liabilities and the consideration shall be shown as a movement in reserves. These movements shall be shown in the statement of changes in equity.

2. TURNOVER

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts. An analysis of turnover by geographical market is given below:

	2017 £'000	2016 £'000
Europe	44,856	49,044
Rest of World	6,369	7,697
	<u>51,225</u>	<u>56,741</u>

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2017

3. NET OPERATING EXPENSES

	2017 £'000	2016 £'000
Distribution Costs	5,885	7,238
Research & Development	1,004	1,203
Administrative Expenses	2,204	3,917
	<u>9,094</u>	<u>12,358</u>

4. OPERATING PROFIT

Operating profit is stated after charging / (crediting) :-

	2017 £'000	2016 £'000
Depreciation on owned assets	276	396
Amortisation of positive goodwill	141	188
Operating lease rentals		
- Office equipment	3	12
- Motor vehicles	56	90
- Fork lift trucks	4	6
Exchange losses/(gains)	29	(8)
Loss on disposal of fixed assets	-	29
Auditors' remuneration		
- Audit fees - audit of the financial statements	23	28

5. EXCEPTIONAL ITEMS

The following non-operating costs were incurred in relation to the transfer of the warehouse to DHL :

	2017 £'000	2016 £'000
Impairment of tangible assets	64	-
	<u>64</u>	<u>-</u>

6. GROUP REORGANISATION

On 30 September 2017, as a part of an Eaton Legal entity simplification program in the UK the company sold the trade and trade related assets and liabilities of the Company for £98,600,000 to Eaton Electrical Products Limited, a fellow group company. The amount of the consideration at the time of the transfer exceeded the net assets transferred by £44,279,000. As the directors have adopted a policy of merger accounting the excess paid for the assets and liabilities of the company is recorded as a movement in reserves. Subsequent to the transaction the intercompany loan due from Eaton Electrical Products Limited was forgiven. This was also accounted for as a movement in reserves. Subsequent to the transaction the company ceased to trade.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2017

7. INTEREST PAYABLE AND SIMILAR CHARGES / INTEREST RECEIVABLE AND SIMILAR INCOME

	2017	2016
	£'000	£'000
INTEREST PAYABLE AND SIMILAR CHARGES		
Intercompany Interest	406	274
	<u>406</u>	<u>274</u>
INTEREST RECEIVABLE AND SIMILAR INCOME		
Intercompany Interest	193	276
	<u>193</u>	<u>276</u>

8. TAXATION

	2017	2016
	£'000	£'000
a) Analysis of tax charge in the year		
U.K Corporation tax -		
U.K Corporation tax on profit for the year	1,608	933
Group Relief received	(1,608)	(933)
Adjustments in respect of prior period		(1,990)
	<u>0</u>	<u>(1,990)</u>
Deferred tax -		
Origination and reversal of timing differences	54	(6)
Adjustments in respect of prior periods	(95)	(284)
Impact of change in rates	(1)	7
	<u>(42)</u>	<u>(283)</u>
	<u>(42)</u>	<u>(2,273)</u>

b) Factors affecting the tax charge for the year:-

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the U.K. The differences are explained below.

Profit on ordinary activities before tax	<u>8,461</u>	<u>4,671</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the U.K of 19.33% (2016: 20%)	1,635	934
Effect of:		
Disallowed expenses and non-taxable income	18	4
Depreciation on ineligible	-	-
Group relief received	(1,608)	(933)
Share Options	(19)	(10)
Adjustments in respect of prior periods	(95)	(2,275)
Adjustments in respect of other other timing differences	28	-
Tax Rate change	(1)	-
	<u>(42)</u>	<u>(2,280)</u>

c) Factors affecting future tax charges

The main UK corporation tax rate reduced from 20% to the current rate of 19% on 1 April 2017. The Finance Act 2016 includes legislation which will reduce the tax rate further to 17% from 1 April 2020. This became law when The Finance Act 2017 received Royal Assent on 15 September 2016. As all rate reductions were substantively enacted at the balance sheet date, deferred tax has been recognised at the applicable rates when timing differences are expected to reverse.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2017

8. TAXATION (continued)

d) Deferred tax

The movement in the deferred tax assets is analysed as follows:-

	£'000
At 31 December 2017	134
Credited to the profit and loss account	42
Transfers	(176)
	<hr/>
At 31 December 2017	<u>0</u>

Deferred tax is analysed as follows:-

	Provided	
	2017	2016
	£'000	£'000
Capital allowances	11	51
Other timing differences	31	83
	<hr/>	<hr/>
	<u>42</u>	<u>134</u>

There is no unprovided deferred tax (2016: £nil).

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2017

9. STAFF NUMBERS AND COSTS

The average monthly number of employees (including directors) during the year was :

	2017 No.	2016 No.
Production	12	27
Sales	66	60
Administration	28	33
	<u>106</u>	<u>120</u>

The payroll costs of these persons were as follows :

	2017 £'000	2016 £'000
Wages and Salaries	3,273	4,324
Social Security Costs	286	386
Other Pension Costs (note 18)	266	349
	<u>3,825</u>	<u>5,059</u>

10. DIRECTORS' REMUNERATION

The directors are also directors or officers of a number of companies within the Eaton group. The Directors' services to the company do not occupy a significant amount of their time. As such no director received, or was due to receive, any emoluments in connection with their services as a director of the company during the year ended 31 December 2017 and 31 December 2016.

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2017

11. INTANGIBLE ASSETS

GOODWILL

	£'000
COST	
At 1 January 2017	2,140
Disposed during the year	(2,140)
At 31 December 2017	<u>0</u>
AMORTISATION	
At 1 January 2017	(1,198)
Disposed during the year	1,339
Charged during the year	(141)
At 31 December 2017	<u>(0)</u>
N.B.V. at 31 December 2017	<u>(0)</u>
N.B.V. at 31 December 2016	<u>942</u>

NEGATIVE GOODWILL

	£'000
COST	
At 1 January 2017 and 31 December 2017	<u>3,413</u>
AMORTISATION	
At 1 January 2017	3,413
Credited during the year	<u>-</u>
At 31 December 2017	<u>3,413</u>
N.B.V. at 31 December 2017	<u>-</u>
N.B.V. at 31 December 2016	<u>-</u>

Goodwill is being amortised evenly over the directors' estimate of its useful economic life of 10 years. Amortisation charge for the year is £141k (2016 - £181k).

COOPER BUSSMANN (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2017

12. TANGIBLE FIXED ASSETS

	<u>Freehold Land and Buildings</u>	<u>Plant and Machinery</u>	<u>Computers, Office Equipment, and Vehicles</u>	<u>Total</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<u>COST</u>				
As at 1 January 2017	4,473	279	412	5,164
Additions during year	33	94	-	127
Disposals	(4,506)	(373)	(412)	(5,291)
As at 1 December 2017	-	-	-	-
<u>ACCUMULATED DEPRECIATION</u>				
As at 1 January 2017	1,484	179	18	1,681
Charge for the year	143	117	16	276
Disposals	(1,627)	(296)	(34)	(1,957)
As at 1 December 2017	-	-	-	-
N.B.V. as at 31 December 2017	-	-	-	-
N.B.V. as at 31 December 2016	2,989	100	394	3,483

Freehold land not depreciated amounted to £NIL (2016: £1,000,000).

13. STOCKS

	2017 £'000	2016 £'000
Raw Materials	-	318
Work in Progress	-	49
Finished Goods	-	5,379
	-	5,746

In the opinion of the directors there is no material difference between the balance sheet value of stocks and their replacement cost. £38,386k (2016: £39,560k) of inventory has been expensed through cost of sales during the year.

14. DEBTORS

	2017 £'000	2016 £'000
Trade and Other Receivables	-	6,425
Amounts due from group undertakings	-	45,765
Other Debtors	-	925
Provision for Deferred Tax Asset	-	134
Prepayments and Accrued income	-	52
	-	53,301

Amounts due from group undertakings for 2016 includes £44,663,310 in relation to intercompany cash pool loans which bear interest at 0.94% per annum) .

COOPER BUSSMANN (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2017

15. CREDITORS: amounts falling due within one year

	2017 £'000	2016 £'000
Trade creditors	-	756
Amounts owed to group undertakings	-	14,998
Accruals and Other creditors	-	2,140
	-	<u>17,894</u>

Amounts owed to group undertakings are repayable on demand and are not interest bearing.

16. SHARE CAPITAL

	2017 £'000	2016 £'000
Allotted, Called Up and Fully Paid		
1 (2016: 6,000,000) ordinary shares of £1 each	-	6,000

17. RESERVES

	Profit and Loss Account £'000	Other Reserves £'000	Total £'000
At 1 January 2017	39,815	45	39,860
Profit for the year	8,503	-	8,503
Gain on sale of business	44,237		44,237
Other Reserves capitalisation		(45)	(45)
Capital reduction	6,045		6,045
Loss on forgiveness of loan	(98,600)		(98,600)
At 31 December 2017	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2017

18. PENSION COMMITMENTS

The company participates in a number of pension schemes. One of these pension schemes is a defined benefit multi-employer scheme, the Cooper Consolidated Pension Plan. The scheme includes employees of other fellow group undertakings and is funded by the payment of contributions to separately administered trust funds.

The company is unable to identify its share of the assets and liabilities of the scheme on a consistent and reasonable basis. The company therefore accounts for its pension contributions to the scheme on a defined contribution basis under FRS 102 para 28.11. The pension costs are determined by a professionally qualified actuary on the basis of triennial valuations. The last formal valuation was made as at 31 March 2018. The valuation was made using the projected unit method.

The scheme was closed to new entrants on 31 August 1999. No contributions were made to the scheme by this company during 2017 (2016:nil). With effect from May 2008, the scheme was closed to future accrual and therefore there are no active members of the scheme.

The valuation of the scheme was updated for FRS102 purposes at 31 December 2017 by a qualified, independent actuary. The major assumptions used by the actuary to determine the liabilities on a FRS102 basis for the scheme are set out below.

	2017 %	2016 %
Inflation, % p.a.	2.85 to 3.6	2.90 to 3.65
Rate of increase to pensions in payment, % p.a.	2.3 to 3.45	2.35 to 3.45
Discount rate, % p.a.	2.60	2.80
Revaluation in deferment (CPI-linked), % p.a.	2.85	2.90

	2017	2016
Post Retirement mortality assumption	SAPS2 (Normal) Tables Year of Birth with CMI 2015 projections. Long-term rate of improvement of 1.0%p.a.	SAPS2 (Normal) Tables Year of Birth with CMI 2015 projections. Long-term rate of improvement of 1.0%p.a.
Retirement Cash	Members are assumed to take 35% of their pension as retirement cash	Members are assumed to take 35% of their pension as retirement cash

The major categories of assets as a percentage of total assets are as follows:

	2017 %	2016 %
Equities	63	60
Gills	-	13
Bonds	10	11
Cash	1	4
Other assets	26	12

The assets of the scheme and the expected rate of return were:

	All in £000's				
	2017	2016	2015	2014	2013
Defined benefit obligation	(45,425)	(44,225)	(37,851)	(38,121)	(31,871)
Scheme assets	53,405	47,494	38,169	36,965	33,029
Surplus/(deficit) in the scheme	7,980	3,269	318	(1,156)	1,158

COOPER BUSSMANN (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2017

18. PENSION COMMITMENTS (continued)

The other schemes in which the company participates are defined contribution pension schemes. The pension cost charged to the income statement represents the contributions payable by the company to the scheme and amounted to £266k in the year ended 31 December 2017 (2016: £372k). In addition, pension shortfall of £24,572 has been paid and charged to the income statement, in the income statement in the year ended 31 December 2017 (2016: £24,572).

19. OPERATING LEASES

The company had annual commitments under non-cancellable operating leases as follows:

	2017	2016
	£'000	£'000
Operating leases which expire:		
Not later than one year	-	84
After one year but not more than five years	-	113
After five years	-	-
	<hr/>	<hr/>
	-	197

20. CAPITAL COMMITMENTS

Capital commitments contracted for but not provided in these financial statements amounted to £nil (2016 : £nil).

21. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS 102 Section 33, paragraph 33.7 not to disclose transactions with fellow group companies.

22. CONTINGENT LIABILITIES

There are no contingent liabilities at the balance sheet date (2016: £nil).

23. ULTIMATE PARENT UNDERTAKING

At the year end the immediate parent company is Eaton Electrical Products Limited, a company incorporated in England and Wales. The ultimate parent company is Eaton Corporation PLC, which is incorporated in Ireland. Eaton Corporation PLC is the only company preparing group financial statements which include this company. Copies of these group financial statements may be obtained from the Public Relations Department, Eaton Corporation PLC, 1000 Eaton Boulevard, Cleveland, OH, 44122.