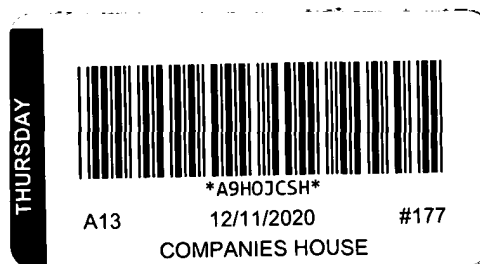


# Eaton Safety Limited

Registered Number: 01904612

## Report and Financial Statements

31 December 2019



## Corporate information

### Directors

A Jackson  
R Howes  
M Mullin

### Auditors

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

### Bankers

Deutsche Bank AG  
1 Great Winchester Street  
London EC2N 2DB

### Registered Office

6 Jephson Court  
Tancred Close  
Royal Leamington Spa  
Warwickshire CV31 3RZ

## Strategic report

The directors present their strategic report for the year ended 31 December 2019.

### Results and dividends

The profit for the year after taxation amounted to £156,000 (2018 - profit £673,000).

### Principal activity and review of the business

The company is a parent undertaking and the activity of its subsidiary undertakings are the manufacture of emergency lighting, fire detection and security system. The company also provides management services to other group undertakings. No changes to the company's business are expected.

### Future developments

The company is expected to continue with its current activity of providing management services to other group undertakings.

### Principal risk and uncertainties

#### COVID-19

In early 2020, a novel strain of coronavirus "COVID-19" spread throughout the world and was declared a pandemic by the World Health Organization on 11 March 2020. On a macroeconomic level, the COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries resulting in economic uncertainties. However, the company serves other companies within the Eaton group which continues to report strong financial performance and therefore in the opinion of the directors, its exposure to significant risks and uncertainties is considered to be low. For this reason, the directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understating of the performance or position of the business.

#### Financial risks

The company operates within the Eaton group and therefore the directors do not consider that it is exposed to any significant risks in respect of liquidity, interest rates or credit.

The company seeks, where appropriate, to mitigate its exposure to currency movements by working with the 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.

### Section 172(1) Statement

The Company is a member of the Eaton Corporation plc group (*Eaton*) ([www.eaton.com](http://www.eaton.com)). Eaton is a power management company with 2019 net sales of \$21.4 billion, listed on the New York Stock Exchange (NYSE:ETN). Eaton's mission is to improve the quality of life and the environment through the use of power management technologies and services. Eaton provides sustainable solutions that help its customers effectively manage electrical, hydraulic and mechanical power – more safely, more efficiently and more reliably. Eaton has approximately 100,000 employees in 60 countries and sells products to customers in more than 175 countries.

As a member of Eaton, the Company is fully aligned to the shared culture and unified practices of the Eaton as set out in the Eaton Business System model. This identifies and codifies the Eaton culture, vision and shared values. It allows the Company to harness the scale and breadth of the entire Eaton business to effectively work as an integrated operating Company through standardised processes and the transfer of best practices. The directors, supported by the management of the Company, ensure overall compliance to the Eaton model and this forms the basis for meeting the Section 172(1) aims to promote the success of the Company, as outlined below in more detail utilising the headings set out in section 172(1), having regard to:

## Strategic report (continued)

### *a) the likely consequences of any decision in the long term*

Eaton has been in existence over 100 years and has a footprint in 175 countries. The oldest UK legal entity was incorporated in 1919. The annual planning cycle includes multi-year strategic plans and reviews, annual operational budgets, capital allocation programmes and regular review and forecast processes. The content and structure of each element of the planning cycle is aligned to the Company's immediate division and the overall Eaton's strategic and financial targets. Stringent corporate review processes are in place at all stages of the cycle including risk and compliance reviews. Factors such as market conditions, macro economy, political decisions and competitors' offerings are under constant review by the directors and any impact on current or future plans are mitigated in a timely manner.

### *b) the interests of the Company's employees*

Eaton has about 4,000 employees based in the UK. The welfare of all the Company's employees (including permanent and temporary staff and site visitors) is paramount.

*Health, Safety & Wellness* - The Company has strict Health & Safety guidelines and a 'zero incident' target in all workplaces and manufacturing sites to prevent accidents, injuries and occupational illnesses. All incidents and near misses are documented and thoroughly investigated. In recent months, the directors ensured the relevant Covid 19 precautions were consistently applied in all UK workplaces. The Company promotes healthy and safe lifestyles for employees through wellness initiatives including various benefits schemes, cycle to work, flu immunisations and health check-ups. A third party provides a 24/7 wellbeing help line to any employee requiring support due to personal or life changing events.

*Diversity & Fair Employment Practices* - The Company is committed to respecting a culturally diverse workforce through practices that provide equal access and fair treatment to all employees on the basis of merit. Harassment or discrimination is not tolerated in the workplace.

*Communication & Feedback* - The Company encourages constant feedback between employees and their manager. The annual appraisal process is a mandatory formal review which allows employees and managers to reflect on the past year and identify future training and work opportunities. In addition to providing feedback to employees and managers, it enables the Company to identify any open or changing roles and implement succession plans.

Employees are asked to complete regular staff surveys covering a range of the Company's processes. Formal communications are issued by Eaton and divisional and local teams on an on-going basis and action plans formulated and implemented.

### *c) the need to foster the Company's business relationships with suppliers, customers and others*

The directors consider the Company's business relationships with stakeholders, which includes employees, customers and suppliers as well as the wider Eaton Group, to be a partnership. The stated aim of the Company in these partnerships is to ensure compliance, promote safety, reduce our collective environmental footprint and develop sustainable solutions to the world's environmental and power management challenges. Extensive 'Know your Customer' and 'Know your Supplier' checks are undertaken before any new customer or supplier is engaged by the Company. Suppliers must adhere to Eaton's "Supplier Code of Conduct" which ensures workplace standards and business practices are consistent with the Company's values. The Company and directors commit to treating its customers, suppliers and others fairly and in a consistent manner and the Company has published bi-annual reports under section 3 of the Small Business, Enterprise and Employment Act 2015 on its payment policies, practices and performance since 2018.

### *d) the impact of the Company's operations on the community and the environment*

*Environmental stewardship* - The Company's commitment to the environment goes beyond legal compliance and extends to actions intended to reduce our environmental footprint through our operations, products and supply chain. In our operations, this commitment is reflected in our efforts to prevent pollution, reduce greenhouse gas emissions and conserve natural resources – efforts incorporated into supply-chain commitments. The Company's manufacturing facilities are required to be certified to ISO 14001, an international standard for environmental management systems.

Eaton has committed that by 2030 it will aim to reduce Greenhouse Gas emissions from operations by 50% from 2018 levels to achieve carbon neutrality and all manufacturing sites will be zero waste-to-landfill certified.

## Strategic report (continued)

*Community Involvement* - The Company encourages its employees to become involved in local community and volunteer projects allowing for volunteer days and matching fundraising. The COVID-19 pandemic created challenges around the world. Eaton stepped up to help local communities, from donating personal protective equipment to healthcare providers to sharing our power management expertise across critical industries.

*Sustainability* - Eaton publishes an annual sustainability report outlining its commitments and activities which can be viewed on the website.

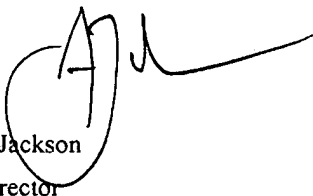
*e) the desirability of the Company maintaining a reputation for high standards of business conduct*

The Company is committed to “doing business right”. Every year, all directors and employees recommit to the Eaton Code of Ethics, which defines the standards of ethical behaviour that is expected of everyone and is used to govern all business activities. In 2020 Eaton was named one of the World’s Most Ethical Companies by Ethisphere, a firm focused on defining and advancing the standards of ethical best practices around the world. This was the ninth time Eaton has been recognised in this way by Ethisphere.

*f) the need to act fairly as between members of the Company*

The Company is 100% owned by Eaton and as such the company is fully aligned and integrated with Eaton objectives, policies, procedures and controls.

On behalf of the board



A Jackson  
Director

**Date: 3 November 2020**

## Directors' report

Registered No 01904612

The directors present their report and financial statements for the year ended 31 December 2019.

### Going concern

The directors have undertaken an exercise to review the appropriateness of the continued use of the Going Concern basis. The company's business activities, a review of the business and a description of the principal risks and uncertainties, together with the company's financial risk management processes and narrative regarding its exposure to key financial risks are outlined above.

The company participates in the group's centralised treasury arrangements, which operate across the group and so shares banking arrangements with its parent and fellow subsidiaries. Under such an arrangement, short term cash flow (both deficits and excesses) are managed by the group treasury to optimise the group's overall cash position. The directors have made enquiries with group treasury that there is no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Eaton group to continue as a going concern or its ability to continue with the current banking arrangements.

The response to the impact of COVID-19 is set out in the Principal Risks and Uncertainties section above. The Directors believe, to the best of our current knowledge, that COVID-19 will not have a material adverse impact on the Company's ability to continue as a going concern and the Company is well placed to manage its business risks successfully. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements.

### Directors

The directors who served the company during the year were as follow:

A Jackson  
R Howes  
M Mullin (appointed 3 July 2020)

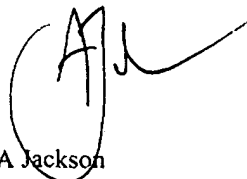
### Auditors

In accordance with section 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.

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

On behalf of the Board



A Jackson  
Director

Date: 3 November 2020

## Directors' Responsibilities Statement

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

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 the profit or loss of the company for that period.

- In preparing these financial statements, the directors are required to:
- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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.

# Independent auditors' report

To the members of Eaton Safety Limited

## Opinion

We have audited the financial statements of Eaton Safety Limited for the year ended 31 December 2019 which comprise the *Income statement, Statement of comprehensive income, the Statement of changes in equity, the Statement of financial position and the related notes 1 to 20*, 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".

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 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.

## 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.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



# **Independent auditors' report (continued)**

**To the members of Eaton Safety Limited**

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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.

# Independent auditors' report (continued)

To the members of Eaton Safety Limited

## Responsibilities of directors

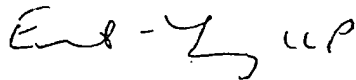
As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable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



Nick Gomer (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Glasgow  
5 November 2020

## Income statement

for the year ended 31 December 2019

		2019	2018
	<i>Notes</i>	£000	£000
Administration expenses		(4,665)	(4,728)
Other operating income		4,771	4,742
Income from shares in group undertakings		-	5,580
Provision against investment in group undertakings	10	-	(4,983)
<b>Operating Profit</b>	3	106	611
Interest receivable and similar income	7	50	62
<b>Profit on ordinary activities before taxation</b>		156	673
Tax on profit on ordinary activities	8	-	-
<b>Profit for the financial year</b>	14	156	673

All amounts relate to continuing operations.

## Statement of comprehensive income

for the year ended 31 December 2019

		2019	2018
	<i>Notes</i>	£000	£000
Profit for the financial year		156	673
<b>Total other comprehensive results for the year</b>		-	-
<b>Total comprehensive income of the year</b>		156	673

## Statement of changes in equity

for the year ended 31 December 2019

	<i>Called up share capital</i> £000	<i>Share premium</i> £000	<i>Other reserves</i> £000	<i>Profit and loss account</i> £000	<i>Total equity</i> £000
At 1 January 2018	2,593	12,129	1,073	56,664	72,459
Profit for the year	-	-	-	673	673
Other comprehensive results for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	673	673
Dividends paid	-	-	-	(5,580)	(5,580)
At 31 December 2018	2,593	12,129	1,073	51,757	67,552
Profit for the year	-	-	-	156	156
Other comprehensive results for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	156	156
Dividends paid	-	-	-	-	-
At 31 December 2019	2,593	12,129	1,073	51,913	67,708

## Statement of financial position

at 31 December 2019

		2019	2018
	<i>Notes</i>	<i>£000</i>	<i>£000</i>
<b>Fixed assets</b>			
Tangible assets	9	80	85
Investments	10	<u>51,226</u>	<u>51,226</u>
		51,306	51,311
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	<u>32,983</u>	<u>32,973</u>
		32,983	32,973
<b>Creditors:</b> amounts falling due within one year	12	<u>(16,581)</u>	<u>(16,732)</u>
<b>Net current assets</b>		<u>16,402</u>	<u>16,241</u>
<b>Total assets less current liabilities</b>		<u>67,708</u>	<u>67,552</u>
<b>Net assets</b>		<u>67,708</u>	<u>67,552</u>
<b>Capital and reserves</b>			
Called up share capital	13	2,593	2,593
Share premium account	14	12,129	12,129
Other reserves	14	1,073	1,073
Profit and loss account	14	51,913	51,757
<b>Shareholders' funds</b>		<u>67,708</u>	<u>67,552</u>

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



A Jackson  
Director

Date: 3 November 2020

## Notes to the financial statements

at 31 December 2019

### 1. Authorisation of financial statements and statement of compliance

Eaton Safety 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, unless otherwise indicated in the significant accounting policies below, and are presented in Sterling.

The financial statements of Eaton Safety Limited for the year ended 31 December 2019 were authorised for issue by the board of directors on 3 November 2020 and the balance sheet was signed on the board's behalf by A Jackson.

### 2. Accounting policies

#### 2.1 Basis of preparation

Eaton Safety 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. Eaton Safety 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 2019.

Eaton Safety 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) Requirements of Section 33 Related Party Disclosures, paragraph 33.7

#### *Going concern*

The directors have undertaken an exercise to review the appropriateness of the continued use of the Going Concern basis. The company's business activities, a review of the business and a description of the principal risks and uncertainties, together with the company's financial risk management processes and narrative regarding its exposure to key financial risks are outlined above.

The company participates in the group's centralised treasury arrangements, which operate across the group and so shares banking arrangements with its parent and fellow subsidiaries. Under such an arrangement, short term cash flow (both deficits and excesses) are managed by the group treasury to optimise the group's overall cash position. The directors have made enquiries with group treasury that there is no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Eaton group to continue as a going concern or its ability to continue with the current banking arrangements.

## Notes to the financial statements (cont.)

at 31 December 2019

### 2.1 Basis of preparation (continued)

The response to the impact of COVID-19 is set out in the Principal Risks and Uncertainties section above. The Directors believe, to the best of our current knowledge, that COVID-19 will not have a material adverse impact on the Company's ability to continue as a going concern and the Company is well placed to manage its business risks successfully. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements.

### 2.2 Judgements and key sources of estimation uncertainty

#### *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 Group 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.

#### *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.

### 2.3 Significant accounting policies

#### (a) Revenue recognition

##### Management services

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:

##### Interest income

Revenue is recognised as interest accrues using the effective interest method.

##### Dividends

Revenue is recognised when the company's right to receive payment is established.

## Notes to the financial statements (cont.)

at 31 December 2019

### 2.3 Significant accounting policies (continued)

#### (b) Tangible fixed assets

Plant and equipment 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:

Short leasehold land and buildings	–	over the lease term
Plant and equipment	–	over 3 to 7 years
Motor vehicles	–	over 4 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 and are written down immediately to their recoverable amount.

#### (c) Investments

Shares in group undertakings

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

#### (d) Taxation

The charge or credit for taxation is based on the profit or loss for the year and takes into consideration timing differences arising as a result of different treatments of certain items for taxation and accounting purposes.

#### (e) 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.

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- 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 laws enacted or substantively enacted at the balance sheet date.

#### (f) Pensions commitments

The company contributes to a number of different pension schemes for qualifying directors and employees on a defined contribution basis. These schemes are administered by trustees and are independent of the company's finances.

Contributions to defined contribution schemes are recognised in the income statement in the period in which they become payable.



## Notes to the financial statements (cont.)

at 31 December 2019

### 2.3 Significant accounting policies (continued)

#### (g) 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.

### 3. Operating Profit

This is stated after charging:

	<i>2019</i>	<i>2018</i>
	<i>£000</i>	<i>£000</i>
Depreciation of owned assets	19	17
Operating lease rentals – plant and machinery	71	78
– land and buildings	68	68
Auditors' remuneration (see note 4)	<u>28</u>	<u>34</u>

The company bears the audit costs for a number of other companies within the group.

### 4. Auditor's remuneration

The Company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company.

	<i>2019</i>	<i>2018</i>
	<i>£000</i>	<i>£000</i>
Auditors' remuneration	<u>28</u>	<u>34</u>

### 5. Staff costs

#### (a) Staff costs

Staff costs, including directors' remuneration, were as follows

	<i>2019</i>	<i>2018</i>
	<i>£000</i>	<i>£000</i>
Wages and salaries	2,693	2,359
Social security costs	357	288
Other pension costs	372	324
	<u>3,422</u>	<u>2,971</u>

The average monthly number of employees during the year was made up as follows:

	<i>2019</i>	<i>2018</i>
	<i>No.</i>	<i>No.</i>
Administration	<u>31</u>	<u>47</u>

## Notes to the financial statements (cont.)

at 31 December 2019

### 6. Directors remuneration

The remuneration of the directors was as follows:

	2019	2018
	£000	£000
Remuneration	<u>296</u>	<u>276</u>
Company contributions paid to money purchase pension schemes	<u>43</u>	<u>41</u>
	No.	No.
Number of directors who received shares in respect of qualifying services	2	2
Number of directors who exercised share options	2	1
Number of directors who are members of money purchase pension schemes	<u>1</u>	<u>1</u>
<i>Highest paid director</i>	£000	£000
Remuneration	<u>184</u>	<u>172</u>
Accrued pension at the end of the year	<u>17</u>	<u>15</u>
Company contributions paid to money purchase pension schemes	<u>-</u>	<u>-</u>

The highest paid director exercised share options in the year.

The directors remunerated by Eaton Safety Limited perform qualifying services for several companies within the Eaton group. The directors estimate that the value of their qualifying services provided to Eaton Safety Limited is £30,000, and £266,000 relates to other companies within the group.

### 7. Interest receivable and similar income

	2019	2018
	£000	£000
Interest and finance income receivable:		
From group undertakings	<u>50</u>	<u>63</u>
	50	63
Interest payable to group undertakings	<u>-</u>	<u>(1)</u>
	<u>50</u>	<u>62</u>

The interest receivable and similar income of £50,000 (2018 - £62,000) contains interest payable as well as interest receivable amounts.

## Notes to the financial statements (cont.)

at 31 December 2019

### 8. Taxation

#### (a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2019	2018
	£000	£000
<b>Current tax:</b>		
UK corporation tax	-	-
Adjustment in respect of prior years	-	-
Total current tax	<u>-</u>	<u>-</u>
<b>Deferred tax:</b>		
Original and reversal of temporary differences	(3)	-
Effects of changes in tax rate	-	-
Adjustment in respect of prior year	3	-
Total change in deferred tax	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

#### (b) Factors affecting the total tax charge

The tax assessed on the profit on ordinary activities for the year is higher/lower than the standard rate of corporation tax in the UK of 19.0% (2018 – 19.0%). The differences are reconciled below:

	2019	2018
	£000	£000
Profit on ordinary activities before tax	<u>156</u>	<u>673</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2018-19.0%)	30	128
Disallowed expenditure	6	973
Share options	(125)	(19)
Dividend income and other non-taxable income	-	(1,060)
Losses unrecognised in year	54	-
Group relief	35	(22)
Total tax expense	<u>-</u>	<u>-</u>

## Notes to the financial statements (cont.)

at 31 December 2019

### 8. Taxation (continued)

(c) Factors that may affect future tax charges

The Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%. As substantive enactment is after the balance sheet date, deferred tax balances as at 31 December 2019 continue to be measured at a rate of 17%. The effect of this change on the company's deferred tax balance is not material.

(d) Deferred tax

The deferred tax asset included in the balance sheet is as follows:

	2019	2018
	£000	£000
Included in debtors (note 11)	<u>25</u>	<u>25</u>
Depreciation in advance of capital allowances	19	22
Other timing differences	<u>6</u>	<u>3</u>
Provision for deferred tax	<u>25</u>	<u>25</u>
At 1 January 2019		25
Deferred tax debit in profit and loss account		-
Amount credited to other comprehensive income		-
At 31 December 2019		<u>25</u>

The deferred tax balances as at 31 December 2019 have been stated at a rate of 17% as this is the rate at which deferred tax is expected to reverse.

## Notes to the financial statements (cont.)

at 31 December 2019

### 9. Tangible fixed assets

	<i>Short leasehold land and buildings £000</i>	<i>Plant and equipment £000</i>	<i>Total £000</i>
Cost:			
At 1 January 2019	294	153	447
Additions	-	14	14
Disposals	-	-	-
At 31 December 2019	<u>294</u>	<u>167</u>	<u>461</u>
Depreciation and impairment:			
At 1 January 2019	233	129	362
Provided during the year	4	15	19
Disposals	-	-	-
At 31 December 2019	<u>237</u>	<u>144</u>	<u>381</u>
Net book value			
At 31 December 2019	<u>57</u>	<u>23</u>	<u>80</u>
At 1 January 2019	<u>61</u>	<u>24</u>	<u>85</u>

### 10. Investments: Shares in group undertakings

	<i>Investments in subsidiary companies £000</i>
Cost:	
At 1 January 2019	84,518
Additions	-
Disposals	-
At 31 December 2019	<u>84,518</u>
Impairment:	
At January 2019	33,292
Additions	-
At December 2019	<u>33,292</u>
Net book value:	
At 31 December 2019	<u>51,226</u>
At 1 January 2019	<u>51,226</u>

## Notes to the financial statements (cont.)

at 31 December 2019

### 10. Investments: Shares in group undertakings (continued)

#### Details of subsidiary undertaking:

The company has the following principal subsidiary undertakings:

	<i>Country of incorporation</i>	<i>Holding</i>	<i>Nature of business</i>	<i>Proportion of ordinary shares held</i>
*Menvier Overseas Holdings Limited	England and Wales	100%	Investment company	100%
*Scantronic Holdings Limited	England and Wales	100%	Dormant	100%
*Scantronic Benelux BV	Netherlands	100%	Parent undertaking	100%
Blessing International BV	Netherlands	100%	Parent undertaking	100%
Cooper Safety BV	Netherlands	100%	Emergency lighting, security systems and fire alarms	100%
Cooper CSA Srl	Italy	100%	Emergency lighting, security systems and fire alarms	100%
Cooper Gitiessse Srl	Italy	100%	Integrated communications systems	100%

Held directly by the company (\*). All other investments are held indirectly through subsidiary undertakings. Menvier Overseas Holdings Limited, Blessing International BV and Scantronic Holdings Limited are all registered at Jephson Court, Tancred Close, Leamington Spa CV31 3RZ.

Cooper Safety BV and Scantronic Benelux BV are registered at Terhijdensweg 465, Breda 4825 BK, The Netherlands.

Cooper CSA Srl is registered at Via Antonio Meucci, 10 Corsico, 20094 Italy.

Cooper Gitiessse Srl is registered at Via Ponte Polcevera 8/14 - 16161, Partita Iva, 01070220106, Genova, Italy.

### 11. Debtors

	<i>2019</i>	<i>2018</i>
	<i>£000</i>	<i>£000</i>
Prepayments and accrued income	22	33
Amounts owed by group undertakings	21,873	24,102
Deferred tax asset (see note 8)	25	25
Taxation and social security	-	-
Corporation tax recoverable	11,063	8,813
	<u>32,983</u>	<u>32,973</u>

Included within the amounts owed by group undertakings at 31 December 2019 is a sum of £10,150,000 (2018: £12,293,000) due from Cooper Safety BV which bears interest at 0.41% (2018: 0.44%) and which is repayable on demand. Other amounts owed by group undertakings are unsecured, have no fixed date of repayment, are repayable on demand and no interest is payable.

## Notes to the financial statements (cont.)

at 31 December 2019

### 12. Creditors: amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	43	57
Amounts owed to group undertakings	15,850	15,865
Taxation and social security	51	73
Bank overdraft	4	4
Accruals and deferred income	633	733
	<u>16,581</u>	<u>16,732</u>

Amounts owed to group undertakings are unsecured, have no fixed date of repayment, are repayable on demand and no interest is payable.

The bank overdraft is unsecured.

### 13. Allotted and Issued share capital

	2019	2018
	£000	£000
Allotted and fully paid 51,860,335 (2018 – 51,860,335) ordinary shares of 5p each	<u>2,593</u>	<u>2,593</u>

### 14. Reserves

#### Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

#### Other reserves

The other reserve represents the surplus of the market value of the company's shares issues over the nominal value of the shares issued to acquire the minority interest in a subsidiary.

	Share premium account	Other reserves	Profit and loss account
	£000	£000	£000
At 1 January 2019	12,129	1,073	51,757
Profit for the year	-	-	156
Dividend paid	-	-	-
At 31 December 2019	<u>12,129</u>	<u>1,073</u>	<u>51,913</u>

In September 2011, the company received a capital contribution of £19,283,000 from its parent undertaking. The directors consider this contribution to be non-distributable.

## Notes to the financial statements (cont.)

at 31 December 2019

### 15. Related party disclosures

During the year the Company entered into transactions, in the ordinary course of business, with other related parties.

The company has taken advantage of the exemption in Section 33.1A, whereby disclosures need not be given of transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

### 16. Operating lease commitments

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

	<i>Land and buildings</i>	<i>Land and buildings</i>	<i>Plant and machinery</i>	<i>Plant and machinery</i>
	2019	2018	2019	2018
	£000	£000	£000	£000
Not later than one year	68	68	76	56
After one year but not more than five years	56	56	102	51

### 17. Contingent liabilities

The company has no contingent liabilities at year end (2018 – nil).

### 18. Derivatives

The company uses forward foreign currency contracts to hedge exposure on firm future commitments. At 31 December 2019, there was one open forward contract to purchase €183,726.24 at a rate of 0.852 that matured on 28 January 2020 (2018 - one open forward contract to purchase \$118,950 at a rate of 1.275 that matured on 23 January 2019).

### 19. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Eaton Holding (UK) II Limited, a company registered in England and Wales.

The ultimate parent undertaking and the parent undertaking of the only group which prepares group financial statements which include Eaton Safety Limited and the controlling party, is Eaton Corporation plc incorporated in Ireland and listed on the New York Stock Exchange.

Copies of the financial statements of Eaton Corporation plc can be obtained from the offices of Eaton Holding (UK) II Limited, Jephson Court, Tancred Close, Royal Leamington Spa, Warwickshire, CV31 3RZ, England.



## Notes to the financial statements (cont.)

at 31 December 2019

### 20. Events after the reporting period

In early 2020, a novel strain of coronavirus "COVID-19" spread throughout the world and was declared a pandemic by the World Health Organization on 11 March 2020. On a Macroeconomic level, the COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries resulting in economic uncertainties. The extent of the impact of COVID-19 on the Company's financial performance will depend on certain developments, including the duration and spread of the outbreak. However, the Directors believe to the best of their current knowledge, that COVID-19 will not have a material adverse impact on the Company's ability to continue as a going concern.