

Eaton Holding (UK) II Limited

Registered Number: 03426515

Report and Financial Statements

31 December 2019



Corporate information

Directors

R Howes
A Jackson
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

Directors' report

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

Principal activity and review of the business

The principal activity of the company during the year was, and will continue to be, that of a parent undertaking.

Business review

The loss for the year after taxation amounted to £1,000 (2018 – loss £58,317,000).

The directors considered the carrying value of the company's investments and concluded no impairment was required.

Future development

The company is expected to continue with its current activity.

Principal risks and uncertainties

The principal risks facing the Company comprise of compliance with legal and regulatory requirements, and any economic factors which could impact the recoverability of assets held. 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. We are closely monitoring the potential impact of COVID-19 on our 2020 financial results and cash flows and beyond.

The company does not undertake any transactions external to the Eaton group and therefore the directors do not consider that it is exposed to any significant risks in respect of liquidity, interest rates, foreign currency movement or credit.

Employees

The company had no employees during the financial year.

Research and development

The company has not incurred any research and development expenditure.

Dividends

The directors do not recommend that a final dividend is paid (2018 – £93,847,000).

Directors' report (cont.)

Going concern and COVID19

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 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. The directors note that the company has net current liabilities. However, the company has full access to group treasury services and has minimal costs outside of the wider group. These financial statements have been prepared under the going concern concept because a fellow group undertaking has agreed to provide adequate funds for the company to meet its liabilities as they fall due for a period of at least one year following the signature date of these financial statements. 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 and up to the date of this report were as follows:

A Jackson

R Howes

M Mullin (appointed 3 July 2020)

Directors' liabilities

Eaton Corporation plc, the 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 Company Act 2006. Such qualifying third-party indemnity provision remains in force 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/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.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Directors' report (cont.)

Small company exemptions

This report has been prepared in accordance with special provisions available to companies subject to small companies' regime within Part 15 of the Companies Act 2006. In accordance with these provisions, no strategic report has been prepared.

On behalf of the board

A handwritten signature in black ink, consisting of a large, stylized capital 'A' followed by a horizontal line extending to the right.

A Jackson

Director

Date: 2 November 2020

Directors' Responsibilities Statement

The directors are responsible for preparing 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;
- 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 Holding (UK) II Limited

Opinion

We have audited the financial statements of Eaton Holding (UK) II Limited (the 'company') for the year ended 31 December 2019 which comprise the Income statement, Statement of Comprehensive income, Statement of changes in Equity and Statement of Financial Position and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

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.

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.

Independent auditors' report (continued)

To the members of Eaton Holding (UK) II Limited

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

Independent auditors' report (continued)

To the members of Eaton Holding (UK) II Limited

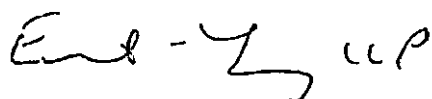
Auditor's responsibilities for the audit of the financial statements

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.



Nick Gomer (Senior statutory auditor)

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

Glasgow

Date: 3 November 2020

Income statement

for the year ended 31 December 2019

		2019	2018
	Notes	£000	£000
Income from shares in group undertakings	8	-	33,689
Other operating costs		-	-
Operating Profit (Loss)		-	33,689
Provision against share in group undertakings	8	-	(91,499)
Interest payable and similar charges	6	(1)	(507)
Loss on ordinary activities before taxation		(1)	(58,317)
Tax on loss on ordinary activities	7	-	-
Loss for the financial year		(1)	(58,317)

All amounts relate to continuing operations

Statement of comprehensive income

for the year ended 31 December 2019

	2019	2018
<i>Notes</i>	<i>£000</i>	<i>£000</i>
Loss for the financial year	(1)	(58,317)
Total other comprehensive income (loss) for the year	-	-
Total Comprehensive loss of the year	(1)	(58,317)

Statement of changes in equity

for the year ended 31 December 2019

	<i>Called up share capital £000</i>	<i>Share premium £000</i>	<i>Profit and loss account £000</i>	<i>Total equity £000</i>
At 1 January 2018	50,002	103,944	89,572	243,518
Capitalisation of reserves	228,237	(103,944)	(124,293)	-
Capital reduction	(278,239)	-	278,239	-
Loss for the year	-	-	(58,317)	(58,317)
Other comprehensive income (loss)	-	-	-	-
Total comprehensive (loss) for the year	-	-	(58,317)	(58,317)
Dividends paid	-	-	(93,847)	(93,847)
At 31 December 2018	-	-	91,354	91,354
Loss for the year	-	-	(1)	(1)
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive (loss) for the year	-	-	(1)	(1)
At 31 December 2019	-	-	91,353	91,353

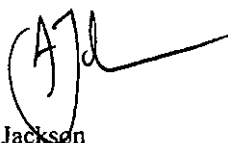
Statement of financial position

at 31 December 2019

		2019	2018
	Notes	£000	£000
Fixed assets			
Investments	8	91,415	91,415
Creditors: amounts falling due within one year	9	(62)	(61)
Net current liabilities		(62)	(61)
Total assets less current liabilities		91,353	91,354
Net assets		91,353	91,354
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account		91,353	91,354
Shareholders' funds		91,353	91,354

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

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



A Jackson
Director

Date: 2 November 2020

Notes to the financial statements

at 31 December 2019

1. Authorisation of financial statements and statement of compliance

Eaton Holding (UK) II 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 Holding (UK) II Limited for the year ended 31 December 2019 were authorised for issue by the board of directors on 2 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 Holding (UK) II 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 Holding (UK) II 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 Holding (UK) II Limited has taken advantage of the following disclosure exemptions under FRS 102:

- (a) the requirements of section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d)
- (b) 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
- (c) Requirements of Section 33 Related Party Disclosures, paragraph 33.7

Going concern and COVID19

The Directors believe, to the best of our current knowledge, that COVID-19 will not have 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. The directors note that the company has net current liabilities. However, the company has full access to group treasury services and has minimal costs outside of the wider group. These financial statements have been prepared under the going concern concept because a fellow group undertaking has agreed to provide adequate funds for the company to meet its liabilities as they fall due for a period of at least one year following the signature date of these financial statements. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Notes to the financial statements (cont.)

at 31 December 2019

2. Accounting policies (Continued)

2.2 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.

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.

2.3 Significant accounting policies

(a) Revenue recognition

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.

(b) Investments

Shares in group undertakings

These comprise investments in subsidiaries and are recognised at cost less impairment.

(c) 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.

Notes to the financial statements (cont.)

at 31 December 2019

2.3 Significant accounting policies (continued)

(d) 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.

(e) 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. Auditors remuneration

The remuneration of the auditors has been borne by another group company for both 2019 and 2018.

4. Staff costs

The company has no employees (2018 – nil).

5. Directors remuneration

The directors of the company are remunerated by other companies within the Eaton Corporation plc group. The directors consider that the level of their qualifying services provided to this company is inconsequential in both 2019 and 2018.

Notes to the financial statements (cont.)

at 31 December 2019

6. Interest payable and similar costs

	2019	2018
	£000	£000
On balances due to fellow group undertakings	(1)	(507)

7. Taxation

(a) Tax on loss on ordinary activities

The tax charge is made up as follows:

	2019	2018
	£000	£000
Current tax:		
UK corporation tax	-	-
Total current tax	-	-

Deferred tax:

There is no provided or unprovided deferred taxation in the current or previous year.

(b) Factors affecting the total tax charge

The tax assessed on the loss on ordinary activities for the year is higher 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
Loss on ordinary activities before tax	(1)	(58,317)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2018 – 19.0%)	-	(11,080)
Dividend income	-	(1,060)
Other non-taxable items	-	12,044
Group relief	-	96
Total tax expense	-	-

Notes to the financial statements (cont.)

at 31 December 2019

7. 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

There is no provided or unprovided deferred taxation in the current or previous years.

8. Investments: Shares in group undertakings

	<i>Investments in subsidiary companies £000</i>
Cost:	
At 1 January 2019	182,914
Additions	-
Disposals	-
At 31 December 2019	<u>182,914</u>
Impairment:	
At 1 January 2019	91,499
Provided during the year	-
Disposals	-
At 31 December 2019	<u>91,499</u>
Net book value:	
At 31 December 2019	<u>91,415</u>
At 1 January 2019	<u>91,415</u>

The directors considered the carrying value of the company's investments and concluded no changes to impairments were required.

Notes to the financial statements (cont.)

at 31 December 2019

8. Investments: Shares in group undertakings (continued)

Details of subsidiary undertakings:

	<i>Country of incorporation</i>	<i>Holding</i>	<i>Nature of business</i>	<i>Proportion of ordinary shares held</i>
Eaton Safety Limited	England and Wales	100%	Parent undertaking	100%*
Menvier Overseas Holdings Limited	England and Wales	100%	Parent undertaking	100%
Blessing International BV	Netherlands	100%	Parent undertaking	100%
Cooper Safety BV	Netherlands	100%	Emergency lighting	100%
Cooper CSA Srl	Italy	100%	Security systems and emergency lighting	100%
Cooper Gitiesse Srl	Italy	100%	Integrated multimedia communications systems	100%
Scantronic Holdings Limited	England and Wales	100%	Dormant	100%
Scantronic Benelux BV	Netherlands	100%	Parent undertaking	100%

Held directly by the company (*).

All other investments are held indirectly through subsidiary undertakings.

Eaton Safety Limited, 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 Terhijdenseweg 465, Breda 4825 BK, The Netherlands.

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

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

9. Creditors: amounts falling due within one year

	<i>2019</i>	<i>2018</i>
	<i>£000</i>	<i>£000</i>
Amounts owed to group undertakings	62	61

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. Interest is charged at 1.71% (2018: 1.74%).

Notes to the financial statements (cont.)

at 31 December 2019

10. Allotted and Issued share capital

	2019	2018
	£000	£000
Allotted and fully paid		
1 (2018 – 1) ordinary shares of £1 each	-	-

On 28 May 2018 the company capitalised the balance on the share premium account and the unrealised profits in the profit and loss account, by the issue of 228,237,228 share of £1 each. Subsequent to this the company carried out a capital reduction by cancelling 278,239,238 shares of £1 each.

11. 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.

12. Contingent liabilities

There are no contingent liabilities as at 31 December 2019 or 2018.

13. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Eaton Electric Holdings LLC, a company incorporated in Delaware, USA. The company's ultimate parent undertaking and controlling party is Eaton Corporation plc which is incorporated in Ireland. The only group of which the company is a member and for which group financial statements are prepared is that headed by Eaton Corporation plc. Copies of the Annual Report of Eaton Corporation plc can be obtained from the following address:

Eaton Center
1000 Eaton Boulevard
Cleveland
Ohio 44122
USA

14. 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.