

Cooper Lighting and Safety Limited

Report and Financial Statements

31 December 2012

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COMPANIES HOUSE

Cooper Lighting and Safety Limited

Directors

M G Mullin
S D Whittaker

Secretary

Abogado Nominees Limited

Auditors

Ernst & Young LLP
The Paragon
Counterslip
Bristol BS1 6BX

Bankers

National Westminster Bank plc
P O Box 34
15 Bishopsgate
London EC2P 2AP

Solicitors

Baker & McKenzie
100 New Bridge Street
London EC4V 6JA

Registered office

100 New Bridge Street
London EC4V 6JA

Registered No 03012749

Directors' report

The directors present their report and financial statements for the year ended 31 December 2012

Results and dividends

The profit for the year after taxation amounted to £1,070,000 (2011 – £56,000) The directors do not recommend a final dividend (2011 – £nil)

Principal activity and review of the business

The principal activity of the company during the year was, and will continue to be that of the manufacture and distribution of lighting and fire detection equipment

On 30 November 2012, the company's ultimate parent undertaking, Cooper Industries plc a company incorporated in Ireland and listed on the New York stock exchange, was acquired by Eaton Corporation plc From this date, Eaton Corporation plc became the company's ultimate parent undertaking

During the year the company's turnover fell by (4.0%) to £69,475,000 (2011 – £72,326,000) The decline was mainly within the UK in the project market, where work continues to be sporadic and subject to fiscal constraints An absolute increase in gross margin percentage of 4.4% year on year reflected favourable price realisation, sales mix and productivity initiatives undertaken during the year

Key performance indicators

Key performance indicators for the business in the current and the preceding year are

	2012 £000	2011 £000
Company Turnover	69,475	72,326
% change from prior year	(4.0%)	7.2%
Gross Margin	18,726	18,499
As a % of net revenue	27.0%	25.6%
Operating Profit/(Loss) before Exceptionals	936	(4)
As a % of net revenue	1.3%	0.0%
Trade receivable days	61.7	65.4
Stock days	55.7	51.9

The company, and its parent, track and monitor various financial and non financial key performance indicators as part of the normal management process

Future developments

The company is expected to continue with its current activity

Principal risks and uncertainties

Competitive risk:

The company primarily operates in the UK Increasing competitive pressure in the UK could result in the loss of sales to competitors and lower gross margins The company manages this risk through the continued development of new and existing products, developing its customer relationships and through a constant focus on productivity improvements to reduce manufacturing costs

Directors' report (continued)

Principal risks and uncertainties (continued)

Financial risk

With large trading volumes in non sterling currencies, exchange rate movements are a risk to profitability. The company does not carry out hedging activities to mitigate currency exposure.

Legislative Risk

In the UK and Europe, lighting equipment must be manufactured to EU standards. These standards are subject to continuous revision and any new directive may have a material impact on the ability of the company to manufacture and supply products at a profit.

Economic Risk

The construction industry is still recovering from the global recession and projects put on hold during the recession are now beginning to move forward. Lighting components continue to suffer from volatile price fluctuations, which can have a material impact on the company's profitability.

Going concern

No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors.

Research and development activities

The company continues to invest in research into new products and activities as well as introducing new technology to improve service to customers and reduce manufacturing costs.

Directors

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

T V Helz (resigned 1 May 2013)
M G Mullin
S D Whittaker

Directors' qualifying third party indemnity provisions

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 conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Political and charitable contributions

No political or charitable contributions were made in either year.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where a handicapped or disabled person can adequately fulfil the requirements of the job. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

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Directors' report (continued)

Employee involvement

It is company policy to communicate with and involve employees on matters affecting their interests at work and to inform them of the performance of the business. Each department adopts such employee consultations as is appropriate.

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.

Auditors

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

On behalf of the Board



M G Mullin
Director

Date 12 September 2013

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 proper 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 Cooper Lighting and Safety Limited

We have audited the financial statements of Cooper Lighting and Safety Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

to the members of Cooper Lighting and Safety Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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

Ernst & Young Ltd

Ken Griffin, Senior Statutory Auditor
For and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol
Date

26 September 2013

Profit and loss account

for the year ended 31 December 2012

	Notes	2012 £000	2011 £000
Turnover	2	69,475	72,326
Cost of sales		(50,749)	(53,827)
Gross Profit		18,726	18,499
Distribution costs		(11,172)	(11,756)
Administrative expenses		(6,618)	(6,747)
Operating Profit/(Loss)	3	936	(4)
Income from shares in group undertakings	4	-	378
Exceptional items	4	-	(378)
Profit/(Loss) before interest and taxation		936	(4)
Interest receivable and similar income	7	90	72
Profit on ordinary activities before taxation		1,026	68
Tax	8	44	(12)
Profit for the financial year	16	1,070	56

All amounts relate to continuing activities

Statement of total recognised gains and losses

for the year ended 31 December 2012

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £1,070,000 in the year ended 31 December 2012 (2011 – £56,000)

Balance sheet

at 31 December 2012

	Notes	2012 £000	2011 £000
Fixed assets			
Intangible assets	9	802	902
Tangible assets	10	6,333	5,943
Investments	11	463	463
		<u>7,598</u>	<u>7,308</u>
Current assets			
Stocks	12	7,749	7,659
Debtors	13	31,463	28,792
Cash at bank and in hand		<u>21,765</u>	<u>23,837</u>
		60,977	60,288
Creditors amounts falling due within one year	14	<u>(25,991)</u>	<u>(26,014)</u>
Net current assets		<u>34,986</u>	<u>34,274</u>
Total assets less current liabilities		42,584	41,582
Provisions for liabilities	8	(302)	(370)
Net assets		<u>42,282</u>	<u>41,212</u>
Capital and reserves			
Called up share capital	15	550	550
Profit and loss account	16	41,732	40,662
Shareholders' funds	16	<u>42,282</u>	<u>41,212</u>

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



M G Mullin

Director

Date 12 September 2013

Notes to the financial statements

at 31 December 2012

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Group financial statements

The company is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking, not about its group.

Statement of cash flows

The directors have taken advantage of the exemption in FRS1 (revised) from including a statement of cash flows in the financial statements on the grounds that the company is wholly owned and its parent publishes a group statement of cash flows.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Tangible fixed assets

All fixed assets are initially recorded at cost.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Freehold buildings	–	50 years
Plant and machinery	–	3 - 15 years

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

Goodwill

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. Positive goodwill arising on acquisitions is capitalised, classed as an asset on the balance sheet and amortised on a straight line basis over its estimated useful life.

Goodwill is being amortised in equal annual instalments over 5 years based on pre-tax cash flow projections derived from financial budgets covering the next 5 financial years.

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

Investments

Investments are accounted for at the lower of cost or net realisable value.

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

Notes to the financial statements

at 31 December 2012

1. Accounting policies (continued)

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 VAT and other sales taxes and duty. Revenue from the sales of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

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, consumables and goods for resale	–	purchase cost on a first-in, first-out basis
Work in progress and finished goods	–	cost of direct materials and labour plus attributable overheads based 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.

Taxation

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

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- 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.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and gains and losses are included in the profit and loss account.

Operating leases

Operating lease rentals are charged to the profit and loss on a straight line basis over the life of the lease.

Notes to the financial statements

at 31 December 2012

1. Accounting policies (continued)

Pensions

The company participates in a multi-employer defined benefit pension plan. The individual companies are not able to identify their share of the underlying assets and liabilities on a consistent and reasonable basis, so in accordance with FRS17 the company accounts for its contributions to the scheme as if it were a defined contribution plan.

Contributions to defined contribution plans are charged to the profit and loss account when they become payable.

Government Grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account over the expected useful lives of the relevant assets by equal annual instalments.

2. Turnover

Turnover represents the invoiced value of goods and services provided, excluding value added tax.

An analysis of turnover by geographical market is given below:

	2012 £000	2011 £000
United Kingdom	47,934	49,927
Continental Europe	4,852	5,341
Australasia and Far East	3,009	2,286
Rest of the World	13,680	14,772
	<u>69,475</u>	<u>72,326</u>

In the opinion of the directors, the company is engaged in a single class of business: the manufacture and distribution of lighting and fire detection equipment.

3. Operating profit/(loss)

This is stated after charging/(crediting):

	2012 £000	2011 £000
Auditors' remuneration – audit of the financial statements	37	36
Amortisation of government grants	(27)	-
Research and development expenditure written off	636	634
Depreciation of owned fixed assets	703	687
Amortisation of goodwill	100	100
Operating lease rentals – plant and machinery	1,257	1,270
– land and buildings	60	206
Restructuring costs	<u>23</u>	<u>149</u>

Cooper Lighting and Safety Limited

Notes to the financial statements

at 31 December 2012

4. Exceptional items

On 23 August 2011, the subsidiary companies, Clarity Lighting Limited and LED Storm Limited were dissolved. At the date of dissolution, these companies paid dividends to Cooper Lighting and Safety Limited of £378,000. This has been recorded within income from shares in group undertakings.

In 2010, the directors took the decision to write the carrying value of the investments in these companies down to £378,000, resulting in a charge of £1,739,000 to the profit and loss account. On receipt of the dividend of £378,000 in 2011, the directors have written the remaining carrying value of these investments down to £nil, this has been recorded as an exceptional expense.

5. Directors' remuneration

Remuneration in respect of directors remunerated by Cooper Lighting and Safety Limited

	2012 £000	2011 £000
Remuneration	125	340
Contributions to defined contribution pension schemes	48	48
	<u>173</u>	<u>388</u>

	No	No
Members of defined contribution pension schemes	<u>1</u>	<u>2</u>

The amounts in respect of the highest paid director are as follows

	2012 £000	2011 £000
Remuneration	125	166
Contributions to defined contribution pension schemes	48	37
	<u>173</u>	<u>203</u>

The highest paid director received share options in Cooper Industries plc (the former ultimate parent), during the year.

The directors remunerated by Cooper Lighting and Safety Limited perform qualifying services for this company only and not for other companies in the Cooper group.

In addition, a number of other directors of the company are remunerated by other companies in the Cooper group. These directors estimate that the value of their qualifying services provided to this company is £51,400 (2011: £92,800).

Notes to the financial statements

at 31 December 2012

6. Staff costs

	2012 £000	2011 £000
Wages and salaries	16,549	16,744
Social security costs	1,528	1,610
Other pension costs (note 17)	843	836
	<u>18,920</u>	<u>19,190</u>

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

	No	No
Production	450	454
Distribution	228	247
Administration	29	31
	<u>707</u>	<u>732</u>

7. Interest receivable and similar income

	2012 £000	2011 £000
Group interest	<u>90</u>	<u>72</u>

Notes to the financial statements

at 31 December 2012

8. Tax

(a) Tax on profit/(loss) on ordinary activities

The tax (credit)/charge is made up as follows

	2012 £000	2011 £000
Current tax		
UK corporation tax on the profit/(loss) for the year	24	17
Double taxation relief	(24)	(17)
Foreign tax	24	17
Total current tax (note 8(b))	24	17
Deferred tax:		
Origination and reversal of timing differences	21	23
Impact of change in rates	(24)	(28)
Adjustments in respect of previous periods	(65)	–
Total deferred tax	(68)	(5)
Tax on profit/(loss) on ordinary activities	(44)	12

(b) Factors affecting tax (credit)/charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 24.5% (2011 – 26.5%). The differences are explained below

	2012 £000	2011 £000
Profit/(loss) on ordinary activities before tax	1,026	68
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 – 26.5%)	251	18
Effects of		
Disallowed expenses and non-taxable income	68	91
Accelerated capital allowances	(5)	(17)
Exempt dividend income	–	(100)
Short term timing differences	(17)	(4)
Depreciation on ineligible assets	5	23
Other permanent differences	(339)	–
Group relief surrendered for nil payment	61	6
Adjustment in respect of previous periods	–	–
Current tax for the year (note 8(a))	24	17

Notes to the financial statements

at 31 December 2012

8. Tax (continued)

(c) Deferred tax

	2012 £000	2011 £000
Capital allowances in advance of depreciation	(328)	(415)
Other timing differences	26	45
Deferred taxation liability	<u>(302)</u>	<u>(370)</u>
		£000
At 1 January 2012		(370)
Credited to the profit and loss account		68
At 31 December 2012		<u>(302)</u>

(d) Factors affecting future tax

In his recent budgets the Chancellor of the Exchequer proposed a decrease in the rate of UK corporation tax from 26% to 20% falling by 2% in 2012, a further 1% in 2013, 2% in 2014 and 1% in 2015. The 1% reduction to 23% for 2013 was enacted on 3 July 2012 and, in accordance with accounting standards, has been reflected in the Company's financial statements. Further proposed changes will only be reflected once the reductions are substantively enacted.

9. Intangible fixed assets

	Goodwill £000
Cost	
At 1 January 2012 and 31 December 2012	<u>1,002</u>
Amortisation	
At 1 January 2012	(100)
Charge for the year	(100)
At 31 December 2012	<u>(200)</u>
Net book value	
At 31 December 2012	<u>802</u>
At 31 December 2011	<u>902</u>

Notes to the financial statements

at 31 December 2012

10. Tangible fixed assets

	<i>Freehold property £000</i>	<i>Plant and machinery £000</i>	<i>Total £000</i>
Cost			
At 1 January 2012	4,269	17,296	21,565
Additions	1,511	938	2,449
Disposals	-	(3,305)	(3,305)
At 31 December 2012	5,780	14,929	20,709
Depreciation			
At 1 January 2012	1,007	14,615	15,622
Provided during the year	163	540	703
Disposals	-	(1,949)	(1,949)
At 31 December 2012	1,170	13,206	14,376
Net book value			
At 31 December 2012	4,610	1,723	6,333
At 31 December 2011	3,262	2,681	5,943

Included in freehold property is freehold land of £1,040,000 (2011 £795,000) which is not depreciated

11. Investments

	<i>Shares in group companies £</i>
Carrying value	
At 1 January 2012 and 31 December 2012	463

The company holds the following investments

	<i>Country of incorporation</i>	<i>Principal activity</i>	<i>Class and percentage of shares held</i>
Kestron Units Limited	England & Wales	Non trading	100% of Ordinary £1 shares
Regalsafe Limited	England & Wales	Non trading	100% of Ordinary £1 shares

Notes to the financial statements

at 31 December 2012

12. Stocks

	2012 £000	2011 £000
Raw materials and consumables	3,240	3,753
Work in progress	400	371
Finished goods and goods for resale	4,109	3,535
	<u>7,749</u>	<u>7,659</u>

The directors do not consider the difference between the purchase price or production cost of stocks and their replacement cost to be material

13. Debtors

	2012 £000	2011 £000
Trade debtors	11,724	12,952
Amounts owed by group undertakings	19,597	15,723
Other debtors	17	21
Prepayments and accrued income	125	96
	<u>31,463</u>	<u>28,792</u>

14. Creditors: amounts falling due within one year

	2012 £000	2011 £000
Trade creditors	8,402	10,149
Amounts owed to group undertakings	10,354	11,486
Other taxes and social security costs	5,280	2,029
Other creditors	925	718
Accruals	1,030	1,632
	<u>25,991</u>	<u>26,014</u>

There were outstanding pension contributions of £84,000 (2011 – £66,000) included in creditors at the balance sheet date

15. Issued share capital

	No	2012 £000	No	2011 £000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of 5p each	11,000,000	<u>550</u>	11,000,000	<u>550</u>

Notes to the financial statements

at 31 December 2012

16. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total share- holders' funds</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 1 January 2011	550	40,606	41,156
Profit for the year	—	56	56
At 1 January 2012	550	40,662	41,212
Profit for the year	-	1,070	1,070
At 31 December 2012	550	41,732	42,282

17. Pensions

The company participates in a number of pension schemes. One of these pension schemes is a defined benefit multi-employer scheme, the Cooper Group 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, as allowed by FRS17. The pension costs are determined by a professionally qualified actuary on the basis of triennial valuations. The last formal valuation was made as at 5 April 2010. 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 2012 (2011 – £nil). With effect from May 2008, the scheme was closed to future accrual and therefore there will be no active members of the scheme.

The valuation of the scheme was updated for FRS 17 purposes at 31 December 2012 by a qualified, independent actuary. The major assumptions used by the actuary to determine the liabilities on a FRS 17 basis for the scheme are set out below.

	<i>2012</i>	<i>2011</i>
	<i>%</i>	<i>%</i>
Rate of increase in salaries	N/A	N/A
Rate of increase to pensions in payment	3.30	3.00
Discount rate	4.05	4.70
Inflation	2.85	3.00
Expected long term return on plan assets	5.40	5.50

Notes to the financial statements

at 31 December 2012

17. Pensions (continued)

Under the mortality tables adopted, the assumed future life expectancy at age 65 is as follows

	2012 Male	2012 Female	2011 Male	2011 Female
Member age 65 (current life expectancy)	20.3	22.6	20.2	22.5
Member age 45 (life expectancy at age 65)	21.4	23.6	21.4	23.5

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

	2012 %	2011 %
Equities	60	59
Gilts	28	28
Bonds	12	12
Cash	-	1

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

	2012 £000	2011 £000	2010 £000	2009 £000	2008 £000
Defined benefit obligation	(31,533)	(27,388)	(25,752)	(26,308)	(21,597)
Scheme assets	30,167	28,140	27,410	25,225	22,205
(Deficit)/Surplus in scheme	(1,366)	752	1,658	(1,083)	608

Full details of the Cooper Group Pension Plan are shown in the financial statements of Cooper Industries (UK) Limited, a fellow group undertaking

The other schemes in which the company participates are defined contribution pension schemes. The pension cost charged to the profit and loss account represents the contributions payable by the company to the scheme and amounted to £843,000 in the year ended 31 December 2012 (2011 – £836,000)

Notes to the financial statements

at 31 December 2012

18. Other financial commitments

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as set out below

	2012		2011	
	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Operating leases which expire				
Within one year	4	103	–	111
In two to five years	18	521	–	538
Over five years	–	337	–	–
	<u>22</u>	<u>961</u>	<u>–</u>	<u>649</u>

19. Contingent liability

Guarantees have been given by the company in the ordinary course of business in respect of overdraft facilities granted to certain group companies. At the balance sheet date £71,451,000 (2011 – £64,183,000) was outstanding under such guarantees. The directors do not consider it likely that these guarantees will be called upon during 2013.

20. Related party transactions

Under FRS 8 the company is exempt from the requirements to disclose transactions with other group undertakings on the grounds that its results are included in the group financial statements of Eaton Corporation plc of Ireland, which are publicly available.

During the year, the company provided payroll processing services to Apex Tool Group (UK Operations) Limited, a company which is a subsidiary of a joint venture which was 50% owned within the Group until February 2013. A fee for providing this service up until June 2012 of £384 (2011: £996) was charged, the value of payroll transactions processed was £158,000 (2011: £303,000). There were no outstanding balances at 31 December 2012.

21. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Crompton Lighting Holdings Limited, which is registered in England and Wales. The parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member and the controlling party is Eaton Corporation plc, a company incorporated in Ireland and listed on the New York Stock Exchange.

Copies of the above financial statements can be obtained from the offices of Cooper Industries (UK) Limited which are located at Jephson Court, Tancred Close, Royal Leamington Spa, CV31 3RZ, England.