

Sperian Protection Holding (UK) **Ltd**

Annual Report and Financial Statements
For the year ended 31 December 2020



Company Information

Officers and professional advisors

Director

Hicham Khellafi

Auditor

Deloitte LLP
Saltire Court,
20 Castle Terrace,
Edinburgh,
EH1 2DB
United Kingdom

Registered address

Honeywell House,
Skimped Hill Lane,
Bracknell,
Berkshire,
RG12 1EB
United Kingdom

Strategic report

for the financial year ended 31 December 2020

The director presents his strategic report for the financial year ended 31 December 2020.

Principal activity

The principal activity of the company is to act as the holding company for its subsidiaries.

Review of the business and future developments

On 4 February 2020, the company acquired shares in Pillar Electrical Overseas Ltd from Novar Electrical Holdings Ltd, a fellow UK subsidiary of Honeywell International Inc., for a consideration of £332,000. Further, during the year the company impaired its investments in Pillar Electrical Overseas Limited by an amount of £213,000.

During the year, the company made a capital contribution of £705,000 into its subsidiary Pulsafe Holdings Europe BV. On 14 December 2020, the company received a dividend from Pulsafe Holdings Europe BV of £671,000 representing all of that entity's distributable reserves in the form of investment in OPMA Arbeitsschutz GmbH. The investment in Pulsafe Holdings Europe BV of £705,000 was fully impaired following receipt of the dividend.

Pulsafe Holdings Europe BV was placed into voluntary liquidation on 30 December 2020.

The loss for the financial year, after taxation, is £226,000 (2019: profit of £24,000). The loss during the year is driven mostly by the impairment of investment amounting to £919,000, partly offset by dividend income received from subsidiary undertakings amounting to £671,000.

The company holds financial instruments measured at amortised cost and as such the impact of the COVID-19 was limited to the effect on the trading activity of its subsidiaries. The company has reviewed its investments for indicators of impairment and has concluded that no further impairments were necessary as a result of the COVID-19 pandemic.

The EU-UK Trade and Cooperation Agreement (Brexit deal) was signed on 30 December 2020 and is effective from 1 January 2021. As a holding company, the Brexit deal is not expected to have a significant impact on the future activities of the company however it will affect the principal risks and uncertainties as detailed in following paragraphs.

Further, there are no key performance indicators as the company did not trade during the financial year and is a holding company.

The director intends that the company will continue to operate as a holding company for its subsidiaries for the foreseeable future.

The company is in a net liability position and expects to remain so for the foreseeable future.

Financial risk management, objectives and policies

Interest risks

The company is exposed to interest rate risk arising out of amounts owed to and from group undertakings respectively. The exposures to interest rate risks have not been hedged as there is no net interest rate risk at group level on account of intra group loan balances.

Credit risks

The company does not have exposure to credit risk as there is no credit risk at the group level on account of intra group loans. Considering that we are receiving a guarantee letter from Honeywell International Inc. to support Inter-company balances, we do not foresee any credit risk.

Principal risks and uncertainties

As a holding company, the company is exposed to the value of its investments and the ability of its subsidiaries to generate surplus funds and pay dividends. The ultimate parent company actively manages the performance of its subsidiaries.

Strategic report*for the financial year ended 31 December 2020*

In December 2019, a novel strain of coronavirus ("COVID-19") was identified in Asia. Over the next several months, COVID-19 quickly spread across the world. In March 2020, the World Health Organization declared COVID-19 a worldwide pandemic. The outbreak of the COVID-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown which could negatively impact the company's operations and adversely affect its business. As of December 31, 2020, the virus continues to spread, and many countries are experiencing a resurgence in infection rates. Although vaccines have recently been made available, the availability and distribution of the vaccines continues to provide challenges. We remain cautious as many factors remain unpredictable, including the increasing rate of COVID-19 infections. We continue to monitor COVID-19 infection rates and acknowledge the risk of new surges in COVID-19 infections.

The global spread of COVID-19 creates significant volatility, uncertainty and economic disruption, which impacts our business, operations and financial results and may continue to do so. Honeywell's capabilities adapted towards addressing the COVID-19 challenges of our customers around the world. The enduring impact of the COVID-19 pandemic on business, operations and financial results will depend on numerous evolving factors that we may not be able to accurately predict, including: the duration, scope and severity of the pandemic; as well as the timing and availability of effective medical treatments and vaccines; governmental, business and individual decisions and actions; the impact of the pandemic on economic activity; and the extent to which we or our business partners may be prevented from conducting normal business activities due to shutdowns or other restrictive measures that may be requested or mandated by governmental authorities.

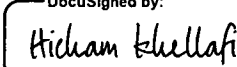
These factors are expected to impact the profitability of the company's subsidiaries. This may lead to a further decline in the fair value of its investments, owing to such reduction in its subsidiaries' profitability.

With the introduction of a vaccine, the COVID-19 pandemic is being brought under control however there is potential for new strains of the virus resulting in reduced efficacy and continuation of government-imposed restrictions to business activities. A sustained or prolonged COVID-19 outbreak could exacerbate the negative impacts described above, and the resumption of normal business operations may be delayed or constrained by lingering effects on our suppliers, third-party service providers, and/or customers. These effects, alone or taken together, could further impact each of the risks described above. Due to daily evolution of the COVID-19 pandemic and the responses to curb its spread, we cannot predict the ultimate impact the COVID-19 pandemic will have on our business, financial condition, results of operations, liquidity, and cash flow.

On 23 June 2016, the UK held a referendum on the UK's continuing membership of the EU, the outcome of which was a decision for the UK to leave the EU (Brexit). The UK left the EU on 31 January 2020 and was in a transition period until 31 December 2020. The EU-UK Trade and Cooperation Agreement (Brexit deal) was signed on 30 December 2020 and is effective from 1 January 2021. The deal imposes additional rules and regulations to govern the transfer of goods and services between the United Kingdom and European Union. This is likely to lead to an increase in costs and administrative requirements of trading with the European Union. The implementation of the deal is also expected to impact macroeconomic factors such as exchange rates. A working group has been established by Honeywell International Inc to monitor the trade deal and regulation and implement mitigating actions to respond to any changes.

The impact on the company, as a holding company, is limited to the effect on the company's subsidiaries and their ability to declare and pay dividends as well as macroeconomic factors, such as exchange rate and interest rate fluctuations, that are influenced by the deal and affect the environment in which the company operates.

Approved by the board of directors and signed on its behalf by:

DocuSigned by:

 Hicham Khellafi
 Director

April 27, 2021

Director's report*for the financial year ended 31 December 2020*

The director presents his annual report and audited financial statements of the company for the financial year ended 31 December 2020.

Business review and future developments

A review of the business of the company and future developments is included in the strategic report on page 1.

Results and dividends

The company's loss for the financial year, after taxation was £226,000 (2019: profit of £24,000) which will be deducted from reserves. The results for the financial year are shown on page 9.

The director did not recommend the payment of a dividend (2019: £nil).

Financial risk management, objectives and policies

The details of the financial risk management of the company are included in the strategic report on page 1.

Director of the company

The director of the company who held office during the financial year and up to the date of signing these financial statements was:

Hicham Khellafi

Director's indemnities

Pursuant to the company's articles of association, the director was throughout the financial year ended 31 December 2020 and at the date of this report entitled to a qualifying indemnity provision as defined in section 234 of the Companies Act 2006.

Going concern

The director recognises the financial situation of the company evidenced by the loss for the financial year of £226,000 (2019: profit of £24,000) and net deficit in shareholder's funds of £635,000 (2019: £409,000).

The company's business activities, together with the factors likely to affect its future development and position, are set out in the strategic report.

The ultimate parent company, Honeywell International Inc. has indicated that it will provide financial support to the company for at least one year from the date of signing these financial statements. While considering the ability of the ultimate parent company to provide financial support, the director, has reviewed the 2020 operating results and financial performance of Honeywell International Inc. as well as representations and initiatives of Honeywell Executive Leadership. The director has further relied on forward looking assessments provided by Honeywell International Inc. under various possible COVID-19 scenarios, including rollout of the vaccine, and is satisfied that the ultimate parent company is in a position to provide the necessary financial support. As part of his consideration, the director has acknowledged the cost control measures already taken across Honeywell International Inc., the group's cash, cash equivalents and short term investments balance at 31 December 2020 of \$15.22 billion.

The director has a reasonable expectation that the company has adequate resources, including support from Honeywell International Inc. to continue in operational existence for the foreseeable future being a period of at least 12 months from the date of these financial statements.

Based on the circumstances described above, the financial statements are prepared on the assumption that the entity is a going concern.

Disclosure of information to auditor

In the case of each of the persons who is a director at the time this report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Director's report

for the financial year ended 31 December 2020

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Events since the balance sheet date

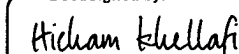
On 26 January 2020, the company's subsidiary Egatube Isle of Man filed for dissolution.

Independent auditor

Deloitte LLP have expressed their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the board of directors and signed on its behalf by:

DocuSigned by:



54E7BD8681604A1...

Hicham Khellaf

Director

April 27, 2021

Director's responsibilities statement*for the financial year ended 31 December 2020*

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework.'

Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss for that period.

In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

To assist himself in discharging these responsibilities, the director has engaged a number of third party providers including an accounting firm who is engaged to prepare the company's financial statements, as well as Honeywell International Inc.'s own finance shared service centre located in Bengaluru. Honeywell operates a country controllership model under which an identified senior finance representative is responsible for all of the UK and Ireland entities, supported by a wider finance team and under the supervision of the Regional Finance Leader for Western Europe. The director has ensured that adequate processes are in place to maintain oversight and supervision over these various providers and processes and to ensure there is clear linkage with the company's activities.

Independent auditor's report*to the members of Sperian Protection Holding (UK) Ltd.*

Report on the audit of the financial statements**Opinion**

In our opinion the financial statements of Sperian Protection Holding (UK) Ltd (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework" and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditor's report

to the members of Sperian Protection Holding (UK) Ltd.

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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included Companies Act 2006 and relevant tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

Independent auditor's report*to the members of Sperian Protection Holding (UK) Ltd.*

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- enquiring of management, and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations.

Report on other legal and regulatory requirements**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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the director's report.

Matters on which we are required to report by exception

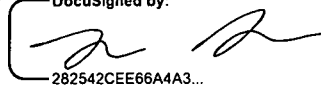
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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

DocuSigned by:

282542CEE66A4A3...

James Boyle CA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Edinburgh, United Kingdom

April 28, 2021

Profit and loss account*for the financial year ended 31 December 2020*

		2020	2019
	Notes	£000s	£000s
Dividend income	5	671	-
Impairment of investments	12	(919)	-
Operating loss		(248)	-
Interest receivable	9	57	80
Interest payable	10	(33)	(50)
(Loss)/profit before taxation		(224)	30
Tax on (loss)/profit	11	(2)	(6)
(Loss)/profit for the financial year		(226)	24

All amounts are derived from continuing operations.

No separate statement of comprehensive income has been presented because the company has no other comprehensive income other than the loss for the financial year.

The notes on pages 12 to 22 form an integral part of the financial statements.

Balance sheet

as at 31 December 2020

		2020	2019
	Notes	£000s	£000s
Fixed assets			
Investments	12	789	-
		789	-
Current assets			
Debtors: amounts falling due within one year	13	3,991	4,641
		3,991	4,641
Creditors: amounts falling due within one year	14	(5,415)	(5,050)
Net current liabilities		(1,424)	(409)
Total assets less current liabilities		(635)	(409)
Net liabilities		(635)	(409)
Capital and reserves			
Called-up share capital	15	4,233	4,233
Share premium account	16	9,867	9,867
Profit and loss account		(14,735)	(14,509)
Total shareholders' deficit		(635)	(409)

The financial statements on pages 9 to 22 were approved by the board of directors on April 27, 2021 and signed on its behalf by:

DocuSigned by:

 54E7BD9681604A1...
 Hicham Khellafi
 Director

Statement of changes in equity
for the financial year ended 31 December 2020

	<i>Called-up share capital</i>	<i>Share premium account</i>	<i>Profit and loss account</i>	<i>Total</i>
	<i>£000s</i>	<i>£000s</i>	<i>£000s</i>	<i>£000s</i>
At 1 January 2019	4,233	9,867	(14,533)	(433)
Profit for the financial year	-	-	24	24
At 31 December 2019	4,233	9,867	(14,509)	(409)
Loss for the financial year	-	-	(226)	(226)
At 31 December 2020	4,233	9,867	(14,735)	(635)

Notes to the financial statements

for the financial year ended 31 December 2020

1. General information

Sperian Protection Holding (UK) Ltd is a private company limited by shares which is incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The nature of the company's operations and its principal activities are set out in the strategic report on page 1.

The immediate parent undertaking is Honeywell Safety Products International Ltd, a company incorporated in England. The registered address of the parent is Honeywell House, Skimped Hill Lane, Bracknell, Berkshire, RG12 1EB, United Kingdom.

The financial statements contain information about the company as an individual company and do not contain consolidated financial information as parent of a group.

The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the financial statements of Honeywell International Inc., a company registered in the USA. Honeywell International Inc. is the company's ultimate parent company and controlling party, heading up the smallest and largest group to consolidate these financial statements. The registered office of the ultimate parent company is located at 300 South Tryon Street, Charlotte, NC 28202, USA. The financial statements of Honeywell International Inc. are publicly available and can be obtained from the Internet at www.honeywell.com.

2. Significant accounting policies

The accounting policies that have been applied consistently throughout the financial year and in the preceding year are set out below:

The company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

These financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006. The company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated. The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of
 - paragraph 79(a)(iv) of IAS 1 and
 - paragraph 17 of IAS 24 Related Party Disclosures (key management compensation)
- the requirements of following paragraphs of IAS 1 Presentation of Financial Statements
 - 10(d) (statement of cash flows),
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements and 16 (statement of compliance with all IFRS),
 - 38A to 38D (requirement for minimum of two primary statements, including cash flow statements and additional comparative information),
 - 40A to 40D, 111 (statement of cash flows information) and 134-136 (capital management disclosures) of IAS 1;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective); and
- the requirements in IAS 24 Related Party Disclosures to disclose related party 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.

Notes to the financial statements*for the financial year ended 31 December 2020**Going concern*

The director recognises the financial situation of the company evidenced by the loss for the financial year of £226,000 (2019: profit of £24,000) and net deficit in shareholder's funds of £635,000 (2019: £409,000).

The company's business activities, together with the factors likely to affect its future development and position, are set out in the strategic report.

The ultimate parent company, Honeywell International Inc. has indicated that it will provide financial support to the company for at least one year from the date of signing these financial statements. While considering the ability of the ultimate parent company to provide financial support, the director, has reviewed the 2020 operating results and financial performance of Honeywell International Inc. as well as representations and initiatives of Honeywell Executive Leadership. The director has further relied on forward looking assessments provided by Honeywell International Inc. under various possible COVID-19 scenarios, including rollout of the vaccine, and is satisfied that the ultimate parent company is in a position to provide the necessary financial support. As part of his consideration, the director has acknowledged the cost control measures already taken across Honeywell International Inc., the group's cash, cash equivalents and short term investments balance at 31 December 2020 of \$15.22 billion.

The director has a reasonable expectation that the company has adequate resources, including support from Honeywell International Inc. to continue in operational existence for the foreseeable future being a period of at least 12 months from the date of these financial statements.

Based on the circumstances described above, the financial statements are prepared on the assumption that the entity is a going concern.

Interest receivable

Interest receivable is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

Interest payable

Interest payable is recognised using the effective interest rate method. In calculating interest payable, the effective interest rate is applied to the amortised cost of the liability.

Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established, that is on declaration of the dividend by the subsidiary.

Taxation

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are never taxable or deductible. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Notes to the financial statements*for the financial year ended 31 December 2020**Investments – recognition, measurement and impairment*

Investments in subsidiaries are accounted for at cost less any provision for impairment. The value of investments is reviewed annually by the director or more frequently if there is a triggering event and provision made where the investment's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account. Where an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment losses been recognised for the investment in prior years. A reversal of impairment loss is recognised immediately in the profit and loss account.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

*Financial asset – recognition and measurement**Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

All recognised financial assets are subsequently measured in their entirety at amortised cost.

Classification of financial assets

Currently, all financial assets meet the following conditions and hence are classified at amortised cost:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest receivable in the profit and loss account. The losses arising from impairment are recognised in the profit and loss account.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with IFRS 9, the company applies expected credit loss (ECL) model for the measurement and recognition of impairment loss on financial assets measured at amortised cost e.g., investments and loans.

*Financial liabilities - recognition and measurement**Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or financial liabilities at amortised cost as appropriate.

Notes to the financial statements*for the financial year ended 31 December 2020*

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

Currently, the company holds financial liabilities measured at amortised cost which comprises of loans and borrowings.

Subsequent measurement

After initial recognition, financial liabilities at amortised cost are measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss account when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as interest payable in the profit and loss account.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit and loss account.

3. Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the director is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

There are no judgements that have a significant effect on amounts recognised in the financial statements.

Estimates and assumptions

In the process of applying the company's accounting policies, management has made the following estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

(i) Impairment of financial assets

A letter of guarantee has been provided by the ultimate parent company, Honeywell International Inc. over financial assets at amortised cost receivable from fellow group companies, indicating that support will be given in order to settle these amounts should it be necessary. Accordingly, the company has not recognised a provision for expected credit loss on those balances.

(ii) Impairment of Investments

The investment in subsidiary undertakings is carried at cost and tested for impairment when indicators of potential impairment exist. The assessment of impairment involves estimation in relation to the value of the unquoted investment based on the net assets of the underlying investment and projected cash flows, wherever applicable. At the year end, the value of the investment was £789,000 (2019: £nil). There was an impairment charge of £919,000 during the year (2019: £nil). The effect of COVID-19 on the profitability of the company's subsidiaries has been considered in assessing the impairment analysis and any adjustment has been properly recorded in the company's book.

Notes to the financial statements*for the financial year ended 31 December 2020***4. New and amended standards and interpretations**

The company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2020. The company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of Sperian Protection Holding (UK) Ltd, nor is there expected to be any future impact to the company.

5. Dividend income

	2020	2019
	£000s	£000s
From subsidiary	671	-
<i>Total dividend income</i>	<u>671</u>	<u>-</u>

6. Operating loss

	2020	2019
	£000s	£000s
This is stated after charging:		
Impairment of investments	919	-

7. Auditor's remuneration

Fees payable to the auditor, Deloitte LLP, amounted to £2,700 (2019: £4,800) for the audit of the financial statements. This cost was incurred by Honeywell Control Systems Limited, a fellow UK subsidiary of Honeywell International Inc., and it is not recharged to the company.

There are no non audit services fees payable to the auditor (2019: £nil).

8. Employees and directors

In 2020, the director (2019: all directors) was remunerated by other group companies for his services to the group as a whole.

The company has no other employees (2019: no other employees).

Notes to the financial statements
*for the financial year ended 31 December 2020***9. Interest receivable**

	2020	2019
	£000s	£000s
Interest receivable from group undertakings	57	80
<i>Total interest receivable</i>	<u>57</u>	<u>80</u>

10. Interest payable

	2020	2019
	£000s	£000s
Interest payable to group undertakings	33	50
<i>Total interest payable</i>	<u>33</u>	<u>50</u>

11. Taxation*(a) Tax charged in the profit and loss account*

	2020	2019
	£000s	£000s
<i>Current tax:</i>		
UK corporation tax on loss for financial year	-	-
<i>Total current tax</i>	<u>-</u>	<u>-</u>
<i>Deferred tax:</i>		
Origination and reversal of temporary differences	4	6
Effect of changes in tax rates	(1)	-
Adjustment in respect of previous years	(1)	-
<i>Total deferred tax</i>	<u>2</u>	<u>6</u>
<i>Total tax expense in the profit and loss account</i>	<u>2</u>	<u>6</u>

Notes to the financial statements*for the financial year ended 31 December 2020**(b) Reconciliation of the total tax charge*

The tax expense in the profit and loss account for the financial year higher than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are reconciled below:

	2020	2019
	£000s	£000s
(Loss)/profit before tax	(224)	30
(Loss)/profit multiplied by the effective rate of corporation tax in the UK of 19% (2019:19%)	(43)	6
<i>Effects of:</i>		
Utilisation of tax losses	-	(6)
Expenses not deductible for tax purposes	175	-
Income not taxable	(128)	-
Effect of changes in tax rates	(1)	-
Adjustment in respect of previous years	(1)	-
Deferred tax reversed on tax losses	-	6
<i>Total tax expense reported in the profit and loss account</i>	<i>2</i>	<i>6</i>

(c) Factors affecting tax charge for the financial year

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%. Deferred taxes on the balance sheet have been measured at 19% (2019:17%) which represents the future corporation tax rate that was enacted at the balance sheet date.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were not substantively enacted at the balance sheet date and hence have not been reflected in the measurement of deferred tax balances at the period end.

If the company's deferred tax balances at the period end were remeasured at 25% this would result in a deferred tax credit of £1,162.

Notes to the financial statements*for the financial year ended 31 December 2020**(d) Deferred tax*

	2020	2019
	£000s	£000s

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

Deferred tax asset

Losses carried forward	4	6
Total deferred tax asset	4	6

*Movements in deferred tax**Total**£000s*

At 1 January 2020	6
Charge to the profit and loss account	(2)
At 31 December 2020	4

The deferred tax asset is recognised because it is more likely than not that there will be sufficient taxable profits in the future to recover the assets.

12. Investments

	2020	2019
	£000s	£000s
<i>Cost</i>		
At 1 January	16,267	16,267
Additions during the year	1,708	-
Disposals during the year	(705)	-
At 31 December	17,270	16,267
<i>Provision for impairment</i>		
At 1 January	(16,267)	(16,267)
Provided during the year	(919)	-
Disposals during the year	705	-
At 31 December	(16,481)	(16,267)
Net book value	789	-

On 4 February 2020, the company acquired shares in Pillar Electrical Overseas Limited from Novar Electrical Holdings Ltd, a fellow UK subsidiary of Honeywell International Inc., for a consideration of £332,000. Further, during the year the company impaired its investments in Pillar Electrical Overseas Limited by an amount of £213,000.

Notes to the financial statements*for the financial year ended 31 December 2020*

During the year, the company made a capital contribution of £705,000 into its subsidiary Pulsafe Holdings Europe BV. On 14 December 2020, the company received a dividend from Pulsafe Holdings Europe BV of £671,000 representing all of that entity's distributable reserves in the form of investment in OPMA Arbeitsschutz GmbH. The investment in Pulsafe Holdings Europe BV of £705,000 was fully impaired following receipt of the dividend.

Pulsafe Holdings Europe BV was placed into voluntary liquidation on 30 December 2020.

The director believes that the book value of the investments is not more than the value of the underlying net assets.

Shares in the company's subsidiary undertakings are ordinary shares. The subsidiary undertakings are listed in note 17.

13. Debtors: amounts falling due within one year

	2020	2019
	£000s	£000s
<i>Amounts falling due within one year</i>		
Amounts owed by group undertakings	3,987	4,635
Deferred tax asset (note 11)	4	6
<i>Total amounts falling due within one year</i>	3,991	4,641

Amounts owed by group undertakings include the following interest bearing loans and other borrowings:

<i>Receivable</i>	<i>Currency</i>	<i>Interest terms</i>	2020	2019
			£000s	£000s
On demand	GBP	UK Base rate plus 1%	3,987	4,635

All amounts owed by group undertakings are payable on demand and unsecured.

14. Creditors: amounts falling due within one year

	2020	2019
	£000s	£000s
Amounts owed to group undertakings	5,415	5,050
<i>Total amount owed to creditors</i>	5,415	5,050

Amounts owed to group undertakings include the following interest bearing loans and other borrowings:

<i>Payable</i>	<i>Currency</i>	<i>Interest terms</i>	2020	2019
			£000s	£000s
On demand	GBP	1M LIBOR rate plus 0.25%	5,415	5,050

All amounts owed to group undertakings are payable on demand and unsecured.

Notes to the financial statements*for the financial year ended 31 December 2020***15. Called-up share capital**

	2020	2019
	£000s	£000s
<i>Authorised and allotted, called up and fully paid</i>		
4,232,601 (2019: 4,232,601) ordinary shares of £1 each at 1 January and 31 December	4,233	4,233

16. Share premium account

	2020	2019
	£000s	£000s
<i>Balance at 1 January and 31 December</i>		
Premium arising on issue of equity shares	9,867	9,867

17. Subsidiary undertakings

The company's subsidiary undertakings, all of which are 100% owned unless otherwise indicated, are as follows:

<i>Name of company</i>	<i>Principal activity</i>	<i>% holding</i>	<i>Country of incorporation</i>	<i>Address</i>
<i>Directly held subsidiaries:</i>				
Egatube (Isle of Man) Limited	Under liquidation		Isle of Man	8 St. George's Street Douglas, IM1 1AH, Isle of Man
Honeywell Safety Products (UK) Ltd	Safety equipment	89%	United Kingdom	*
Honeywell UK Healthcare Plan Limited	Dormant		United Kingdom	*
OPMA Arbeitsschutz GmbH	Dormant		Germany	Fabrikweg 3, 91448, Emskirchen
Pillar Electrical Overseas Limited	Financing company		United Kingdom	*
Safety Product Solutions UK Ltd	Under liquidation		United Kingdom	C/O Resolve Advisory Ltd, 22 York Buildings, London, WC2N 6JU
UNOVA Operations U.K. Limited	Financing company		United Kingdom	*

Notes to the financial statements

for the financial year ended 31 December 2020

Indirectly held subsidiaries

UK Footwear Holdings Limited	Dormant	89%	United Kingdom	*
---------------------------------	---------	-----	----------------	---

* Honeywell House, Skimped Hill Lane, Bracknell, Berkshire, RG12 1EB

18. Events after balance sheet date

On 26 January 2020, the company's subsidiary Egatube Isle of Man filed for dissolution.