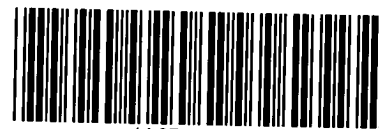


Chubb (NI) Limited

**Annual Report
for the year ended 31 December 2016**

Registered number: 00373935

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Chubb (NI) Limited

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Chubb (NI) Limited

Strategic Report

The directors present their Strategic Report for the company for the year ended 31 December 2016.

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Review of the business

The directors are satisfied with the results for the year and anticipate sustainable results in the future. The company's profit for the financial year is £0.3 million (2015: £0.5 million) which will be transferred to reserves.

Key performance indicators

Revenue shows a year on year decrease of 5.9% from £6.0 million in 2015 to £5.7 million in 2016.

Gross profit, at £1.7 million (2015: £2.0 million) shows a year on year decrease of 11.4%, at 30.8% of revenue (2015: 32.6% of revenue). Due to the combination of a decrease in revenue and an increase in administration expenditure, operating profit has decreased from £0.6 million in 2015 to £0.3 million in 2016.

The company's profit for the financial year is £0.3 million (2015: £0.5 million), which will be transferred to reserves. This is due principally to the decrease in gross profit due to the decline of revenue.

At 31 December 2016 the company had net assets of £1.3 million (2015: £1.1 million).

Principal risks and uncertainties

The directors and senior managers review the company's financial risk profile on a regular basis. This process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. Compliance with regulation, legal and ethical standards is of extreme importance not only within the company, but the United Technologies Corporation group as a whole. The key business risks affecting the company are considered to relate to the economic environment, including credit risk, and competition.

Business environment

The UK fire protection industry is highly competitive as many companies offer similar coverage. This gives rise to competitive pricing structures. The company regularly assesses the impact of market conditions and technological changes in relation to the products supplied and will source the best products to meet its customers demands.

Credit risk

The company's principal financial assets are cash at bank, intercompany debt, trade debtors and other debtors. The credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debts. Cash collections are monitored on a regular basis.

Liquidity and interest rate risk

Liquidity risk and interest rate risk is managed centrally by the company's ultimate parent.

Foreign exchange risk

The majority of the company's transactions are denominated in sterling and the directors do not believe that there is a significant foreign exchange risk.

Future developments


The directors believe that the economic conditions will remain challenging in 2017. The directors will seek to manage risk to profitability through growth initiatives and reductions in the cost base of the company.

Chubb (NI) Limited

Strategic Report

Approval

Approved by the Board and signed on its behalf by:



C Forbes
Director
6 July 2017

Littleton Road
Ashford
Middlesex
TW15 1TZ

Chubb (NI) Limited

Directors' Report

The directors present their Report and audited financial statements of the company for the year ended 31 December 2016.

Future developments and events after the balance sheet date

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report on page 1 and form part of this report by cross-reference.

Going concern

At 31 December 2016 the company had net current liabilities of £2.5 million (2015: £2.8 million). The company has received a letter of support from Commonwealth Luxembourg Holdings Sarl and, therefore, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the notes to the financial statements.

Financial risk management objectives and policies

Details of the financial risk management objectives and policies can be found in the strategic report on page 1 and form part of this report by cross-reference.

Dividends

The directors do not recommend payment of a dividend for the year (2015: £250,000).

Directors

The directors, who served throughout the year, and up to the date of signing the financial statements were as follows:

Chubb Management Services Limited
A Brennan
D Byrne
C Forbes
L Harvey (Resigned 28 July 2016)

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Chubb (NI) Limited

Directors' Report

Employee consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings, the Company magazine and a special edition for employees of the annual financial statements. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). (FRS 101).

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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. The directors 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.

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

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

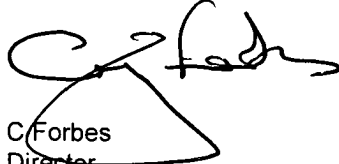
Chubb (NI) Limited

Directors' Report

Independent Auditors

PricewaterhouseCoopers LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'C. Forbes', written over a large, stylized, handwritten 'X' or similar mark.

C Forbes
Director
6 July 2017

Littleton Road
Ashford
Middlesex
TW15 1TZ

Chubb (NI) Limited

Independent auditors' report to the members of Chubb (NI) Limited

Report on the financial statements

Our opinion

In our opinion, Chubb (NI) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.
-

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance Sheet as at 31 December 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the Notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matters prescribed by the Companies Act 2006

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

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

In addition, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Chubb (NI) Limited

Independent auditors' report to the members of Chubb (NI) Limited

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 4 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

Kate Finn

Kate Finn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
6 July 2017

Chubb (NI) Limited**Statement of Comprehensive Income****For the year ended 31 December 2016**

	Note	2016 £'000	2015 £'000
Revenue	3	5,680	6,038
Cost of sales		(3,933)	(4,067)
Gross profit		1,747	1,971
Distribution costs		(323)	(378)
Administrative expenses		(1,145)	(988)
Operating profit		279	605
Finance income	4	3	12
Profit on ordinary activities before taxation	5	282	617
Income tax (expense) on profit on ordinary activities	9	(9)	(94)
Profit for the financial year		273	523
Other comprehensive income		—	—
Total comprehensive income for the year		273	523

All results are derived from continuing operations.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

Chubb (NI) Limited

Balance Sheet

As at 31 December 2016

Registered number: 00373935

	Note	2016 £'000	2015 £'000
Fixed assets			
Intangible assets	11	3,826	3,826
Deferred tax asset	17	14	23
		3,840	3,849
Current assets			
Inventory	13	165	296
Debtors			
- due within one year	14	8,363	4,446
Cash at bank and in hand		197	445
		8,725	5,187
Creditors: Amounts falling due within one year	16	11,223	7,967
Net current liabilities		(2,498)	(2,780)
Total assets less current liabilities		1,342	1,069
Net assets		1,342	1,069
Equity			
Called up share capital	18	5	5
Retained earnings		1,337	1,064
Total shareholders' funds		1,342	1,069

The notes on pages 11 to 29 form part of these financial statements.

The financial statements on pages 8 to 29 were approved by the board of directors on 6 July 2017 and were signed on its behalf by:



C Forbes
Director

Chubb (NI) Limited

Statement of Changes in Equity

As at 31 December 2016

	Called up share capital (Note 18) £'000	Retained Earnings £'000	Total shareholders funds £'000
Balance as at 1 January 2015	5	791	796
Profit for the financial year	—	523	523
Total comprehensive income for the year	—	523	523
Dividends	—	(250)	(250)
Balance at 31 December 2015	5	1,064	1,069
Profit for the financial year	—	273	273
Total comprehensive income for the year	—	273	273
Balance at 31 December 2016	5	1,337	1,342

Chubb (NI) Limited

Notes to the financial statements

For the year ended 31 December 2016

1. Accounting Policies

Chubb (NI) Limited ('the company') provides electronic, security, fire detection and protection solutions in Northern Ireland.

The company is a private limited company, limited by shares, and is incorporated and domiciled in England. The address of its registered office is Littleton Road, Ashford, Middlesex, TW15 1TZ.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and all the years presented, unless otherwise stated.

Basis of accounting

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. The financial statements are therefore prepared in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The financial statements have been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

As permitted by FRS 101, the company has taken advantage of some of the disclosure exemptions available under that standard. The key exemptions taken are as follows:

IFRS 3 – not to restate business combinations before the date of transition
IFRS 7 – financial instrument disclosures
IFRS 13 – disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities
IAS 1 – Information on management of capital
IAS 7 – statement of cash flows
IAS 8 – disclosures in respect of new standards and interpretations that have been issued but are not yet effective
IAS 24 - disclosure of key management compensation and for related party disclosures entered into between two or more members of a group;
IAS 1 - the requirement to present roll forward reconciliations in respect of share capital and
IAS 16 - the requirement to present roll forward reconciliations in respect of property, plant and equipment

Where required, equivalent disclosures are given in the group financial statements of Chubb Group Security Limited. The group financial statements of United Technologies Corporation are available to the public and can be obtained as set out in note 22.

Adoption of new and revised Standards

The following new and revised Standards and Interpretations have been adopted in the current year.

Notes to the financial statements

1. Accounting Policies (continued)

Annual Improvements to IFRSs 2012-2014 cycle	<p>The latest annual improvements clarify:</p> <ul style="list-style-type: none"> • IFRS 5 - when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to the plan of sale or distribution and does not have to be accounted for as such • IFRS 7 - specific guidance for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute 'continuing involvement' and, therefore, whether the asset qualifies for derecognition • IFRS 7 - that the additional disclosures relating to the offsetting of financial assets and financial liabilities only need to be included in interim reports if required by IAS 34 • IAS 19 - that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise • IAS 34 - what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements
Disclosure Initiative - Amendments to IAS 1	<p>The amendments to IAS 1 Presentation of Financial Statements are made in the context of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. The amendments provide clarifications on a number of issues, including:</p> <ul style="list-style-type: none"> • Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance. • Disaggregation and subtotals - line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals. • Notes - confirmation that the notes do not need to be presented in a particular order. • OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income. <p>According to the transitional provisions, the disclosures in IAS 8 regarding the adoption of new standards/accounting policies are not required for these amendments.</p>

Chubb (NI) Limited

Notes to the financial statements

1. Accounting Policies (continued)

Forthcoming standards

IFRS 15 Revenue from Contracts with Customers	
Nature of change	The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good and service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.
Impact	The new revenue standard is expected to change the company's revenue recognition practices where revenue is currently accounted for on a "point-in-time basis," and will be required to use an "over time" model as they meet one or more of the mandatory criteria established in the new revenue standard. Revenue will be recognised based on percentage-of-completion for maintenance contracts. Unrecognised sales and operating profits related to the satisfied portion of the performance obligations of contracts in process as of the date of adoption will be recorded through retained earnings through the modified retrospective approach.
Mandatory application date/ date of adoption by group	Mandatory for financial years commencing on or after 1 January 2018. Expected date of adoption by the company: 1 January 2018
IFRS 16 Leases	
Nature of Change	IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.
Impact	The standard will affect primarily the accounting for the company's operating leases. As at the reporting date, the company has non-cancellable operating lease commitments of £435 thousand. However, the company has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the group's profit and classification of cash flows. Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.
Mandatory application date/ date of adoption by group	Mandatory for financial years commencing on or after 1 January 2019. At this stage, the company does not intend to adopt the standard before its effective date.

Going concern

At 31 December 2016 the company had net current liabilities of £2,498 thousand (2015: £2,780 thousand). The company has received a letter of support from Commonwealth Luxembourg Holdings Sarl and, therefore, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements.

Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost. Depreciation on buildings is charged to the income statement.

Chubb (NI) Limited

Notes to the financial statements

1. Accounting Policies (continued)

Plant and machinery, furniture and vehicles are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset, less any residual value, on a straight-line basis over its expected useful life, as follows:

Short term leasehold	20 years
Plant and machinery, furniture and vehicles	5-10 years

Useful lives are reviewed, and adjusted if appropriate, at the end of every reporting period.

Impairment of tangible and intangible assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and costs to be incurred in marketing, selling and distribution. Provision is made for obsolete, slow-moving or defective items where appropriate.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Chubb (NI) Limited

Notes to the financial statements

1. Accounting Policies (continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of sales taxes, trade discounts and rebates and estimated customer returns. Revenue is only discounted where the impact of discounting is material.

The business derives revenue from a number of streams and therefore uses a variety of methods for revenue recognition.

Sale of goods

Revenue from the sale of goods is recognised when the risks and rewards of ownership have been transferred to the customer, the amount of revenue can be measured reliably and the recovery of the consideration is considered probable. For product sales with no installation requirements, revenue is recognised when the product is delivered to the customer in accordance with the agreed delivery terms. Where installation is also required, revenue on both the product and installation is recognised once the customer has confirmed its acceptance procedures.

Chubb (NI) Limited

Notes to the financial statements

1. Accounting Policies (continued)

On-going service contracts

Revenue is recognised in equal instalments over the period that services are provided to the customer. Where amounts are received in advance of services being provided, the amounts are recorded as Deferred income and included as part of Creditors due within one year.

Specific activity service contracts

Where service contracts require the performance of a specific activity, revenue is recognised once this specific activity has been completed to the performance required by the customer.

Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is determined by measuring the costs incurred to date as a proportion of the expected cost of completing the contract. Variations in contract work, claims and incentive payments are included as revenue, to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the statement of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the statement of financial position under trade and other receivables.

Multiple element contracts

Some contracts contain multiple elements, such as the delivery and installation of lifts a fire or security system and the provision of a maintenance contract. In these contracts these activities are treated separately where appropriate, with the relevant account policy for revenue recognition, as noted previously, being applied to each individual component. Revenue is allocated between the elements on the basis of fair value of each of the elements.

Dividend and interest income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Chubb (NI) Limited

Notes to the financial statements

1. Accounting Policies (continued)

Pension costs

The company operated a defined contribution scheme, the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

The Company participates in a group defined benefit scheme which is the legal responsibility of the sponsoring employer. There is no contractual agreement or stated policy for charging the net defined benefit cost. In accordance with IAS 19 (Revised 2011), the Company recognises a cost equal to its contribution payable for the period, which is presented within other operating expenses in the income statement.

Foreign currency

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the functional currency are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

Leases

The company as lessee

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

The company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Chubb (NI) Limited

Notes to the financial statements

1. Accounting Policies (continued)

Financial Assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Chubb (NI) Limited

Notes to the financial statements

1. Accounting Policies (continued)

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Chubb (NI) Limited

Notes to the financial statements

1. Accounting Policies (continued)

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, which are described in note 1 above, the directors are required to make judgements, 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.

Critical judgements in applying the company's accounting policies

The directors do not believe there are any critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies.

Multi-employer defined benefit pension scheme

Certain employees participate in a multi-employer defined benefit pension scheme with other group undertakings. In the judgement of the directors, the company does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme. See note 20 for details.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Revenue recognition - long term contracts

Revenue is recognised on long term contracts where the outcome of the contract can reliably be estimated. Revenue and costs are recognised based on the work performed at the date of the balance sheet. This is measured looking at the actual costs incurred to date as a percentage of the total estimated costs of the project. The estimated costs of a contract are based on detailed models of expected costs, which are regularly reviewed as the project progresses.

Adjustments to total expected costs are updated as required. Revenue is based on contracted amounts, and variations to the extent that they are considered reliable and receipt can be considered probable. Management assess the likelihood that variations will be recovered considering: the contractual position, success rate of similar claims and the ability of the customer to accept the variation.

Chubb (NI) Limited

Notes to the financial statements

2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Useful economic lives of properties, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in estimated useful economic lives of the assets. The useful lives of the assets are assessed on an annual basis and are amended when necessary to reflect current estimates. See note 12 for the carrying amount for the property, plant and equipment, and note 1 for the useful economic lives for each class of assets.

Inventory provisioning

The company supplies, installs and maintains fire and security equipment which are subject to changing customer demands and technological change. As a result it is necessary to consider the recoverability of the cost of the inventory and the associated provisioning required. Management consider the nature and condition of inventory, as well as apply assumptions around expected future demand for the inventory, when calculating the level of inventory provisioning. See note 13 for the net carrying value of inventory and associated provision.

Impairment of Trade Receivables

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the age profile of the receivable and historic experience. See note 14 for the net carrying amount of the receivables and the associated impairment provision.

Defined Benefit Pension Scheme

The company has an obligation to pay pension benefits to certain employees. The costs of these benefits and the present value of the obligations depend on a number of factors, including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 20 for the disclosures of the defined benefit scheme.

3. Revenue

An analysis of the Company's revenue is as follows:

	2016	2015
	£'000	£'000
Continuing operations		
Sales of goods	37	447
Rendering of services	3,134	3,022
Revenue from construction contracts	2,509	2,569
	5,680	6,038

An analysis of the Company's revenue by class of business is set out below:

	2016	2015
	£'000	£'000
Revenue:		
Fire revenue	2,523	2,864
Security revenue	3,157	3,174
	5,680	6,038

Chubb (NI) Limited

Notes to the financial statements

4. Finance Income

	2016 £'000	2015 £'000
Interest receivable:		
Other loans and receivables	3	12
	<u>3</u>	<u>12</u>

5. Profit on Ordinary Activities Before Taxation

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2016 £'000	2015 £'000
Net foreign exchange losses/(gains)	16	(5)
Operating lease charges	166	132
Inventory recognised as expense	1,600	1,855
Impairment of inventory	28	36
Impairment of trade receivables	40	35
Staff costs (see note 7)	<u>1,948</u>	<u>1,928</u>

6. Auditors' Remuneration

Fees payable to PricewaterhouseCoopers LLP for the audit of the company's annual financial statement were £13 thousand (2015: £18 thousand).

Fees payable to PricewaterhouseCoopers LLP for non-audit services to the company £nil (2015: £nil).

7. Staff Costs

The average monthly number of employees (including executive directors) was:

	2016 Number	2015 Number
Operatives	38	41
Sales	6	5
Administration	9	7
	<u>53</u>	<u>53</u>

Their aggregate remuneration comprised:

	2016 £'000	2015 £'000
Wages and salaries	1,567	1,564
Social security costs	178	174
Other pension costs (see note 20)	203	190
	<u>1,948</u>	<u>1,928</u>

Chubb (NI) Limited

Notes to the financial statements

7. Staff Costs (continued)

'Other pension costs' includes only those items included within operating costs. Items reported elsewhere have been excluded.

8. Directors' Remuneration and Transactions

None of the directors received any emoluments in respect of their services to the company.

Retirement benefits are accruing to £nil (2015: £nil) directors under a defined benefit contribution scheme or a defined benefit scheme.

Directors' transactions

Details of transactions with directors during the year are disclosed in note 21.

9. Tax on Profit on Ordinary Activities

Tax expense included in profit or loss:

	2016 £'000	2015 £'000
Current tax		
UK corporation tax on profits for the year	—	—
Adjustments in respect of prior years		
UK corporation tax	—	96
Total current tax	—	96
Deferred tax		
Origination and reversal of timing differences	2	1
Impact of rate change	1	2
Adjustment in respect of prior years	6	(5)
Total deferred tax (see note 17)	9	(2)
Total tax on profit on ordinary activities	9	94

The charge for the year can be reconciled to the profit in the profit and loss account as follows:

	2016 £'000	2015 £'000
Profit on ordinary activities before tax	282	617
Tax on profit on ordinary activities at standard UK corporation tax rate of 20.00% (2015: 20.25%)	56	125
Effects of:		
Re-measurement of deferred tax - changes in UK tax rates	1	2
Group relief not paid for	(41)	(109)
Transfer pricing adjustment	(13)	(15)
Adjustments to tax charge in respect of prior years	6	91
Total tax charge for year	9	94

Chubb (NI) Limited

Notes to the financial statements

9. Tax on Profit on Ordinary Activities (continued)

The reduction in the UK corporation tax rate from 21% to 20% (effective 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015 and a further reduction to 17% was substantively enacted on 6 September 2016. The current tax rate used in the year ended 31 December 2016 is therefore 20% and the rate used for closing deferred tax balances is 17%.

10. Dividends on Equity Share

Amounts recognised as distributions to equity holders in the year:

	2016 £'000	2015 £'000
Final dividend for the year ended 31 December 2016 of £nil (2015: £50.00) per ordinary share	—	250
	—	250

11. Intangible Assets

	Goodwill £'000	Total £'000
Cost		
At 1 January 2016	5,989	5,989
At 31 December 2016	5,989	5,989

Accumulated amortisation and impairment

At 1 January 2016	2,163	2,163
At 31 December 2016	2,163	2,163

Net book value

At 31 December 2016	3,826	3,826
At 31 December 2015	3,826	3,826

The directors have performed a review of the value of the company's intangible assets at the year end. The directors and their management team review the company's performance on an overall basis and can distinguish between different revenue streams. However the company structure does not allow identification of specific assets or groupings of assets that generate a specific revenue stream. On this basis the directors have performed the impairment review on the basis that the company as a whole is the smallest identifiable cash generating unit.

The recoverable amount of the cash generating unit has been determined based on a value-in-use calculation. This calculation used post-tax cash flow projections based on financial budgets approved by management covering the next financial year and estimates for the following four financial years. Cash flows beyond this period are extrapolated using the estimated growth rates stated below.

Chubb (NI) Limited

Notes to the financial statements

11. Intangible Assets (continued)

The company's revenue is assumed to remain relatively flat over the five years, this is a conservative estimate based on the continuing challenges within the company's market. Gross margin has been assumed to be an average of 32.8% as past results show margins of between 27.4% and 37.2%. Other operating costs are excluded from the calculation as these are not split at a divisional level.

The long term growth rate is 2% and the calculated post tax weighted average cost of capital is 8.7%. The weighted average cost of capital would need to increase to over 13.7% for an impairment to be considered.

12. Property, Plant and Equipment

	Short term leasehold	Plant and machinery, furniture, vehicles	Total
	£'000	£'000	£'000
Cost			
At 1 January 2016	228	22	250
At 31 December 2016	228	22	250
Accumulated depreciation			
At 1 January 2016	228	22	250
At 31 December 2016	228	22	250
Net book value			
At 31 December 2016	—	—	—
At 31 December 2015	—	—	—

13. Inventory

	2016 £'000	2015 £'000
Work in progress	29	94
Finished goods and goods for resale	136	202
	165	296

Inventories are stated after provision for impairment of £28,000 (2015: £36,000)

Chubb (NI) Limited

Notes to the financial statements

14. Debtors

Amounts falling due within one year:

	2016 £'000	2015 £'000
Trade receivables	1,174	1,413
Amounts due on construction contracts	240	46
Amounts owed by group undertakings	6,670	2,571
Other receivables	32	6
Prepayments and accrued income	247	410
	8,363	4,446

Trade receivables are stated after provision for impairment of £40,000 (2015: £35,000).

Included in amounts owed by group undertakings is a receivable balance from Parkview Treasury Services (UK) Limited of £3,553,000 (2015: £2,400,000). This represents surplus cash pooled with Parkview Treasury Services (UK) Limited. Interest is receivable on this balance at an average of 0.4% (2015: 0.5%) from 1 January to 31 December 2016.

All other amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

15. Construction Contracts

	2016 £'000	2015 £'000
Contracts in progress at the balance sheet date:		
Amounts due from contract customers included in debtors	240	46
	240	46
 Contract costs incurred plus recognised profits less recognised losses to date	909	385
Less: progress billings	(669)	(339)
	240	46

At 31 December 2016, retentions held by customers for contract work amounted to £104,000 (2015: £42,000). Advances received from customers for contract work amounted to £209,000 (2015: £79,000).

Chubb (NI) Limited

Notes to the financial statements

16. Creditors: Amounts Falling Due Within One Year

	2016 £'000	2015 £'000
Payments on account in respect of construction contracts	209	79
Trade creditors	108	280
Amounts owed to group undertakings	9,780	6,221
Other taxation and social security	215	258
Other creditors	21	20
Accruals and deferred income	890	1,109
	11,223	7,967

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

17. Deferred Tax

The analysis of deferred tax assets is as follows:

	2016 £'000	2015 £'000
Deferred tax assets due within 12 months	14	23
Total provision due within 12 months	14	23

The movement in deferred tax is as follows:

Deferred tax assets:

	Accelerated tax depreciation £'000	Short term timing differences £'000	Total £'000
At 1 January 2015	21		21
Credited to profit and loss	(1)		(1)
Adjustments in respect of prior years	5		5
Impact of rate change	(2)		(2)
At 1 January 2016	23	—	23
(Credit)/charged to profit and loss	(4)	2	(2)
Exchange differences	(6)	—	(6)
Effect of change in tax rate	(1)	—	(1)
At 31 December 2016	12	2	14

Chubb (NI) Limited

Notes to the financial statements

18. Called Up Share Capital

Ordinary shares

	2016 £'000	2015 £'000
Allotted and fully-paid		
5000 ordinary shares of £1 each (2015: 5,000)	5	5
	5	5

19. Financial Commitments

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £'000	2015 £'000
Within one year	167	99
Between two and five years	268	205
After five years	—	—
	435	304

20. Retirement Benefit Schemes

Defined contribution schemes

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The assets of the schemes are held separately from those of the Company in funds under the control of trustees. Where there are employees who leave the schemes prior to vesting fully in the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The total cost charged to income of £42,000 (2015: £27,000) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans. As at 31 December 2016, contributions of £11,000 (2015: £15,000) due in respect of the current reporting year had not been paid over to the schemes.

Defined benefit schemes

The Company participates in two group defined benefit scheme for qualifying employees, the Chubb Security Pension Fund and the Chubb Pension Plan. Under the Chubb Security Pension Fund, the majority of employees are entitled to post-retirement yearly instalments amounting to 1/60th of final salary for each complete month and year of pensionable service on attainment of a retirement age of 65. The pensionable salary is based on the yearly rate of basic earnings plus a 3 year average of bonuses and commissions. In addition, the service period is limited to 40 years resulting in a maximum yearly entitlement (life-long annuity) of 2/3 of final salary.

Under the Chubb Pension Plan, the majority of employees are entitled to post-retirement yearly instalments amounting to 1/60th of final salary for each complete month and year of pensionable service on attainment of a retirement age of 65. The pensionable salary is based on earnings in the tax year prior to leaving service, reduced by the Lower Earnings Limit and subject to an earnings cap. In addition, the service period is limited to 40 years resulting in a maximum yearly entitlement (life-long annuity) of 2/3 of final salary.

Chubb (NI) Limited

Notes to the financial statements

20. Retirement Benefit Schemes (continued)

There is no contractual agreement or stated policy for charging the net defined benefit cost and, therefore, a fellow group company, which is the sponsoring employer of the scheme, recognises the whole of the scheme surplus or deficit in its financial statements. In accordance with IAS 19 (Revised 2011), the Company recognises a cost equal to its contribution payable for the period, which in the year ended 31 December 2016 was £161,000 (year ended 31 December 2015: £163,000).

Further details of the Chubb Security Pension Fund are disclosed in the financial statements of Chubb International Holdings Limited. Further details of the Chubb Pension Plan are disclosed in the financial statements of Chubb Group Limited.

21. Related Party Transactions

Directors' transactions

Other than the directors emoluments disclosed in note 8, there are no other transactions between the Company and its directors.

Trading transactions

The company has no disclosure to make on related party transactions as all transactions with other group companies are wholly owned companies within the United Technologies Corporation group.

22. Controlling Party

The company's immediate parent undertaking is Chubb Group Security Limited.

The company's ultimate parent undertaking and controlling party is United Technologies Corporation, a company incorporated in the United States of America.

United Technologies Corporation is the smallest and largest group to consolidate these financial statements.

Copies of the United Technologies Corporation group financial statements are publicly available and can be obtained from www.utc.com.