

Claverham Limited

Directors' report and financial statements
for the year ended 30 November 2004

Registered number: 839154



Claverham Limited

Directors' reports and financial statements for the year ended 30 November 2004

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Claverham Limited

Directors, secretary and advisers

Directors

T A Brown
G W Dore
R Leduc
M Anthony
R Buxton
P Fowler
M McDonald
S Page

Secretary

G W Dore

Registered office

Claverham
Bristol
BS49 4NF

Auditors

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Claverham Limited

Directors' report for the year ended 30 November 2004

The directors present their report and the audited financial statements of the company for the year ended 30 November 2004.

Principal activities and business review

The principal activity of the company has been to act as an intermediate holding company. The Directors do not foresee any change in the principal activity of the Company in the future.

Results and dividends

The profit for the year amounted to £nil (2003: £1,644,000) after taxation. The directors do not recommend the payment of a dividend (2003: £nil).

Directors and their interests

Directors who served during and subsequent to the year end are listed below:

T A Brown	
A D Bean	(resigned 31.03.2005)
G W Dore	
J L Gingrich	(resigned 31.12.2004)
R Leduc	(appointed 01.01.2005)
M Anthony	(appointed 31.01.2005)
R Buxton	(appointed 31.01.2005)
P Fowler	(appointed 31.01.2005)
M McDonald	(appointed 31.01.2005)
S Page	(appointed 31.01.2005)

The Directors have no notifiable interests in shares and debentures of the Company as required to be disclosed by the Companies Act 1985.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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 year. The directors are required to prepare financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 30 November 2004. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Claverham Limited

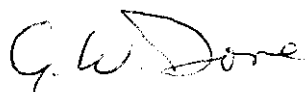
Directors' report for the year ended 30 November 2004 (continued)

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board

Claverham
Bristol
BS49 4NF

A handwritten signature in dark ink, appearing to read 'G. W. Dore', is written over the printed name and title.

G W Dore
Director
30 June 2005

Independent auditors' report to the members of Claverham Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit opinion

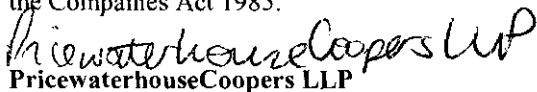
We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements.

It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 November 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
Birmingham
30 June 2005

Claverham Limited

Profit and loss account for the year ended 30 November 2004

	Notes	30 November 2004	30 November 2003
		£'000	£'000
Income from shares in group undertakings		-	1,750
Amounts written off investments	5	-	(106)
Profit on ordinary activities before taxation changes	2	-	1,644
Tax on profit on ordinary activities	3	-	-
Retained profit for the financial year	9	-	1,644

The result for both years arose entirely from continuing operations.

There are no other gains and losses other than the result for the year.

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the year as stated above and their historical cost equivalent.

The accompanying notes are an integral part of this profit and loss account.

Claverham Limited

Balance sheet as at 30 November 2004

	Notes	30 November 2004	30 November 2003
		£'000	£'000
Fixed assets			
Investments	5	436	436
		436	436
Current assets			
Debtors: amounts falling due after more than one year	6	13,860	13,860
Cash		1,750	1,750
		15,610	15,610
Creditors: amounts falling due within one year	7	(13,902)	(13,902)
Net current assets		1,708	1,708
Total assets less current liabilities		2,144	2,144
Capital and reserves			
Called up share capital	8	500	500
Profit and loss account	9	1,644	1,644
Total shareholders' funds	10	2,144	2,144

The financial statements on pages 5 to 12 were approved by the board of directors on 30 June 2005 and were signed on its behalf by:



G W Dore
Director

Claverham Limited

Notes to the financial statements for the year ended 30 November 2004

1 Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

A summary of the principal accounting policies, which have been consistently throughout the year and the preceding year, is set out below.

Basis of accounting

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

Cash flow

As the Company is a wholly owned subsidiary of United Technologies Holdings Limited, it is exempt under the terms of Financial Reporting Standard No 1 (Revised) from publishing a cash flow statement.

Consolidated accounts

As the company is a wholly owned subsidiary of United Technologies Holdings Limited, it is exempt under section 228 of the Companies Act 1985 from the requirements to prepare consolidated accounts.

Taxation

UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is accounted for to recognise timing differences between the recognition of gains and losses in the financial statements and their recognition for taxation purposes, in accordance with FRS 19. A deferred tax liability is recognised if transactions or events result in the company having an obligation to pay more tax in future periods. A deferred tax asset is only recognised where transactions or events that have occurred before the balance sheet date give the company the right to pay less tax in future, and it is considered to be more likely than not that the asset will be recovered. Deferred tax balances are not discounted.

2 Profit on ordinary activities before and after taxation

No auditors' remuneration is charged in arriving at profit on ordinary activities before taxation.

During 2004 and 2003, auditors' remuneration was borne by FH 1997 Limited, a subsidiary undertaking.

Claverham Limited

Notes to the financial statements for the period ended 30 November 2004 (continued)

3 Tax on profit on ordinary activities

(a) Analysis of charge in the period

	30 November 2004	30 November 2003
	£'000	£'000
Current tax on income for the period at 30% (2003: 30%)	-	-
Total current tax (note 3 (b))	-	-

(b) Factors affecting the taxation charge for the period

	30 November 2004	30 November 2003
	£'000	£'000
Profit on ordinary activities before taxation	-	1,644
Profit on ordinary activities multiplied by the standard rate of corporation taxation in the UK of 30% (2003: 30%)	-	493
Effects of:		
Non – taxable income	-	(493)
Current taxation charge for the period	-	-

Claverham Limited

Notes to the financial statements for the period ended 30 November 2004 (continued)

4 Directors' remuneration

The directors receive no remuneration in respect of their services to the Company. The remuneration of the directors, who are also directors of other group companies and remunerated through those companies, is disclosed below.

a) Remuneration

The remuneration of the directors was as follows:

	2004	2003
	£'000	£'000
Directors emoluments	382	434

b) Pensions

The number of directors who were members of pension schemes was as follows:

	2004	2003
Defined benefit schemes	2	2

c) Highest paid director

The above amounts of remuneration include the following in respect of the highest paid director:

	2004	2003
	£'000	£'000
Emoluments	142	171

The accrued pension entitlement under the company's defined benefit scheme of the highest paid director at 30 November 2004 was £31,867 (2003: £28,375).

No director has, either directly or indirectly, any material interest in contracts (other than contracts of service) with the company at any time during the year or at the end of the year.

Claverham Limited

Notes to the financial statements for the period ended 30 November 2004 (continued)

5 Fixed asset investments

	2004	2003
	£'000	£'000
Subsidiary undertakings, at cost	364	364
Other participating interest, at cost	72	72
	436	436

Fixed asset investments comprise 100% of the issued share capital of the following subsidiary undertakings:

	Country of registration	Shares held
FH 1997 Limited	England and Wales	100%
FH Inc	USA	100%

Other participating interests	£'000
Cost at 1 December 2003 and 30 November 2004	178
Provision at 1 December 2003 and 30 November 2004	(106)
Net book value at 30 November 2003 and 30 November 2004	72

The company's investments in participating interests relate to investments in two associate companies, OTIV GmbH, a company incorporated in the Federal Republic of Germany, and Hydraulic Technologies SpA, a company incorporated in Italy.

In 2003, following a review of the carrying value of the fixed asset investments, an impairment provision of £106,000 was charged against the investment in Hydraulic Technologies SpA.

6 Debtors

Amounts falling due after more than one year:

	2004	2003
	£'000	£'000
Amounts owed by other group companies	13,860	13,860

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

Claverham Limited

Notes to the financial statements for the period ended 30 November 2004 (continued)

7 Creditors: amounts falling due within one year

	2004	2003
	£'000	£'000
Amounts owed to other group companies	13,902	13,902

Amounts due to group companies are unsecured, interest free and have no fixed date of repayment.

8 Called-up share capital

	2004	2003
	£'000	£'000
Authorised, allotted, called-up and fully paid		
500,000 ordinary shares of £1 each	500	500

9 Reserves

	2004	2003
	£'000	£'000
At 1 December	1,644	-
Retained profit for the year	-	1,644
At 30 November	1,644	1,644

10 Reconciliation of movements in equity shareholders' funds

	2004	2003
	£'000	£'000
Profit on ordinary activities after taxation	-	1,644
Opening equity shareholders' funds	2,144	500
Closing equity shareholders' funds	2,144	2,144

Claverham Limited

Notes to the financial statements for the period ended 30 November 2004 (continued)

11 Ultimate parent company

The immediate parent company is Claverham 98 Limited, which is incorporated in Great Britain and registered in England and Wales.

The company's ultimate parent company is United Technologies Corporation, a company incorporated in Delaware, the United States of America, a copy of United Technologies Corporation's accounts can be obtained from 1 Financial Plaza, Hartford, Connecticut, 06101, USA.

Related party transactions

The company is not required to disclose with other group companies under the exemption provided by Financial Reporting Standard No. 8. Other than transactions with group companies, there were no transactions requiring disclosure in the year.