

Registered Number: 01804419

Sabroe Limited
Annual report and financial statements
for the year ended 30 September 2018

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Sabroe Limited

Annual report and financial statements for the year ended 30 September 2018

Contents	Page
Strategic report	1
Directors' report	2
Independent auditors' report to the members of Sabroe Limited	4
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the financial statements	10

Sabroe Limited

Strategic report

The directors present their Strategic report on the company for the year ended 30 September 2018

Results

The results for the financial year and the financial position of the company are shown in the accompanying financial statements. The profit for the financial year ended 30 September 2018 was £83,730,000 (2017: £82,571,000).

At the year end, the company had net current assets of £688,972,000 (2017: £799,346,000) primarily due to amounts owed by group undertakings and an acquisition of a subsidiary in the year. Of the amounts owed by group undertakings, £747,110,000 (2017: £767,110,000) are due in more than one year. Subsequent to year end, all but £7,925,000 of the debtors due after more than one year were fully repaid.

During the year, the company purchased 99.9995% (2017: nil) of the partnership interest in the capital of Johnson Controls Canada Finance LP, a fellow subsidiary of the Johnson Controls International plc group, for a consideration of £194,104,000.

Review of business and future developments

The activities of the company is that of an investment company, as a result of its investment in Canada purchased in the current year, and continues to be that of a finance company. The company will continue to engage in financing and investment activities for the foreseeable future.

Key performance indicators

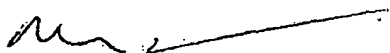
The finance and investment activities of the company are managed as part of the global investment strategy of the Johnson Controls International plc group and the company's directors are of the opinion that analysis using KPIs is not necessary or appropriate for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The principal risks and uncertainties of the company relate to the performance of its fellow subsidiary companies to which it provides finance and to the performance of its investment. The directors have assessed the risk relating to provision of finance to be minimal due to group policy which requires risk management and operational policies and procedures to be implemented in all areas of business.

Any reductions in performance of the company's direct subsidiary, will have a direct impact on their valuation. Impairment reviews are carried out where it is assessed that an impairment trigger has been identified. This reduces the risk that the value of the investment disclosed in the financial statements is materially different from the recoverable value. The adoption of group policy which requires risk management and operational policies and procedures to be implemented in all areas of business, together with the robust supervision structure aids in the mitigation of this risk also.

On behalf of the Board



M Ayre
Director
2 August 2019

Sabroe Limited

Directors' report

The directors present their report and the audited financial statements of the company for the year ended 30 September 2018.

Future developments

The future developments of the company are noted in the strategic report.

Dividends

The directors do not recommend payment of a dividend (2017: the company paid a dividend in specie by transferring 1 share in Johnson Controls Neige SAS to Johnson Controls International SA/NV with a fair market value of £4).

Going concern

The directors believe that preparing the financial statements on a going concern basis is appropriate as, subsequent to the year end, all but £7,925,000 of the loans receivable disclosed within amounts owed by group undertakings and all loans payable disclosed within amounts owed to group undertakings at 30 September 2010 were repaid in full.

Financial risk management

Credit risk

The company is not exposed to any credit risk other than in respect of inter-company balances within the Johnson Controls International plc group. The company does not have an external customer base. The company uses financial institutions authorised by Johnson Controls International plc who actively manage the global banking facilities. All cash held on deposit is pooled at a European level to mitigate risk.

Exchange rate risk

Potential exposure to currency exchange rate fluctuations is managed internally within the group. The company is exposed to exchange rate risk in relation to its investment in foreign companies and those companies' values fluctuating with changing exchange rates. The exposure to exchange rate risk on foreign currency loans is managed through intercompany foreign exchange swaps.

Price risk

The directors do not consider that the company's operations expose it to any price risk.

Liquidity and interest rate risk

Cash balances held with external institutions form part of the Johnson Controls International plc group global cash pool arrangement which minimises any interest rate exposure. If funding is required then this is achieved by either an internal loan from a Johnson Controls International plc group company or through cash pooling arrangements. All interest bearing intercompany loans are at fixed interest rates.

Directors

The following served as directors during the year and up to the date of this report, unless otherwise stated:

M Ayre
P Schieser

Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The group also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Sabroe Limited

Directors' report (cont'd)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual report and financial statements in accordance with applicable law and regulation.

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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the 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 102, 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 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.

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.

Directors' confirmations

In the case of each director in office at the date the Directors' report is approved:

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

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next Directors' Board Meeting.

On behalf of the Board



M Ayre
Director
2 August 2019

Sabroe Limited

Independent auditors' report to the members of Sabroe Limited

Report on the audit of the financial statements

Opinion

In our opinion, Sabroe Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Statement of financial position as at 30 September 2018; the Statement of comprehensive income, the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Sabroe Limited

Independent auditors' report to the members of Sabroe Limited (cont'd)

Report on the audit of the financial statements (cont'd)

Reporting on other information (cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 September 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Sabroe Limited

Independent auditors' report to the members of Sabroe Limited (cont'd)

Report on the audit of the financial statements (cont'd)

Responsibilities for the financial statements and the audit (cont'd)

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Sophie Murton (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton

2 August 2019

Sabroe Limited

Statement of comprehensive income for the year ended 30 September 2018

	Note	2018 £'000	2017 £'000
Administrative income / (expenses)		12	(5)
Operating profit / (loss)		12	(5)
Interest receivable and similar income	5	83,881	83,876
Interest payable and similar expenses	6	(163)	(1,300)
Profit before taxation	7	83,730	82,571
Tax on profit	9	-	-
Profit for the financial year		83,730	82,571
<hr/>			
Total comprehensive income for the year		83,730	82,571

All results derive from continuing operations.


Sabroe Limited

Statement of financial position as at 30 September 2018

	Note	2018 £'000	2017 £'000
Fixed assets			
Investments	11	194,104	-
Current assets			
Cash at bank and in hand		158,678	-
Debtors (including £747.11 million (2017: £767.11 million) due after more than one year)	12	856,146	799,351
		1,014,824	799,351
Creditors – amounts falling due within one year	13	(325,852)	(5)
Net current assets		688,972	799,346
Total assets less current liabilities		883,076	799,346
Capital and reserves			
Called up share capital	14	550,480	550,480
Capital redemption reserve		145,300	145,300
Retained earnings		187,296	103,566
Total equity		883,076	799,346

The notes on pages 10 to 16 form an integral part of these financial statements.

The financial statements on pages 7 to 16 were approved by the Board of directors on 2 August 2019 and were signed on its behalf by:



Mark Ayre
Director
Sabroe Limited
Registered number: 01804419

Sabroe Limited

Statement of changes in equity for the year ended 30 September 2018

	Note	Called up share capital £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 October 2016		550,480	145,300	20,995	716,775
Dividends payable	10	-	-	-	-
Profit for the financial year		-	-	82,571	82,571
Balance as at 1 October 2017		550,480	145,300	103,566	799,346
Profit for the financial year		-	-	83,730	83,730
Balance as at 30 September 2018		550,480	145,300	187,296	883,076

Retained earnings represents accumulated comprehensive income for the year and prior years.

Sabroe Limited

Notes to the financial statements for the year ended 30 September 2018

1 General information

Sabroe Limited ("the company") is a private company limited by shares, domiciled and incorporated in England. The address of the company's registered office is 9/10 The Briars, Waterberry Drive, Waterlooville, England, PO7 7YH, UK.

The company's principal activities are that of a finance and investment company.

2 Statement of compliance

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and in accordance with the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies, which have been applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has applied FRS 102 in these financial statements.

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant in these financial statements are disclosed in note 4.

Reduced disclosures

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements on the basis that the information is provided in the consolidated financial statements of Johnson Controls International plc, which is registered in Cork, Ireland. Johnson Controls International plc prepares consolidated financial statements which are publicly available and can be obtained from the address given in note 15.

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in the statement of comprehensive income.
- Section 33 'Related Party Disclosures' - Paragraphs 33.7 and 33.1A, Disclosure of compensation for key management personnel and related party transactions.

Group financial statements

The company is exempt from the requirement to prepare and deliver consolidated financial statements under the provisions of Section 400 of the Companies Act 2006 as it is a wholly owned subsidiary undertaking of Johnson Controls International plc, which is registered in Cork, Ireland and which itself prepares consolidated financial statements which are publicly available and can be obtained from the address given in note 15. Accordingly consolidated financial statements have not been prepared and the financial information presented for the current and prior year is for the company as an individual undertaking.

Sabroe Limited

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

3 Summary of significant accounting policies (cont'd)

Going concern

The directors believe that preparing the financial statements on a going concern basis is appropriate as, subsequent to the year end, all but £7,925,000 of the loans receivable disclosed within amounts owed by group undertakings and all loans payable disclosed within amounts owed to group undertakings at 30 September 2010 were repaid in full. This is disclosed in notes 12 and 13 respectively.

Functional and presentational currency

The company's functional and presentational currency is the pound sterling.

Foreign currencies

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profits for the year at the standard effective rate of corporation tax in the UK.

Deferred tax

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Investments

Investments are stated at cost plus incidental expenses less provisions for impairment in value. The company reviews the carrying value of investments when there has been an indication of potential impairment. If it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the statement of comprehensive income.

The calculations for determining the carrying value of investments involves the use of estimates including projected future cash flows and other future events.

Sabroe Limited

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

3 Summary of significant accounting policies (cont'd)

Cash and cash equivalents

Cash and cash equivalents includes cash in hand. Bank overdrafts, when applicable, are shown within current liabilities.

Financial instruments

Financial assets

Basic financial assets, including amounts owed by fellow group undertakings, other receivables and cash and bank balances are initially measured at the transaction price. Where the arrangement with another debtor constitutes a financing transaction, the debtor is initially measured at the present value of future receipts discounted at a market rate of interest for a similar debt instrument.

Such assets are subsequently carried at amortised cost using the effective interest rate method and are assessed annually for evidence of impairment. Any impairment loss or reversal of an impairment loss is recognised in the statement of comprehensive income.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank overdrafts and loans from fellow group undertakings, are initially recognised at transaction price. Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument. Other creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Such debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Forward exchange contracts

Forward exchange contracts are not basic financial instruments. They are initially recognised at fair value on the date the contract is entered into and are then subsequently re-measured at their fair value. Changes in the fair value of the contracts are recognised in the statement of comprehensive income in cost of sales.

Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

4 Critical accounting judgements and estimated uncertainty

The company makes estimates and assumptions concerning the future. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying value of assets and liabilities with the next financial year are addressed below.

Impairment review of fixed asset investments

As per the accounting policy fixed asset investments are reviewed for indicators of impairment. The value-in-use (VIU) of relevant groups of income generating units (IGUs) for impairment testing purposes is determined using calculations of cash flow projections from the financial plans approved by the Board. These calculations involve the use of estimates including projected future cashflows and other future events.

5 Interest receivable and similar income

	2018 £'000	2017 £'000
Interest receivable from group undertakings	83,872	83,872
Bank interest receivable	9	4
	83,881	83,876

Sabroe Limited

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

6 Interest payable and similar expenses

	2018 £'000	2017 £'000
Interest payable to group undertakings	163	57
Bank interest payable	-	1,243
	163	1,300

7 Profit before taxation

	2018 £'000	2017 £'000
Profit before taxation is stated after charging/(crediting):		
Gain on foreign exchange	(13)	-
Auditors' remuneration for audit services	5	5

8 Directors and employees

The directors received no remuneration (2017: £nil) in respect of their services to the company during the year as their services as directors of the company were incidental to the other services within the Johnson Controls International plc group of companies. Directors' remuneration costs are borne by other members of the Johnson Controls International plc group of companies. The average monthly number of employees, including directors, was nil (2017: nil).

9 Tax on profit

There is no tax charge for the current or prior financial year.

Reconciliation of tax charge

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the United Kingdom of 19% for the year ended 30 September 2018 (2017: 19.5%). The differences are explained below:

	2018 £'000	2017 £'000
Profit before taxation	83,730	82,571
Profit multiplied by standard rate of corporation tax of 19% (2017: 19.5%)	15,909	16,101
Effects of:		
Group relief received for nil consideration	(15,909)	(16,101)
Total tax charge for the year	-	-

Finance Act 2015 (No 2) was substantively enacted on the 26 October 2015 and reduced the main rate of corporation tax in the UK to 19% from 1 April 2017 and to 18% from 1 April 2020. Finance Act 2016 was substantively enacted on 6 September 2016 and further reduced the main rate of corporate tax in the UK to 17% with effect from 1 April 2020.

Sabroe Limited

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

10 Dividends paid

No dividends were paid during the year.

On 27 September 2017, the company transferred its entire shareholding (one share) in Johnson Controls Neige SAS for fair market value of £4 via a dividend in specie.

11 Investments

Shares in subsidiary undertakings	Total £'000	
Cost		
At 1 October 2017	-	
Additions	194,104	
At 30 September 2018	194,104	
Provision for impairment		
At 1 October 2017	-	
Recognised in the year	-	
At 30 September 2018	-	
Net book amount		
At 30 September 2018	194,104	
At 30 September 2017	-	
Analysed as:		
	2018 £'000	2017 £'000
Johnson Controls Canada Finance LP	194,104	-
	194,104	-

On 20 September 2018, the company purchased 18.27% of the partnership interest capital held by MAC-Johnson Controls Colombia S.A.S. in Johnson Controls Canada Finance LP for a cash consideration of USD\$45,948,028 (£35,345,000).

On 25 September 2018, the company further acquired the partnership interests in the capital of Johnson Controls Canada Finance LP held by Johnson Controls Canada Holding LP (45.5748% of partnership interest held) and by Johnson Controls Canada LP (36.1547% of partnership interest held) in exchange of loans in amounts of 149,556,297 CAD (£88,529,000) and 118,643,703 CAD (£70,230,000), respectively, with 1-year notes at a fixed interest rate of 3.56%.

As at 30 September 2018, the company holds 99.9995% (2017: nil) of the partnership interest in the capital of Johnson Controls Canada Finance LP acquired for a total consideration of £194,104,000. The registered office of Johnson Controls Canada Finance LP is 56 Leek Crescent, Richmond Hill, Ontario L4B 1H1, Canada.

On 13 April 2017, the company purchased one share in Johnson Controls Neige SAS for €4, and subsequently on 27 September 2017 transferred this share to Johnson Controls International SA/NV via a dividend in specie with a fair market value of £4.

Sabroe Limited

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

12 Debtors

	2018 £'000	2017 £'000
Debtors – amounts receivable within one year		
Amounts owed by group undertakings	109,036	32,241
Debtors – amounts receivable after more than one year		
Amounts owed by group undertakings	747,110	767,110
	856,146	799,351

Amounts owed by group undertakings include six loans totalling £767,110,000 (2017: £767,110,000) which bear the following interest rates and maturity dates:

Loan Value (in 000's)	Interest rate	Maturity date
£20,000 (2017: £20,000)	8.94% (2017: 8.94%)	Feb 2019 (2017: Feb 2019)
£7,925 (2017: £7,925)	6.18% (2017: 6.18%)	Jul 2020 (2017: Jul 2020)
£386,793 (2017: £386,793)	11.17% (2017: 11.17%)	Apr 2021 (2017: Apr 2021)
£308,888 (2017: £308,888)	11.02% (2017: 11.02%)	Jul 2021 (2017: Jul 2021)
£33,487 (2017: £33,487)	9.95% (2017: 9.95%)	Feb 2023 (2017: Feb 2023)
£10,018 (2017: £10,018)	10.16% (2017: 10.16%)	Apr 2024 (2017: Apr 2024)

Interest receivable on these loans of £89,036,000 (2017: £7,881,000) is also included in amounts owed by group undertakings. The remaining balance relates to £nil (2017: £24,360,000) receivable under the cash pooling arrangements with Barclays Bank plc, as detailed in note 13.

On maturity date of 6 February 2019, the loan for £20.0m and interest accrued to that date was repaid in full by way of cash. Subsequent to the year end, on 8 April 2019, the loans for £386.8m, £308.9m, £33.5m and £10.0m, along with the interest accrued to that date, were repaid early and in full for the amount of USD\$1,124,659,000 (£838,463,000).

13 Creditors – amounts falling due within one year

	2018 £'000	2017 £'000
Amounts owed to group undertakings	324,922	-
Derivative financial instruments	925	-
Accruals and deferred income	5	5
	325,852	5

Amounts owed to group undertakings include two loans for the amounts of £88,007,000 (149,556,297CAD) (2017: £nil) and £69,816,000 (118,643,703CAD) (2017: £nil) which were entered into by the company on 25 September 2018. Both loans are both 1 year notes at fixed interest rates of 3.56%. The loan principals and interest accrued to date were repaid early and in full on 9 April 2019. Interest payable on these loans at year end of £92,000 (2017: £nil) is included in amounts owed to group undertakings.

The remaining balance in amounts owed to group undertakings relates to £167,007,000 (2017: £nil) payable under a zero balance pooled bank agreement with Barclays Bank Plc in which interest may arise at +1.55% (2017: +1.45%) above bank rate. Each member of the pooled bank group is jointly and severally liable to the bank for overdrawn balances within the pool, the net position of which was £895,000 overdrawn at 30 September 2018 (2017: overdrawn £796,000).

As at 30 September 2018, the company has internal foreign exchange swaps held at their fair value of £925,000 (2017: £nil) for the purchase of notional principal amount of 268,330,000 CAD (2017: nil) to minimise the foreign exchange risk on its overseas transactions.

Sabroe Limited

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

14 Called up share capital

Authorised, allotted and fully paid	2018 £'000	2017 £'000
347,940,374 (2017: 347,940,374) ordinary shares of £1 each	347,940	347,940
202,540,374 (2017: 202,540,374) preference shares of £1 each	202,540	202,540
	550,480	550,480

Voting Rights: The holders of the ordinary shares and preferred ordinary shares shall be entitled to voting rights at meetings.

Dividend Rights: The holders of the preferred ordinary shares shall be entitled to a dividend in priority to the ordinary shareholders at a preferred rate declared by the directors.

Rights to participate in a return of assets: Assets shall first be distributed to the holders of the preferred shares.

15 Ultimate parent undertaking and controlling party

The immediate parent undertaking and controlling party is Johnson Controls International SA/NV.

The ultimate parent undertaking and controlling party is Johnson Controls International plc, a company incorporated in Cork, Ireland.

Johnson Controls International plc is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 30 September 2018. The consolidated financial statements of Johnson Controls International plc are available from:

Johnson Controls International plc
1 Albert Quay
Cork
Ireland