

ADT South Africa Holding Limited
Annual report and financial statements
for the year ended 30 September 2017



ADT South Africa Holding Limited

Annual report and financial statements for the year ended 30 September 2017

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ADT South Africa Holding Limited

Strategic report for the year ended 30 September 2017

The directors present their strategic report on the company for the year ended 30 September 2017.

Results

The results for the period are given in the statement of comprehensive income on page 7 which shows a loss after tax of £62,713,000 for the period (2016: loss of £39,724,000). During the year, an exceptional cost of £70,547,000 was incurred relating to a payment to a fellow group company as compensation for the indefinite, exclusive and royalty free licence to certain trademark rights relating to the ADT brand in South Africa, which were transferred outside the group as the result of an investment disposal agreement. In addition, £2,420,000 of management fees were incurred during the year.

These costs were partially offset by exceptional income of £10,153,000 relating to the additional amount receivable in accordance with the sale agreement for the company's former subsidiary, ADT Security (Pty) Ltd.

The balance sheet shows that the net assets of the company decreased by £62,713,000 in the period, reflecting the disposal of the company's interest in its subsidiary, ADT Security (Pty) Ltd, and the movements in intercompany loans and other balances following on from the transactions disclosed above. At the period end, net assets were £56,498,000 (2016: net assets of £119,211,000).

Review of business and future developments

The principal activity of the company has been that of a holding company. It is currently involved in financing activities for other group companies, managing various cash and intercompany balances. This is expected to continue for the foreseeable future.

Key performance indicators (KPIs)

The company had few transactions during the period and the directors do not envisage that this will change in the foreseeable future. For this reason the Company's directors believe that further key performance indicators of the company are not necessary for an understanding of the performance position of the business.

Principal risk and uncertainties

The directors have assessed the principal risks and uncertainties of the company to be minimal due to group policy which requires risk management and operational policies and procedures to be implemented in all areas of business. Furthermore, there is a robust supervision structure which allows management to account for the delivery of the company's contracts and to oversee relationships with its key stakeholders.

On behalf of the Board



M Ayre
Director

Date: 24 December 2018

ADT South Africa Holding Limited

Directors' report for the year ended 30 September 2017

The directors present their report and the audited financial statements of the company for the year ended 30 September 2017.

Future developments

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

Dividends

The directors do not recommend the payment of a dividend (2016: £nil).

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements, further details of which can be found in the statement of accounting policies in the financial statements (note 3).

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 treasury function. The group enter into forward exchange contracts on behalf of the company to the value of its future multicurrency cashflows. Consequently exchange rate risk is not significant.

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. As a result there is no interest rate risk as there is no external funding requirement.

Directors

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

M Ayre	appointed 7 March 2017
P Schieser	appointed 7 March 2017
S Clarkson	resigned 15 March 2017
K Pillay	resigned 15 March 2017
AB Alphonsus	resigned 10 March 2017

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 policy, held by the group, 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.

ADT South Africa Holding Limited

Directors' report for the year ended 30 September 2017 (cont'd)

Statement of directors' responsibilities in respect of financial statements

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 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 year. 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 FRS102 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.

Directors' confirmations

Each of the persons who are directors 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
- each director has 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.

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

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

Date: 24 December 2018

ADT South Africa Holding Limited

Independent auditors' report to the members of ADT South Africa Holding Limited

Report on the financial statements

Opinion

In our opinion, ADT South Africa Holding Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its loss 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 2017; the Statement of comprehensive income and 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

We have nothing to report in respect of the following matters in relation to which 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.

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.

ADT South Africa Holding Limited

Independent auditors' report to the members of ADT South Africa Holding Limited (cont'd)

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.

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 2017 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 in respect of financial statements 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.

ADT South Africa Holding Limited

Independent auditors' report to the members of ADT South Africa Holding Limited (cont'd)

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.

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.

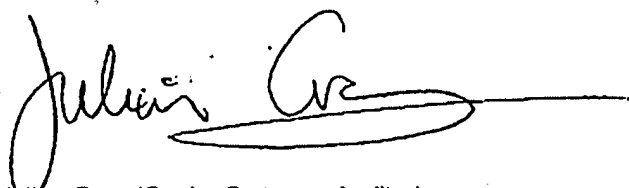
Other Required Reporting

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.



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

Date: 24 December 2018

ADT South Africa Holding Limited

Statement of comprehensive income for the year ended 30 September 2017

		Year ended 30 September 2017 £'000	As restated 53 weeks ended 30 September 2016 £'000
	Note		
Administrative expenses	8	(2,470)	(339)
Amounts written off fixed asset investments		-	(41,249)
Operating loss		(2,470)	(41,588)
Interest receivable	5	1,298	60
Other income	6	-	2,529
Interest payable	7	(1,108)	-
Exceptional items	8	(60,394)	-
Loss before taxation	8	(62,674)	(38,999)
Tax on loss	10	(39)	(725)
Loss for the financial year/period		(62,713)	(39,724)
Total comprehensive expense for the year/period		(62,713)	(39,724)

All results derive from continuing operations.

Refer to note 17 for details of the restatement.

ADT South Africa Holding Limited

Statement of financial position as at 30 September 2017

	Note	2017 £'000	As restated 2016 £'000
Fixed Assets			
Investments	11	-	100,555
Current assets			
Debtors	12	228,491	19,759
Creditors – amounts falling due within one year	13	(171,993)	(1,103)
Net current assets		56,498	18,656
Total assets less current liabilities		56,498	119,211
Capital and reserves			
Called up share capital	15	138,678	138,678
Share premium		32,389	32,389
Profit and Loss account		(114,569)	(51,856)
Total equity		56,498	119,211

The notes on pages 10 to 19 form an integral part of these financial statements.

Refer to note 17 for details of the restatement.

The financial statements on pages 7 to 19 were approved by the Board of directors on 24 December 2018 and were signed on its behalf by:



M Ayre
Director
ADT South Africa Holding Limited
Registered number: 01856199

ADT South Africa Holding Limited

Statement of changes in equity for the year ended 30 September 2017

Note	Share premium £'000	Called up share capital £'000	As restated Accumulated losses £'000	As restated Total equity £'000
Balance as at 26 September 2015	-	138,678	(12,132)	126,546
Issue of share capital	32,389	-	-	32,389
Loss for the financial period and Total comprehensive expense (as restated)	-	-	(39,724)	(39,724)
Balance as at 1 October 2016 (as restated)	32,389	138,678	(51,856)	119,211
Loss for the financial year and Total comprehensive expense	-	-	(62,713)	(62,713)
Balance as at 30 September 2017	32,389	138,678	(114,569)	56,498

Accumulated losses represent the accumulated comprehensive expense for the year and prior periods.

Refer to note 17 for details of the restatement.

ADT South Africa Holding Limited

Notes to the financial statements for the year ended 30 September 2017

1 General information

ADT South Africa Holding Limited ("the company") is a private company limited by shares, domiciled and incorporated in England. The address of the company's registered office is Security House, The Summit, Hanworth Road, Sunbury on Thames, Middlesex, TW16 5DB, UK.

The principal activity of the company has been that of a holding company. It is currently involved in financing activities for other group companies, managing various cash and intercompany balances.

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 periods 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. The 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 16.

- 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 16. 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.

ADT South Africa Holding Limited

Notes to the financial statements for the year ended 30 September 2017 (cont'd)

3 Summary of significant accounting policies (cont'd)

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 1. The company has adequate financial resources of its own and, after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operating existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual report and financial statements.

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 arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date, unless it is not considered probable that deferred tax assets will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Cash and cash equivalents

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

ADT South Africa Holding Limited

Notes to the financial statements for the year ended 30 September 2017 (cont'd)

3 Summary of significant accounting policies (cont'd)

Financial instruments

Financial assets

Basic financial assets, including other receivables, cash and bank balances and loans to fellow group undertakings 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.

Complex financial instruments, such as derivative assets, are initially measured at the transaction price and are revalued to their fair value at the balance sheet date, by reference to the conversion rates applying at that date for an identical transaction.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank overdrafts, 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.

Offsetting

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Fixed asset investments

Fixed assets 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.

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 estimation uncertainty

Critical accounting estimates and assumptions

There are no accounting estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

ADT South Africa Holding Limited

Notes to the financial statements for the year ended 30 September 2017 (cont'd)

5 Interest receivable

	Year ended 30 September 2017 £'000	53 weeks ended 30 September 2016 £'000
Interest receivable from group companies	1,223	60
Bank interest receivable	75	-
	1,298	60

6 Other income

	Year ended 30 September 2017 £'000	As restated 53 weeks ended 30 September 2016 £'000
Other income – unrealised gain on derivative	-	2,529

Included in other income is an amount of £nil (2016: £2,529,000) representing foreign exchange gains on hedging activities. Refer to note 17 for details of the restatement.

7 Interest payable

	Year ended 30 September 2017 £'000	53 weeks ended 30 September 2016 £'000
Interest payable to group companies	1,108	-

8 Loss before taxation

Loss before taxation is stated after charging:	Year ended 30 September 2017 £'000	53 weeks ended 30 September 2016 £'000
Exceptional cost	70,547	-
Exceptional income	(10,153)	-
Total exceptional items	60,394	-
Management fees	2,420	339

ADT South Africa Holding Limited

Notes to the financial statements for the year ended 30 September 2017 (cont'd)

8 Loss before taxation (cont'd)

The exceptional cost relates to a sum of £70,547,000 payable to Tyco Fire & Security GmbH, a fellow group company, as compensation for the indefinite, exclusive and royalty free licence to certain trademark rights relating to the ADT brand in South Africa, which were transferred to Fidelity Security Services Proprietary Limited (FSSPL) as the result of the investment disposal agreement. Further details on the investment disposal have been included in note 11.

The exceptional income relates to an amount of £10,153,000 representing the additional amount receivable in accordance with the sale agreement for the company's investment in ADT Security (Pty) Ltd, as disclosed in note 11, which relates to the period of deferred settlement.

The audit fees of £2,000 (2016: £1,500) were borne by a fellow group company.

9 Directors and employees

The directors received no remuneration (2016: 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, is nil (2016: nil).

10 Tax on loss

	Year ended 30 September 2017 £'000	As restated 53 weeks ended 30 September 2016 £'000
Current tax		
Corporation tax at 28% (2016: 28%)	747	17
Total current tax charge	747	17
Deferred tax		
Foreign exchange gains	(708)	708
Total deferred tax charge (note 14)	(708)	708
Total tax charge	39	725

Factors affecting current tax charge for the period

The company is tax resident in South Africa and is subject to 28% tax on relevant income. Tax on loss on ordinary activities for the period is higher than (2016: higher than) the tax rate in South Africa of 28% (2016: 28%). The difference between the total tax charge shown above and the amount calculated by applying the average standard rate of South African Corporation Tax to the loss before tax is as follows:

ADT South Africa Holding Limited

Notes to the financial statements for the year ended 30 September 2017 (cont'd)

10 Tax on loss (cont'd)

Reconciliation of tax charge

The differences are explained below:

	Year ended 30 September 2017 £'000	As restated 53 weeks ended 30 September 2016 £'000
Loss on ordinary activities before taxation	(62,674)	(38,999)
Loss on ordinary activities multiplied by standard rate of corporation tax in South Africa of 28% (2016: 28%)	(17,549)	(10,920)
Effects of:		
Expenses not deductible	17,588	11,645
Total charge for the year	39	725

Refer to note 17 for details of the restatement.

11 Fixed asset investments

Shares in subsidiary undertakings	Total £'000
Cost	
At 1 October 2016	208,461
Disposals	(208,461)
At 30 September 2017	-
Provision for impairment	
At 1 October 2016	(107,906)
Eliminated on disposal	107,906
At 30 September 2017	-
Net book amount	
At 30 September 2017	-
At 30 September 2016	100,555

The company sold its investment in ADT Security (Pty) Ltd to Fidelity Security Services Proprietary Limited for the sum of £110,715,000 on 15 March 2017, recognizing a gain of £10,153,000 (note 8).

ADT South Africa Holding Limited

Notes to the financial statements for the year ended 30 September 2017 (cont'd)

12 Debtors

	2017	As restated 2016
	£'000	£'000
Amounts owed by group undertakings	228,491	17,220
Tax recoverable	-	10
Derivative asset	-	2,529
	228,491	19,759

Included within amounts owed to group undertakings is an amount of £130,593,692 (2016: £17,212,000) owed by Tyco Holdings (UK) Limited, in respect of all UK cash pooling arrangements, which bears interest at an average rate of 0.029% (2016: 0.30%) per annum. Also included is a short term intercompany loan of £96,964,000 (2016: £nil). The loan was repaid on 31 August 2018 and bore interest at a rate of 2.84% per annum.

The company has in place no (2016: two) swap instruments with a fair value of £nil (2016: £2,529,000). The prior year instruments are forward foreign exchange contracts to sell ZAR 1,923,473,245 at a fixed rate of 17.9055 (£107,423,000) and to buy ZAR 1,923,473,245 at a fixed rate of 18.33724 (£104,894,000), both of which matured on 15 December 2016.

Refer to note 17 for details of the restatement.

13 Creditors – amounts falling due within one year

	2017	As restated 2016
	£'000	£'000
Bank loans and overdrafts	100,344	-
Amounts owed to group undertakings	70,547	339
Accruals and deferred income	304	3
Corporation Tax	798	53
Deferred Tax (note 14)	-	708
	171,993	1,103

All amounts owed to group undertakings are interest free, unsecured and are repayable on demand.

Refer to note 17 for details of the restatement.

ADT South Africa Holding Limited

Notes to the financial statements for the year ended 30 September 2017 (cont'd)

14 Deferred tax

The deferred tax liability recognised consists of:

	2017 £'000	As restated 2016 £'000
Unrealised foreign exchange gains	-	708
Total deferred tax recognised	-	708

	2016 £'000
Liability recognised at 30 September 2016	708
Amount credited to profit or loss	(708)
Liability recognised at 30 September 2017	-

Refer to note 17 for details of the restatement.

15 Called up share capital

	2017 £'000	2016 £'000
Authorised, allotted and fully paid		
138,677,502 (2016: 138,677,502) ordinary shares of £1 each	138,678	138,678

On 22 September 2016 1 ordinary share was issued for £32,388,577.

16 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Tyco Holdings (UK) Limited.

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 2017. The consolidated financial statements of Johnson Controls International plc are available from:

Johnson Controls International plc
1 Albert Quay
Cork
Ireland

ADT South Africa Holding Limited

Notes to the financial statements for the year ended 30 September 2017 (cont'd)

17 Prior period adjustment

During the preparation of the financial statements for the year ended 30 September 2017, a prior period adjustment was identified in respect of two forward foreign exchange contracts entered into during the period ended 30 September 2016, to sell and buy South African Rand of 1,923.5 million for a fixed sterling price. The contracts both matured on 15 December 2016.

The foreign exchange contracts have now been measured at fair value with any changes charged or credited to comprehensive income in other income in the prior year, with an associated charge or credit for deferred tax also being included. As one of the contracts was taken out on 30 September 2016, the fair value is immaterial and has not been adjusted for.

The effect of the restatement on the prior period financial statements are summarised as follows:

	53 weeks ended 30 September 2016 £'000
Loss for the period as reported previously	(41,545)
Other income – unrealised gain on derivatives	2,529
Deferred tax	(708)
Restated total comprehensive expense for the period	(39,724)
	30 September 2016 £'000
Accumulated expenses as previously reported	(53,677)
Other income – unrealised gain on derivatives	2,529
Adjustment to deferred tax	(708)
Restated accumulated expense	(51,856)
	30 September 2016 £'000
Debtors previously reported	17,230
Derivative asset	2,529
Restated debtors	19,759

ADT South Africa Holding Limited

Notes to the financial statements for the year ended 30 September 2017 (cont'd)

17 Prior period adjustment (cont'd)

	30 September 2016 £'000
Deferred tax previously reported	-
Charge in period	708
Restated deferred tax	708