Registration number 01882393

First Technology Ltd

Report and accounts 2012

Registration number 01882393

Contents

The directors of First Technology Ltd present the report and audited accounts of the company for the year ended 31 December 2012

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

Business review and future developments
The results for the year are in line with the directors' expectations The directors intend that the company will continue to operate as a holding company for its trading subsidiaries for the foreseeable future

Key performance indicators
The company monitors its net interest income/expense

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

Financial risk management
Hedges
The company hedges its exposures to significant foreign currency movements
At 31 December, the fair value of unrealised liabilities under hedge contracts was £417,000 (2011 £1,652,000)

Results and dividends
The company's profit for the financial year was £705,000 (2011 £210,000 loss) which will be transferred to reserves The results for the year are shown on page 4

The directors do not recommend the payment of a dividend (2011 £nil)

Directors
The directors of the company who held office during the year and up to the date of signing these accounts were

Allan Richards
David DeMeo
John Hakansan
John Tus

Directors' indemnities
Pursuant to the Company's articles of association, the directors were throughout the year to 31 December 2012 and are at the date of this report entitled to a qualifying indemnity provision as defined in section 236 of the Companies Act 2006

Directors' responsibilities statement
The directors are responsible for preparing the Directors' report and the accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year Under that law the directors have prepared the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law) Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these accounts, the directors are required to
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts,
- prepare the accounts 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 accounts comply with the Companies Act 2006 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

Going concern
The company's business activities, together with the factors likely to affect its future development and position, are set out in the business review section of the Directors' report The ultimate parent company, Honeywell International Inc has indicated it will provide financial support to the company for at least one year from the date of signing these accounts

The directors, having taken into account the financial support from the ultimate parent undertaking believe that no material uncertainties exist that cast significant doubt on the company's ability to continue in operation for the foreseeable future

Disclosure of information to auditors
In the case of each of the persons who is a director at the time this report is approved
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that he/she ought to have taken as at director to make him/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

By order of the board

Allan Richards
Director
25 March 2013

Independent auditors' report

to the members of First Technology Ltd Registration number 01882393

We have audited the financial statements of First Technology Ltd for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet and the related notes

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors
As explained more fully in the Directors responsibilities statement set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

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

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the report and accounts to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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

Alison Cashmore (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
West London
2 May 2013

Profit and loss account

for the year ended 31 December 2012

First Technology Ltd
Registration number 01882393

	Note	2012 £000	*2011 £000*
Administrative expenses		(1,401)	*(1,256)*
Operating loss	3	(1,401)	*(1,256)*
Income from shares in group undertakings	6	4,766	-
Interest receivable and similar income	7	3,248	*3,079*
Amount written off in respect of investments	6	(3,784)	-
Interest payable and similar charges	7	(2,124)	*(2,033)*
Profit/(loss) on ordinary activities before taxation		705	*(210)*
Tax on profit/(loss) on ordinary activities	8	-	-
Profit/(loss) for the financial year	15	705	*(210)*

All amounts are derived from continuing operations

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

The company has no recognised gains and losses other than the profit for the year, and therefore no separate statement of total recognised gains and losses has been presented

Balance sheet

at 31 December 2012

First Technology Ltd
Registration number 01882393

	Note	2012 £000	*2011 £000*
Fixed assets			
Investments	10	155,406	*159,190*
		155,406	*159,190*
Current assets			
Debtors	11	224,221	*216,008*
Cash at bank and in hand		17	*17*
		224,238	*216,025*
Creditors amounts falling due within one year	12	(325,399)	*(321,675)*
Net current liabilities		(101,161)	*(105,650)*
Total assets less current liabilities		54,245	*53,540*
Net assets		54,245	*53,540*
Capital and reserves			
Called up share capital	14	8,732	*8,732*
Share premium account	15	92,923	*92,923*
Profit and loss account	15	(47,410)	*(48,115)*
Total shareholders' funds	15	54,245	*53,540*

The accounts on pages 4 to 11 were approved by the board of directors on 25th March 2013 and signed on its behalf by

Allan Richards
Director

1. Accounting policies
These accounts are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom The accounting policies which have been applied consistently throughout the year are set out below

Changes in accounting policies
The accounting policies have been reviewed by the board of directors in accordance with FRS18 "Accounting policies"

There were no changes to accounting standards in 2012 which were applicable to the company

Group accounts
The accounts contain information about the company as an individual company and do not contain consolidated financial information as parent of a group The company is exempt under section 401of the Companies Act 2006 from the requirement to prepare consolidated accounts as it and its subsidiary undertakings are included by full consolidation in the accounts of Honeywell International Inc , a company registered in the USA, and whose accounts the directors consider to be drawn up in a manner equivalent to the 7th Directive The accounts of Honeywell International Inc are publicly available

Going concern
The company's business activities, together with the factors likely to affect its future development and position, are set out in the business review section of the Directors' report The ultimate parent company, Honeywell International Inc has indicated it will provide financial support to the company for at least one year from the date of signing these accounts

The directors, having taken into account the financial support from the ultimate parent undertaking believe that no material uncertainties exist that cast significant doubt on the company's ability to continue in operation for the foreseeable future

Foreign currency
Transactions denominated in foreign currency are booked using daily or monthly exchange rates prevailing when the transaction is recorded Monetary assets and liabilities which are denominated in foreign currencies are translated into Pounds sterling at rates of exchange approximating to those ruling at the balance sheet date Exchange gains or losses resulting from the year's trading are reflected in the operating results for the year Exchange gains and losses from financing activities are recognised in interest income and expense Gains or losses on foreign currency hedges obtained from the ultimate parent company are recognised when realised The fair value of unrealised hedges at the year end is disclosed in the Directors' report if material

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

Taxation
Current tax is the amount of tax estimated to be payable or recoverable in respect of the taxable profit or loss for a period, along with adjustments to estimates in respect of previous periods

Deferred tax
Deferred tax is recognised in respect of the future estimated tax consequences of transactions or events recognised in the accounts of the current and previous periods

Deferred tax assets are recognised to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax is measured on a non-discounted basis

Investments
The company's interest in subsidiary undertakings is shown at cost less provision for permanent impairment The value of investments is reviewed annually by the directors or more frequently if there is a triggering event, and provision made where it is considered that there has been a permanent impairment of value

Pensions
Defined benefit plan assets are measured at market value and plan liabilities are measured using the projected unit method Liabilities are discounted at the current rate of return on a high quality corporate bond of term and equivalent currency to the liability Full actuarial valuations are obtained every three years, and are updated at each balance sheet date

The company's share of the surplus or deficit of a defined benefit plan in which it participates is based on its actual shares of assets and obligations to the extent they are identifiable, or otherwise in proportion to its anticipated share of future contributions to the plan, normally in proportion to the number of defined benefit members reported on the most recent annual return from the trustees to the pension regulator

A surplus is recognised to the extent that it is recoverable through reduced contributions and refunds

Current and past service costs are included in the profit and loss account within operating expenses The net amount of interest cost and expected return on assets is shown as other finance costs or income Actuarial gains and losses, including differences between the expected and actual return on plan assets, are recognised in the statement of total recognised gains and losses, net of related deferred tax

2. Cash flow statement and related party transactions
The company is a wholly owned subsidiary company of a group headed by Honeywell International Inc , and is included in the consolidated accounts of that company, which are publicly available Consequently, the company has taken advantage of the exemption within FRS 1 "Cash flow statements" (revised 1996) from preparing a cash flow statement

In accordance with the exemptions available under FRS 8 "Related party disclosures", transactions with other wholly owned undertakings within the Honeywell group are not required to be disclosed in these accounts, on the grounds that this company is a wholly owned subsidiary of Honeywell International Inc , whose accounts are publicly available

3. Operating loss	2012	*2011*
Operating loss is stated after charging	£000	*£000*
Loss on foreign exchange	1,296	*1,240*

4. Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts	2	*7*

5. Employees and directors

In 2012, all directors (2011 all directors) were remunerated by other group companies for their services to the group as a whole No charge has been made to the company as in the opinion of the directors it is not possible to determine with reasonable accuracy the split by company

The company has no other employees

6. Transactions in relation to group undertakings

	2012 £000	*2011 £000*
Income from shares in group undertakings		
Dividend from First Technology Management Services Ltd	349	-
Dividend from Capteur Sensors and Analysers Ltd	4,417	-
	4,766	-
Amount written off in respect of investments		
Capteur Sensors and Analysers Ltd	(3,784)	-

During the year First Technology Management Services Ltd and Capteur Sensors and Analysers Ltd were placed in liquidation this resulting in distributions of £4,766,000 and an investment write off £3,784,000

7. Interest

	2012 £000	*2011 £000*
Interest receivable and similar income		
Interest receivable from group undertakings	3,248	*3,041*
Bank interest receivable	-	*38*
	3,248	*3,079*
Interest payable and similar charges		
Interest payable on bank overdrafts	242	*137*
Interest payable to group undertakings	1,882	*1,896*
	2,124	*2,033*

8. Tax on profit/(loss) on ordinary activities

	2012 £000	*2011 £000*
Current tax		
UK corporation tax on profit/(loss) for the year	-	-

Factors affecting tax charge for the year
The standard rate of corporation tax in the UK changed from 26% to 24% with effect from 1 April 2012
Accordingly, the company's profits for this accounting period are taxed at an effective rate of 24 5%

Difference between tax at standard rate of UK corporation tax and total tax charge	2012 £000	*2011 £000*
Profit/(loss) on ordinary activities before taxation	705	*(210)*
Standard rate of UK corporation tax (%)	24 5	*26 5*
Profit/(loss) on ordinary activities multiplied by the standard rate of UK corporation tax	173	*(56)*
Effects of		
Expenses not deductible for tax purposes and other permanent differences	(451)	*(226)*
Group relief not paid for	278	*282*
Total tax charge for the year	-	-

Factors that may affect future tax charges
Deferred tax is provided at 23% on temporary differences reversing in 2013 and thereafter There are proposals to reduce UK Corporation Tax in stages to 20% by April 2015 The effect of these proposals is not material

9. Deferred tax

Unrecognised deferred tax asset @23% (2011 25%)	2012 £000	*2011 £000*
Overseas interest not paid for	463	*502*
Tax losses carried forward	306	*333*
	769	*835*

The deferred tax asset is unrecognised because it is less likely than not that there will be sufficient taxable profits in future to recover the asset

10. Investments

	Subsidiary undertakings
Cost	£000
At 1 January 2012	215,855
Disposals (see note 6)	(3,784)
At 31 December 2012	212,071
Provision for impairment	
At 1 January and 31 December 2012	56,665
Net book value	
At 31 December 2012	155,406
At 31 December 2011	*159,190*

The directors believe that the book value of the investments is not less than the value of the underlying net assets

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

Name of company	Principal activity	Country of incorporation
Directly held subsidiaries		
FT Finance Ltd	Holding company	England
FT North America (Holdings) Ltd	Holding company	England
Indirectly held subsidiaries		
BW Australia Pty Ltd	Gas detection equipment	Australia
BW Europe Ltd	Gas detection equipment	England
BW Research	Gas detection research	Canada
B&W Technologies Inc	Gas detection equipment	USA
BW Technologies LP	Gas detection equipment	Canada
BW Technologies Ltd	Gas detection equipment	Canada
City Technology Ltd	Gas sensors	England
First Technology (2002) Ltd	Finance company	England
First Technology Overseas Ltd	Holding company	England
First Technology Sarl	Holding company	Luxembourg
FT Hungary 1 Asset Management Kft*	Holding company	Hungary
FT Hungary 2 Asset Management Kft*	Holding company	Hungary
FT North America Ltd*	Holding company	England
Honeywell Finance Ontario LP*	Finance company	Canada

*FT North America Ltd owns class B shares in FT Hungary 1 Asset Management Kft which entitle the company to 99% of its distributions and 34% of the voting rights FT Hungary 1 Asset Management Kft owns 100% of FT Hungary 2 Asset Management Kft who in turns owns 99 5% of Honeywell Finance Ontario LP

11. Debtors

	2012	*2011*
Amounts falling due within one year	£000	*£000*
Amounts owed by group undertakings	224,221	*216,008*
	224,221	*216,008*

12. Creditors: amounts falling due within one year

	2012 £000	*2011 £000*
Bank overdrafts	18,117	*11,318*
Amounts owed to group undertakings	307,231	*310,259*
Other creditors	8	*17*
Accruals and deferred income	43	*81*
	325,399	*321,675*

Loans and other borrowings
Amounts owed to group undertakings include the following loans and other borrowings

Repayable	Currency	Interest terms		
on demand	GBP	UK BR plus 1%	118,599	*121,200*
on demand	EUROS	3 Month Euribor + 25% spread	4,827	*4,879*
			123,426	*126,079*

All amounts are unsecured

13. Pensions
Prior to 31 March 2011, the company was a participating employer in the Honeywell UK Pension Scheme (HUKPS) which is a funded defined benefit plan providing retirement benefits based on salary It is closed to new entrants and has no active members Until the 31 March 2011 valuation, the company accounted for the total pension assets and liabilities of its subsidiary undertakings as they were unable to identify their share of assets and liabilities Following the valuation, the company transferred its net liability to its subsidiaries The transfer was reflected in 2011 as an actuarial gain in the statement of total recognised gains and losses

The allocation of each participating employer's share of assets and liabilities as at 1 January 2011 was updated in the 31 March 2011 valuation to reflect the pooling of the plan's assets, which were previously identifiable by predecessor plan The effect of this change on the movements in pension assets and obligations is disclosed in this note as "effect of transfer to HUKPS" in the prior year

	2012 £000	*2011 £000*
Amounts recognised in the statement of total recognised gains and losses (STRGL)		
Effect of transfer to HUKPS	-	*(2,093)*
Change in assets not recoverable in future	-	*2,093*
Actuarial gain recognised in STRGL	-	-
Cumulative amount of actuarial losses recognised in STRGL	(1,513)	*(1,513)*
Changes in present value of defined benefit obligation		
At 1 January	-	*(12,541)*
Effect of transfer to HUKPS	-	*12,541*
At 31 December	-	-
Changes in fair value of scheme assets		
At 1 January	-	*14,634*
Effect of transfer to HUKPS	-	*(14,634)*
At 31 December	-	-

Amounts for current year and previous four years	2012 £000	*2011 £000*	*2010 £000*	*2009 £000*	*2008 £000*
Fair value of assets	-	-	*14,634*	*13,364*	*12,544*
Defined benefit obligation (DBO)	-	-	*(12,541)*	*(14,258)*	*(12,315)*
Assets not recoverable in future	-	-	*(2,093)*	-	-
Net (deficit)/surplus	-	-	-	*(894)*	*229*
Experience (loss)/gain on assets	-	-	*1,210*	*237*	*(1,176)*
Experience (loss)/gain on liabilities	-	-	*46*	-	*1,271*

14. Called up share capital	2012	*2011*
Allotted, called up and fully paid	£000	*£000*
At 1 January and 31 December 87,318,222 ordinary shares of 10p each	8,732	*8,732*

15 Reconciliation of shareholders' funds and movement on reserves

	Share capital	Share premium	Profit and loss account	2012 Total	*2011 Total*
	£000	£000	£000	£000	*£000*
At 1 January	8,732	92,923	(48,115)	53,540	*53,750*
Profit/(loss) for the financial year	-	-	705	705	*(210)*
At 31 December	8,732	92,923	(47,410)	54,245	*53,540*

16. Contingent liabilities

The company, with other Honeywell group companies in the UK, has provided a bank guarantee under a composite accounting agreement Under this agreement, bank interest is calculated on the net group position after setting off positive and overdrawn cash balances The maximum contingent liability under this agreement is the total of overdrawn balances held by group companies, amounting to £431,583,000 (2011 £568,591,000)
Positive cash balances held by the group exceeded overdrawn balances in 2012 and 2011

17. Ultimate parent undertaking

The immediate parent undertaking is Honeywell Acquistions II Ltd, a company incorporated in England

The ultimate parent undertaking and controlling party is Honeywell International Inc , a company incorporated in the USA, which is the smallest and largest group to consolidate these accounts Copies of these accounts are publicly available and can be obtained from Corporate Publications, PO Box 2245, Morristown, New Jersey 07962-2245 USA or from the Internet at www honeywell com