Annual report and financial statements

For the year ended 30 November 2014

Registered number: 02518876

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Holland Heating UK Limited Directors' report and financial statements 30 November 2014

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Directors and advisors

Directors

R Sadler R Jones S McDonald

Company secretary and registered office

A D'Cruz United Technologies House Guildford Road Leatherhead Surrey KT22 9UT

Independent auditors

PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Princess Court 23 Princess Street Plymouth PL1 2EX

Bankers

HSBC plc 60 Victoria Street London EC4N 4TR

Registered number

02518876

Directors' report for the year ended 30 November 2014

The Directors present their report and audited financial statements of the Company for the year ended 30 November 2014.

Principal activities

On 1 December 2013 the trade and assets of the company were transferred to Toshiba Carrier UK Ltd to benefit from synergies. The company is now dormant and will be liquidated in the future.

Profit on sale of trade and assets

On 1 December 2013 all trade, assets, liabilities and associated risks and rewards were transferred to Toshiba Carrier UK Ltd. The agreed consideration was £1 and the net liabilities of the company at the date of transfer were £603,000 leading to a book profit on transfer of £603,001.

Dividend

The directors do not recommend the payment of a dividend (2013: £nil).

Accounts Basis of Preparation

The accounts were prepared under the break us basis due to the transfer of the trading assets and liabilities to Toshiba Carrier UK Ltd.

Directors

The directors who held office throughout the year, and up to the date of signing the financial statements unless otherwise stated, are detailed on page 1.

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 Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Independent Auditors

PricewaterhouseCoopers LLP are deemed to be reappointed in accordance with an elective resolution made under Section 386(1) of the Companies Act 1985 which continues in force under the Companies Act 2006.

Directors' report for the year ended 30 November 2014 (continued)

Statement of Directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' 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 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 these financial statements, 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 financial statements.

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. 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.

Provision of information to auditors

In accordance with Section 418, of the Companies Act 2006, in the case of each Director in office at the date the Directors' Report is approved, they individually confirm that:

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

On behalf of the Board dated 23 June 2015.

S McDonald **Director**

Strategic report for the year ended 30 November 2014

Business review

The decision was made in 2013 to transfer the trade and assets of the company to Toshiba Carrier UK Ltd to take advantage of economies of scale. The transfer took place on 1 December 2013. Since then the company has remained dormant and is awaiting liquidation.

Principal risks and uncertainties

As the business has ceased trading in the year, the assessment of the principal risks and uncertainties is no longer relevant.

Management of financial risk

As the business has ceased trading in the year, the management of financial risk is no longer relevant.

On behalf of the Board dated 23 June 2015.

S McDonald **Director**

Independent auditors' report to the members of Holland Heating UK Limited

Report on the financial statements

Our opinion

In our opinion, Holland Heating UK Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 November 2014 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.

Emphasis of matter - Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the basis of accounting. Following the year end the Directors have decided that the company will cease trading during the next financial year. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values.

What we have audited

Holland Heating UK Limited's financial statements comprise:

- the Balance Sheet as at 30 November 2014;
- the Profit and Loss accounts for the year then ended;
- the Statement of total recognised gains and losses for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.
- We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Holland Heating UK Limited (continued)

Directors' remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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

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

In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Stephen Patey (Senior Statutory Auditor) for and on behalf of PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Plymouth

26 June 2015

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Profit and loss account for the year ended 30 November 2014

		2014 £'000	2013 £'000
Turnover	2	-	3,437
Cost of sales		-	(3,167)
Gross result/ profit			270
Distribution costs		•	(126)
Administrative expenses		-	(259)
Operating result/(loss)	3	-	(115)
Profit on sale of trade and assets	4	603	-
Interest receivable and similar income	6	-	44
Interest payable and similar charges	7	-	(10)
Profit/(loss) on ordinary activities before taxation		603	(81)
Tax on profit/(loss) on ordinary activities	8	-	(1)
Profit/(loss) for the financial year	15	603	(82)

All of the above figures, including comparatives, relate to discontinued activities.

There is no difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial years stated above, and their historical cost equivalents.

Balance sheet as at 30 November 2014

	Note	20	014	20)13
		£'000	£'000	£'000	£'000
Current assets Stocks	9		•	51	
Debtors	10	-		688	
Cash at bank and in hand	10	-		9	
		-		748	
Creditors: amounts falling due within one year	11	-		(1,463)	
Net current liabilities excluding pension asset			, -	·	(715)
Net pension asset	16		-		112
Net liabilities					(603)
Capital and reserves Called up share capital	13		827		827
Profit and loss account	14		(827)		(1,430)
Total shareholders' deficit	15				(603)

These financial statements on pages 7 to 21 were approved by the board of directors on 23 June 2015 and were signed on its behalf by:

S McDonald Director

Registered number: 02518876

Statement of total recognised gains and losses for the year ended 30 November 2014

	Note	2014 £'000	2013 £'000
Profit/(loss) for the financial year	15	603	(82)
Actuarial gain/(loss) recognised on the pension scheme	16	-	45
Restriction in pension scheme surplus net of tax	16	-	(70)
Movement on deferred tax – current year charge/(credit)	12	-	(10)
			·
Total recognised gains and losses relating to the year	15	603	(117)

Notes to the financial statements for the year ended 30 November 2014

1 Accounting policies

These financial statements are prepared on the break up basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Basis of accounting

The Directors have considered the accounting policies and estimation techniques detailed below and consider that, in accordance with FRS 18 'Accounting Policies', they are the most appropriate for the Company.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied. Revenue is recognised once title passes to the customer, usually on despatch or on delivery and installation, depending on terms.

Stocks and work-in-progress

Stocks and work in progress are valued consistently at the beginning and end of the year, at the lower of cost and net realisable value, and are stated after deduction of progress payments received on account of work in progress.

Cost includes material value, direct labour and the appropriate factory and installation overheads, according to the stage of production or installation reached. The first in, first out method of valuation is used, under which the calculation of the value of stocks and work in progress is made on the basis that the quantities in hand represent the latest purchases or production.

Notes to the financial statements for the year ended 30 November 2014

1 Accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and/or from which the future reversal of 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 by the balance sheet date. Deferred tax is measured on a non discounted basis.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Pension scheme arrangements

The pension scheme assets and liabilities were transferred to Toshiba Carrier UK Ltd on 1 December 2013.

Cash flow statement

Under Financial Reporting Standard 1 (revised 1996), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking and a consolidated cash flow statement is prepared by the ultimate parent undertaking.

Notes to the financial statements for the year ended 30 November 2014

2 Turnover

	2014 £'000	2013 £'000
Geographical segment: analysis by geographical area		
United Kingdom	-	3,437

Turnover by origin has not been disclosed, as in the opinion of the Directors, it would be seriously prejudicial to the interests of the Company. The Company has only one class of business.

3 Operating result/(loss)

Operating profit/(loss) is stated after charging:

	2014	2013
	£'000	£,000
Auditors' remuneration – audit fees	-	3
Foreign exchange loss	-	21

In 2014 the Auditors' remuneration was recharged to Toshiba Carrier UK Limited who acquired the trade and assets of the company on 1 December 2013.

4 Profit on sales of trade and assets

On 1 December 2013 all trade, assets, liabilities and associated risks and rewards were transferred to Toshiba Carrier UK Limited. The agreed consideration was £1 and the net liabilities of the company at the date of transfer were £603,000 leading to a book profit on transfer of £603,001.

Notes to the financial statements for the year ended 30 November 2014

5 Employees and Directors

The average monthly number of persons employed by the Company during the year was:

By activity	2014 Number	2013 Number
Service engineers	-	1
Administration and sales	•	5
 	-	6
Staff costs relating to the above employees, are analysed as follows:	2014 £'000	2013 £'000
Wages and salaries	-	258
Social security costs	-	29
Other pension costs (see note 16 and below)	-	16
	-	303
_		

Other pension costs include stakeholder pension contributions of £nil (2013: £4,000). The remaining amount relates to the current service cost on the pension scheme as per note 16.

6 Interest receivable and similar income

	2014 £'000	2013 £'000
Net return on pension fund (note 16)	-	44

7 Interest payable and similar charges

	2014 £'000	2013 £'000
Bank interest payable	-	10

Notes to the financial statements for the year ended 30 November 2014

8 Tax on profit/ (loss) on ordinary activities

	2014 £'000	2013 £'000
a) Analysis of tax charge in year		
Deferred tax		
Current year charge	-	5
Effects of rate change	-	(4)
Tax charge for the year	-	1

b) Factors affecting tax charge for the year:

The tax assessed for the year is lower (2013: higher) than that resulting from applying the standard rate of corporation tax in the UK of 21.67% (2013: 23.33%)

	2014 £'000	2013 £'000
Profit/(loss) on ordinary activities before tax	603	(81)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.67% (2013: 23.33%)	131	(19)
Effects of:		
Capital allowances in excess of depreciation	-	(1)
Pension costs relief in excess of charge	-	(4)
Utilised for group relief	(131)	24
Current tax charge for the year	-	-
9 Stocks	2014 £'000	2013 £'000
Work in progress	-	51

Notes to the financial statements for the year ended 30 November 2014

10 Debtors

	2014 £'000	2013 £'000
Trade debtors	-	554
Amounts owed by group undertakings (see note 17)	-	125
Other debtors	-	5
Prepayments and accrued income	-	4
<i>,</i>	· -	688

11 Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Trade creditors	-	139
Amounts owed to group undertakings (see note 17)	-	1,172
Taxation and social security	-	43
Accruals and deferred income	-	109
	•	1,463

12 Deferred tax

Deferred taxation amounts recognised in the financial statements are as follows:

	2014 £'000	£'000
Deferred tax asset in relation to pension liability as at 1 December	-	(39)
Deferred tax charge / (credited) to the profit and loss account	-	5
Impact of rate change – charge / (credit) to the profit and loss account	-	(4)
Deferred tax credited to the statement of total recognised gains and losses	-	10
·	-	(28)

A deferred tax asset of £nil (2013 £105,000) has not been recognised in respect of tax losses on the basis that the company is not anticipated to make suitable taxable profits in the foreseeable future against which it can be utilised.

Notes to the financial statements for the year ended 30 November 2014

13 Called up share capital

	2014 £'000	2013 £'000
Authorised:		
827,000 (2013: 827,000) ordinary shares of £1 each	827	827
Issued and fully paid:		
827,000 (2013: 827,000) ordinary shares of £1 each	827	827

14 Profit and loss account.

	2014 £'000
At 1 December	(1,430)
Profit for the financial year	603
At 30 November	(827)

15 Reconciliation of movements in shareholders' deficit

Shareholders' deficit as at 1 December	2014 £'000 (603)	2013 £'000 (486)
Profit/(loss) for the financial year	603	(82)
Actuarial loss on pension scheme	-	(25)
Movement on deferred tax relating to pension scheme	-	(10)
Shareholders' deficit as at 30 November	-	(603)

Notes to the financial statements for the year ended 30 November 2014

16 Pension commitments

The Company participates in the Carrier (UK) Pension Scheme. This scheme is of the defined benefit type providing benefits to certain employees within the Carrier companies within the United Kingdom. The assets of the scheme are held separately from the Company's assets. Holland Heating UK Limted's share of the pension scheme assets and liabilities was transferred to Toshiba Carrier UK Ltd on 1 December 2013 as part of the transfer of the whole of the trade and assets of the company. The figures below represent Holland Heating UK Limited's share of the Carrier (UK) Pension Scheme.

	2014	2013
The major assumptions used by the actuary were:	%	%
Rate of increase in salaries	-	2.50
Rate of increase in pension payment	-	2.00
Discount rate	-	4.40
Inflation RPI	-	2.75
Expected return on assets	-	7.00
Commutation assumption	-	70
	Years	Years
Life Expectancy of male aged 65 at end of Year (current pensioner)	-	21.2
Life Expectancy of female aged 65 at end of Year (current pensioner)	-	24.1
Life Expectancy of male aged 45 at end of Year when aged 65 (future pensioner)	<u>.</u>	22.9
Life Expectancy of female aged 45 at end of Year when aged 65(future pensioner)	-	26.1

Notes to the financial statements for the year ended 30 November 2014

16 Pension commitments (continued)

	2014 %	2013 %
Major categories of plan assets as a percentage of total plan assets		
Equities	-	54.9
Debt securities	-	31.8
Property	-	2.5
Other	-	10.8
Total	_	100.0
Balance sheet	2014 £'000	2013 £'000
Fair value of assets	-	1,365
Actuarial value of scheme liabilities	-	(985)
Surplus in the scheme	-	380
Amount not recognised due to paragraph 37 restriction	-	(240)
Defined benefit surplus at end of year	-	140
Related deferred tax	-	(28)
Net amount recognised after deferred taxes	-	112
Analysis of the amount charged to operating result/(loss):	2014 £'000	2013 £'000
Current service cost	-	12
Expected return on assets	-	(86)
Interest cost	-	42
Adjustment due to paragraph 37	-	32
Total charge to profit and loss account	-	-

Notes to the financial statements for the year ended 30 November 2014

16 Pension commitments (continued)

Analysis of changes in the present value of defined benefit obligations	2014 £'000	2013 £'000
Opening defined benefit obligation	985	949
Current service cost	-	12
Interest cost	-	42
Actuarial loss	-	8
Plan participants contributions	-	4
Benefits paid	-	(30)
Transferred out	(985)	-
Closing defined benefit obligation	-	985
Analysis of changes in the fair value of assets Opening fair value of assets	2014 £'000 1,365	2013 £'000 1,234
Expected return	1,505	86
Employer's contributions	-	18
Actuarial experience gains	-	53
Plan participants contributions	-	4
Benefits paid	-	(30)
Transferred out	(1,365)	-
Closing fair value of assets	-	1,365

Actual return on scheme assets was £nil (2013: £139,000).

The scheme assets and liabilities were transferred to Toshiba Carrier UK Ltd on 1 December 2013.

Notes to the financial statements for the year ended 30 November 2014

16 Pension commitments (continued)

Experience adjustments:	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Fair value of assets	-	1,365	1,234	1,094	896
PBO	-	(985)	(949)	(804)	(1,038)
Funded status	-	380	285	290	(142)
Experience (gain)/loss adjustment on PBO	-	12	(3)	(6)	32
Experience (gain)/loss adjustment on plan assets	-	(53)	(71)	(29)	35
Cumulative amount recognised in the statement of total recognised gains and losses:				2014 £'000	2013 £'000
Cumulative amount recognised at the beginning	of the year			195	240
Actuarial (gain)/ loss				-	(45)
Transferred out				(195)	-
Cumulative amount recognised at the end of	the year			-	195

The scheme assets and liabilities were transferred to Toshiba Carrier UK Ltd on 1 December 2013.

17 Related party transactions

The Company has taken advantage of the exemption from disclosure of related party transactions with group companies under Financial Reporting Standard 8, allowed for subsidiaries undertakings which have 90% of their voting rights controlled within the group.

The intercompany debtor and creditors balances (see notes 10 and 11) includes £1 (2013: £108,000) and £nil (2013: £88,000) respectively in relation to Toshiba Carrier UK Ltd which is not a 100% owned subsidiary of the group. The profit and loss account includes £nil (2013: £19,000) sales with Toshiba Carrier UK Ltd and £nil (2013: £453,000) purchases, The trading assets and liabilities were transferred to Toshiba Carrier UK Ltd for £1 with £603,000 of net liabilities recognising £603,000 profit on transfer.

Notes to the financial statements for the year ended 30 November 2014

18 Ultimate parent undertaking

United Technologies Corporation Inc, a company incorporated in the United States of America, is regarded by the directors of the company as being the company's ultimate parent company and controlling party and of being the parent undertaking of the largest (and smallest) such group of undertakings for which group financial statements are drawn up and of which the company is a member.

Copies of the annual report of United Technologies Corporation Inc are available from 1 Financial Plaza, Hartford, Connecticut 06101, United States of America.

The parent undertaking is United Technologies Holdings Limited. Copies of the United Technologies Holdings Limited financial statements are available from United Technologies Holdings Limited, Mathisen Way, Poyle Road, Colnbrook, Berkshire, SL3 0HB.