

Danfoss Holding UK Limited

**Directors' report and financial
statements**

Registered number 2605811

31 December 2009

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Directors' report

The directors present their directors' report and the audited financial statements for the year ended 31 December 2009

Business review and principal activity

The company is an investment holding company with subsidiaries engaged in the manufacture and supply of automatic controls, components and compressors

There have been no significant events since the balance sheet date which require disclosure

Proposed dividend

The directors have not proposed a final ordinary dividend in respect of the current financial year (2008 £nil)

Directors

The directors who held office during the year were as follows

Roland Fritsch
Anders Stahlschmidt

Political and charitable contributions

The Company made no political contributions during the year (2008 £nil)

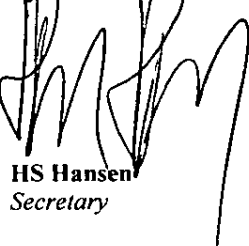
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each 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 ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



HS Hansen
Secretary

Capswood
Oxford Road
Denham
Buckinghamshire
UB9 4LH

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 judgments and 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, 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. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

Aquis Court
31 Fishpool Street
St Albans
AL3 4RF
United Kingdom

Independent auditors' report to the members of Danfoss Holding UK Limited

We have audited the financial statements of Danfoss Holding UK Limited for the year ended 31 December 2009, set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

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 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with UK 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.

Independent auditors' report to the members of Danfoss Holding UK Limited (continued)

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

 M Matthewman

12/4/10

M Matthewman (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Aquis Court
31 Fishpool Street
St Albans
Hertfordshire
AL3 4RF

Profit and loss account
for the year ended 31 December 2009

	<i>Note</i>	2009 £000	2008 £000
Administrative expenses		(103)	(19)
Operating loss		(103)	(19)
Income from shares in group undertakings			-
Interest receivable and similar income	2	141	160
Interest payable and similar charges	3	(80)	(228)
Loss on ordinary activities before taxation	4	(42)	(87)
Tax on loss on ordinary activities	5	-	-
Loss on ordinary activities after taxation and profit for the financial year	12	(42)	(87)

The results for the current and previous year are derived from continuing activities

A reconciliation of movement in shareholder's funds is set out in note 13

Balance sheet
at 31 December 2009

	Note	2009 £000	2008 £000
Fixed assets			
Investments	7	10,526	10,526
Current assets			
Debtors	8	12,074	6 023
Cash at bank and in hand		-	46
		<u>12,074</u>	<u>6,069</u>
Creditors amounts falling due within one year	9	<u>(13,952)</u>	<u>(7 905)</u>
Net current liabilities		<u>(1,878)</u>	<u>(1,836)</u>
Net assets		<u>8,648</u>	<u>8,690</u>
Capital and reserves			
Called up share capital	11	6,200	6 200
Profit and loss account	12	2,448	2 490
Shareholder's funds	13	<u>8,648</u>	<u>8,690</u>

These financial statements were approved by the board of directors on 31 March 2010 and were signed on its behalf by

Roland Fritsch
Director

Company registered number 2605811

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

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

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Danfoss A/S, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Danfoss A/S, within which this company is included, can be obtained from the address given in note 14.

Investments

Investments are stated at cost less provision, if any, for permanent diminution in value.

Pension costs

The company operates a group pension scheme on behalf of its subsidiaries, Danfoss Randall Limited and Danfoss Limited, providing benefits based on final pensionable pay. The assets are held separately from those of the group. The group is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the subsidiary profit and loss account represents the contributions payable to the scheme in respect of the accounting period. Danfoss Holding UK Limited has no employees and therefore no accounting is required in these financial statements.

Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 'Deferred tax'.

Dividends on shares presented within shareholder's funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Notes (continued)

2 Interest receivable and similar income

	2009 £000	2008 £000
Interest receivable from loans to group undertakings	135	132
External bank interest receivable	6	28
	<u>141</u>	<u>160</u>

3 Interest payable and similar charges

	2009 £000	2008 £000
Interest payable on loans from group undertakings	74	228
Interest payable on other loans	6	-
	<u>80</u>	<u>228</u>

4 Notes to profit and loss account

	2009 £000	2008 £000
<i>Loss on ordinary activities before taxation is stated after charging</i>		
<i>Auditors' remuneration</i>		
Audit of these financial statements	7	7
Amounts receivable by the auditors and their associates in respect of Other services relating to taxation	5	5
	<u>12</u>	<u>12</u>

None of the directors received any remuneration in respect of their services to the company, nor were any contributions paid into money purchase schemes on their behalf (2008 *£nil*)

The company had no employees in the year ended 31 December 2009 (2008 *nil*)

Notes (continued)

5 Taxation

<i>Analysis of charge in period</i>	2009	2008
	£000	£000
<i>UK corporation tax</i>		
Current tax on income for period	-	-
	<hr/>	<hr/>
Total current tax charge	-	-
	<hr/>	<hr/>

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2008 higher) than the standard rate of corporation tax in the UK (28%, 2008 28.5%). The differences are explained below

<i>Current tax reconciliation</i>	2009	2008
	£000	£000
Loss on ordinary activities before taxation	(42)	(87)
	<hr/>	<hr/>
Current tax at 28% (2008 28.5%)	(12)	(25)
	<hr/>	<hr/>
<i>Effects of</i>		
Group relief surrender	12	25
	<hr/>	<hr/>
Total current tax charge	-	-
	<hr/>	<hr/>

6 Dividends

The aggregate amount of dividends comprises

	2009	2008
	£000	£000
Final dividends paid in respect of prior year but not recognised as liabilities in that year	-	-
	<hr/>	<hr/>

The aggregate amount of dividends proposed and recognised as liabilities as at the year end is £nil (2008 £nil)

Notes (continued)

7 Investments

	Shares in subsidiary undertakings £000
Cost and net book value At 1 January 2009 and 31 December 2009	10,526

The companies in which the Company's interest at the year end is more than 20% are as follows

	Country of incorporation	Principal activity	Class and percentage of shares held
<i>Subsidiary undertakings</i>			
Danfoss Limited	England and Wales	Supply of controls and drives for electrical and refrigeration industries	100% ordinary shares
Danfoss Randall Limited	England and Wales	Manufacture and supply of time switches and thermostatic valves	100% ordinary shares

8 Debtors

	2009 £000	2008 £000
Amounts owed by group undertakings	12,074	6,023

Interest is receivable on the loans to group undertakings based on LIBOR

9 Creditors: amounts falling due within one year

	2009 £000	2008 £000
Overdraft	177	-
Amounts owed to group undertakings	13,712	7,905
Accruals and deferred income	63	-
	13,952	7,905

Interest is payable on the loans to subsidiary undertakings based on LIBOR

Notes (continued)

10 Deferred tax

	2009 £000	2008 £000
	Unrecognised	Unrecognised
Capital losses	40	40

The directors have considered the extent to which deferred tax assets will be recoverable and believe it is appropriate not to recognise an asset on the balance sheet at the current time

11 Called up share capital

	2009 £000	2008 £000
<i>Authorised, allotted, called up and fully paid</i> 6,200,000 ordinary shares of £1 each	6,200	6,200
Shares classified in shareholder's funds	6,200	6 200

12 Reserves

	Profit and loss account £000
At beginning of year	2,490
Loss for the year	(42)
At end of year	2,448

13 Reconciliation of movement in shareholder's funds

	2009 £000	2008 £000
Loss for the financial year	(42)	(87)
Retained loss	(42)	(87)
Net reduction in shareholder's funds	(42)	(87)
Opening shareholder's funds	8,690	8 777
Closing shareholder's funds	8,648	8,690

Notes *(continued)*

14 Ultimate parent company and parent undertaking of larger group of which the company is a member

The Company is a subsidiary undertaking of Danfoss A/S which is the ultimate parent company incorporated in Denmark

The largest and smallest group in which the results of the Company are consolidated is that headed by Danfoss A/S. The consolidated financial statements of this group are available to the public and may be obtained from Danfoss A/S, 6430 Nordborg, Denmark

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OFFICIAL RECEIVER RECEIVED	
Examiner	Official Receiver