

Johnson Controls Limited

Annual Report & Financial Statements For the year ended 30 September 2004



***Johnson Controls Limited
Park West One, Farnborough Aerospace Centre,
2 Woodside Road, Farnborough, Hampshire, GU14 6XR
Tel: 01252 451000 Fax: 01252 451001***

Company Registration No.2609164

Company Information

Directors:

E Auzepy
G Holden
J P Kennedy
K Wooden

Auditors:

PricewaterhouseCoopers LLP
31 Great George Street
Bristol BS1 5QD

Company Secretary:

K Wooden

Solicitors:

Wragg & Co
55 Colmore Row
Birmingham
B3 2AS

Bankers:

National Westminster Bank Plc
Majors Corporate Business Centre
PO Box 12264
Mezzanine Floor
1 Princes Street
London EC2R 8PB

Registered Office:

Park West One
Farnborough Aerospace Centre
2 Woodside Road
Farnborough
Hampshire GU14 6XR

Company Registration No:

2609164

Johnson Controls Ltd

Report of the Directors

The Directors present their annual report and audited financial statements of the Company for the year ended 30 September 2004.

Results and Dividend

The results for the year and the financial position of the Company are shown in the annexed financial statements. The Directors agreed that a dividend of £1,600,000 was paid in the year. (2003: Nil). The retained profit for the year ended 30 September 2004 is £16,069,000 (2003: £18,391,000).

Business Review and Future Prospects

The Company's principal activity is the management of property and facilities, incorporating the provision of business support activities, related consulting and project management services operated out of the UK and a branch in Ireland.

Turnover was £260,922,000 (2003: £255,819,000) and operating profit was £18,440,000 (2003: £17,255,000). Continued profitability is anticipated in the foreseeable future.

Interests of Directors

None of the Directors had any share interests in the Company at 30 September 2004 or at 30 September 2003. The directors had no further interests that require disclosure.

Payment of Creditors

The Directors consider that the Company operates a policy that reflects market conditions and the industry norm. The number of days that the company takes to pay its suppliers is 47 days (2003: 45 days).

Johnson Controls Ltd

Report of the Directors (continued)

Directors

The following served as Directors during the year and to the date of this report:

J P Kennedy
G Holden
K Wooden
E Auzepy

Employees

The Company recognises that its key business assets are its employees and management team. As such Human Resource policy forms a cornerstone of the Company's ethics and beliefs.

The Company seeks to ensure that the remuneration package for staff is competitive within the industry. Directors' remuneration further reflects the performance of the business by putting a proportion of their salaries at risk if targets are not met.

The Company continues to seek excellent employee relations achieved through an open style of communication facilitated by team meetings, an in-house magazine, executive visits and a cascade process to ensure communication of business strategies, results and continuous improvement in service delivery.

The Company remains an equal opportunities employer and ensures there is equality in applications for employment, training, career development and promotion. Applicants for employment are selected according to their aptitude and experience with reference to the requirements of the job.

Training and development of staff remains a high priority programme. Significant investment in training has continued with particular emphasis on customer facing communication skills, professional development and technical education.

It is the policy of the company that there should be no unfair discrimination in considering applications for employment, including those from disabled persons. Should any member of staff become disabled, every practical effort is made to provide continued employment.

Johnson Controls Ltd

Report of the Directors (continued)

Directors' Responsibilities for the Financial Statements

Company law requires the Directors to prepare financial statements for each financial period which 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 those financial statements, the Directors are required to:

- a) select suitable accounting policies and then apply them consistently.
- b) make judgements and estimates that are reasonable and prudent.
- c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

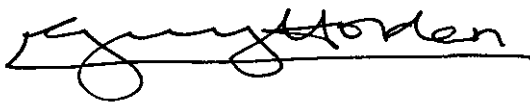
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with the provisions of Section 386 of the Companies Act 1985, the Company has dispensed with the obligation to appoint auditors annually. In the absence of a notice proposing termination of the appointment, the auditors PricewaterhouseCoopers LLP, will be deemed to be re-appointed for the next financial year.

Approved by the Board and signed on its behalf by:

Director
Dated:


21.12.04

Johnson Controls Ltd
Independent Auditors Report to the
Members of Johnson Controls Limited

We have audited the financial statements which comprise of the profit and loss account, the balance sheet and the related notes to the accounts.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

Johnson Controls Ltd
Independent Auditors Report to the
Members of Johnson Controls Limited
(continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company affairs at 30 September 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
31 Great George Street
Bristol
BS1 5QD

Date: 22 December 2004

Johnson Controls Limited
Profit and Loss Account
For the year ended 30 September 2004

		2004	2003
	<i>Notes</i>	£'000	£'000
Turnover	1	260,922	255,819
Cost of sales		<u>(233,090)</u>	<u>(227,495)</u>
Gross profit		27,832	28,324
Administrative expenses		(8,804)	(10,468)
Rationalisation costs		<u>(588)</u>	<u>(601)</u>
Operating profit	2	18,440	17,255
Net interest receivable	4	<u>2,276</u>	<u>1,384</u>
Profit on ordinary activities before tax		20,716	18,639
Tax on profit on ordinary activities	5	<u>(3,047)</u>	<u>(248)</u>
Profit on ordinary activities after tax		17,669	18,391
Dividends	6	<u>(1,600)</u>	<u>-</u>
Retained profit	14,15	<u><u>16,069</u></u>	<u><u>18,391</u></u>

There are no recognised gains or losses other than the profit for the year. There is no difference between the profit as stated above and that calculated on a historical cost basis.

All of the companies turnover and operating profit was generated by the continuing operations.

The notes on pages 9 to 25 form part of these accounts.

Johnson Controls Limited

Balance Sheet as at 30 September 2004

		2004	2003
			<i>Restated</i>
			<i>(note 11)</i>
	<i>Notes</i>	<i>£'000</i>	<i>£'000</i>
<i>Fixed assets</i>			
Tangible assets	7	1,657	1,318
<i>Current assets</i>			
Stocks and work in progress	8	1,027	1,177
Debtors	9	105,582	93,904
Cash at bank and in hand		4,448	945
		<u>111,057</u>	<u>96,026</u>
<i>Current liabilities</i>			
Creditors (amounts falling due within one year)	10	(64,618)	(65,249)
<i>Net current assets</i>		46,439	30,777
<i>Total assets less current liabilities</i>			
		48,096	32,095
Provisions for liabilities & charges	11	(2,744)	(2,812)
		<u>45,352</u>	<u>29,283</u>
<i>Share capital and reserves</i>			
Called up share capital	13	8,136	8,136
Share premium account	14	9	9
Other reserves	14	302	302
Profit and loss account	14	36,905	20,836
Equity shareholders' funds	15	<u>45,352</u>	<u>29,283</u>

The notes on pages 9 to 25 form part of these accounts.

The financial statements were approved by the Board of Directors on 21.12.04 and are signed on their behalf by:-

.....

DIRECTOR

Johnson Controls Limited

Accounting Policies

For the year ended 30 September 2004

The accounting policies relating to these financial statements are set out below:

a) Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies of the Company have remained unchanged from the previous period and are set out below.

b) Turnover

Turnover is the total amount receivable by the Company for goods and services provided, excluding VAT. Service revenue is recognised as earned over the period of the contract. Performance revenue is recognised once the performance criteria have been fulfilled and the revenue is reasonably certain. Costs are expensed as they are incurred

c) Tangible Fixed Assets

Tangible Fixed Assets are included at cost (or fair value on acquisition) less accumulated depreciation. Depreciation is calculated using the straight-line method. The periods generally applicable are:

Fixtures and fittings	10 Years
Plant and Equipment	3-10 years
Computer Hardware and Software	2-4 years
Other assets	2-5 Years

Development costs are written off in the year in which cost is incurred.

d) Goodwill

Goodwill on acquisition arising prior to the introduction of FRS 10 has been written off to reserves.

Johnson Controls Limited

Accounting Policies

For the year ended 30 September 2004

e) Stocks and work in progress

Stock and work-in-progress relates to contracts and is valued at the lower of cost and net realisable value.

f) Taxation

Tax payable on profits for the year is provided at current rates. Tax deferred or accelerated as a result of timing differences between the treatment of certain items for taxation and for accounting purposes is provided in full. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that there will be suitable profits against which the deferred asset can be recovered in future periods.

g) Contributions to the pension fund

The Company operates two schemes, one defined contribution scheme and one defined benefit scheme. The pension costs charged against the profit and loss account for the defined contribution scheme represent the amount of the contributions payable to the schemes in respect of the accounting period. For the defined benefit scheme, contributions are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives with the Company. Further disclosures in relation to the defined benefit scheme are included in note 18 to the accounts.

h) Leasing

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their useful lives. The capital elements of future obligations under leases and hire purchase contracts are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged to the profit and loss account over the period of the lease or hire purchase contract and represent a constant proportion of the balance of capital repayments outstanding.

During the normal course of business, the Company can be required to act as an intermediary lessor of equipment under operating leases. Operating lease income and rentals are recognised in the profit and loss account as they are incurred.

Johnson Controls Limited

Accounting Policies

For the year ended 30 September 2004

i) Foreign Currency Translation

All transactions are translated at the exchange rate in force at the time the transaction took place. Balances denominated in foreign currencies at the year end are translated into sterling at the rates prevailing at that date. Any exchange gains or losses arising on settlement or translation are charged to the profit and loss account as they arise.

j) Cashflow Statement

The financial statements of the ultimate parent undertaking, Johnson Controls Inc. are publicly available and include a consolidated cashflow statement dealing with the cashflows of the group. The Company is therefore exempt from preparing a cashflow statement under FRS 1(revised) and accordingly, no statement is included within these financial statements.

Johnson Controls Limited
Notes to the Financial Statements
For the year ended 30 September 2004

1. Turnover and segmental reporting

The turnover arises from the one trading activity of the Company, which arose in the following Countries by origin and destination:

Turnover

Country	2004	2003
	£'000	£'000
UK	251,088	250,331
Other EC Countries	9,834	5,488
TOTAL	260,922	255,819

Profit before Tax

Country	2004	2003
	£'000	£'000
UK	19,653	18,126
Other EC Countries	1,063	513
TOTAL	20,716	18,639

Net Assets

Country	2004	2003
	£'000	£'000
UK	42,864	28,338
Other EC Countries	2,488	945
TOTAL	45,352	29,283

Johnson Controls Limited
Notes to the Financial Statements
For the year ended 30 September 2004

2. Operating Profit

Operating profit is stated after charging:

	2004 £'000	2003 £'000
Auditor's remuneration: Audit services	58	58
Auditor's remuneration: Non audit services	20	46
Depreciation of Owned Assets	788	909
Operating Lease Rentals: Plant & Machinery	1,490	2,245
Operating Lease Rentals: Land and Buildings	315	296
Rationalisation Costs	588	601

The rationalisation costs were incurred in relation to the elimination of surplus capacity on one of the Company's public sector contracts.

		2004 £'000	2003 £'000
Rationalisation Costs			
	Note		
Rationalisation provision movement	11	257	524
Other expenses		331	77
		<u>588</u>	<u>601</u>

3. Staff costs

Staff costs during the period were as follows:

	2004 £'000	2003 £'000
Wages and salaries	65,084	64,860
Social security costs	6,512	6,034
Other pension costs	4,034	4,066
	<u>75,630</u>	<u>74,960</u>

Johnson Controls Limited
Notes to the Financial Statements
For the year ended 30 September 2004

3. Staff Costs (continued)

The average number of employees was 2,818 (2003 - 3,090), all of whom were engaged in the property and facilities management business.

Remuneration in respect of Directors was as follows:

	2004	2003
	£'000	£'000
Directors remuneration	168	191
Pension Contributions	11	11
	<u>179</u>	<u>202</u>

The emoluments of Mr J P Kennedy and Mr E Auzepy are paid by the ultimate parent company. Their emoluments are deemed to be wholly attributable to their services to that company. Their services to this company are of a non-executive nature. Accordingly, the above details include no emoluments in respect of Mr J P Kennedy or Mr E Auzepy.

The emoluments of Mr K Wooden included above, are paid by Johnson Control Systems Limited, a fellow subsidiary undertaking, which bears the charge for his emoluments.

In addition to the above, Mr G Holden has received aggregate emoluments of £115,000 from the company for his services to Johnson Control Systems Limited, a fellow subsidiary undertaking. These costs have been borne by the company with no amount having been re-charged to Johnson Control Systems Limited.

The emoluments of the highest paid director in respect of his services to the company, including benefits and performance related bonus, was:

Highest paid Director:	2004	2003
	£'000	£'000
Remuneration	108	121
Pension contributions	7	7
Total	<u>115</u>	<u>128</u>

Johnson Controls Limited
Notes to the Financial Statements
For the year ended 30 September 2004

The number of Directors that had amounts paid into defined contribution schemes by the Company was 1 (2003: 1). Accrued pension at the end of the year under defined benefit schemes was nil.

4. Net interest receivable

	2004	2003
	£'000	£'000
Interest payable to group undertakings	(5)	(2)
Other Interest receivable	2,281	1,386
Net Interest receivable	<u>2,276</u>	<u>1,384</u>

5. Tax on profit on ordinary activities

(a) The tax charge is based on the profit for the period and represents:

	2004	2003
	£'000	£'000
United Kingdom corporation tax: Current Year	3,248	-
Prior year	(201)	248
Total	<u>3,047</u>	<u>248</u>

The rate of Corporation Tax used was 30% (2003: 30%)

(b) The current tax charge impacted by:

	2004	2003
	£'000	£'000
Profit on ordinary activities before tax	20,716	18,639
Profit before tax multiplied by the UK tax rate of 30%	6,215	5,592
<i>Effects of</i>		
Depreciation for the period in excess of capital allowances	51	11
Movement on other timing differences	(269)	(180)
Unpaid group relief	(3,037)	(5,498)
Expenses not deductible for tax purposes	288	75
Adjustments to tax charge in respect of previous period	(201)	248
Current tax charge for the period	<u>3,047</u>	<u>248</u>

Johnson Controls Limited
Notes to the Financial Statements
For the year ended 30 September 2004

6. Dividends

	2004	2003
	£'000	£'000
Equity dividends on ordinary shares :		
Final paid	1,600	-
	<u>1,600</u>	<u>-</u>

7. Tangible fixed assets

	Fixtures & Fittings and Computer Equipment	Plant & Machinery and Other Equipment	Total
	£'000	£'000	£'000
Cost			
At 30 September 2003	3,470	1,500	4,970
Additions	838	301	1,139
Disposals	(360)	(231)	(591)
At 30 September 2004	<u>3,948</u>	<u>1,570</u>	<u>5,518</u>
Depreciation			
At 30 September 2003	2,405	1,247	3,652
Charge for the period	616	172	788
Disposals	(354)	(225)	(579)
At 30 September 2004	<u>2,667</u>	<u>1,194</u>	<u>3,861</u>
Net Book Amount			
At 30 September 2004	<u>1,281</u>	<u>376</u>	<u>1,657</u>
At 30 September 2003	<u>1,065</u>	<u>253</u>	<u>1,318</u>

Johnson Controls Limited
Notes to the Financial Statements
For the year ended 30 September 2004

8. Stocks and work in progress

	2004	2003
	£'000	£'000
Raw materials and consumables	113	177
Work in progress	914	1,000
	<u>1,027</u>	<u>1,177</u>

9. Debtors

	2004	2003
	£'000	£'000
Trade debtors	25,300	25,560
Amounts owed by group undertakings	76,747	64,623
Corporation tax	1,314	1,799
Prepayments and accrued income	731	1,047
Other debtors	1,490	875
	<u>105,582</u>	<u>93,904</u>

There are no debtors due after more than one year.

10. Creditors (amounts falling due within one year)

	2004	2003
	£'000	<i>Restated</i> <i>(note 11)</i> £'000
Payments received on account	13,436	12,301
Trade creditors	36,693	34,957
Amounts owed to group undertakings	1,365	4,242
Other creditors	1,078	1,626
Social security and other taxes	4,570	4,944
Accruals and deferred income	7,476	7,179
	<u>64,618</u>	<u>65,249</u>

During the year provisions of £3,729,000 have been re-classified to accruals and deferred income and the comparatives have been restated (see note 11).

Johnson Controls Limited
Notes to the Financial Statements
For the year ended 30 September 2004

11. Provisions for liabilities and charges

	Rationalisation Provision £'000	Other Provisions £'000	Total £'000
Balance as at 30 September 2003	2,451	361	2,812
Charged to Profit and Loss Account	257	120	377
Credited to the Profit and Loss Account	-	(134)	(134)
Payments made during the year	(311)	-	(311)
Balance as at 30 September 2004	2,397	347	2,744

Restatement

During the year provisions of £3,729,000 have been re-classified to accruals and deferred income to better reflect the nature of the transactions and the comparatives have been restated.

Rationalisation provision

The Company undertook a major rationalisation of one of its Public Sector contracts to eliminate surplus capacity on this contract. The provision represents the future liabilities arising as a consequence of the rationalisation.

Other provisions

Other provisions comprise the relocation of the company head office and the vacating of the existing office space £126,000 (2003: £147,000), outstanding personal injury claims of £70,000 (2003: £100,000) and industrial tribunals £151,000 (2003: £114,000).

Johnson Controls Limited
Notes to the Financial Statements
For the year ended 30 September 2004

12. Deferred taxation

The Company has no potential deferred tax liability. The company has not recognised its deferred tax asset of £1,942,277 (2003: £1,904,000) as it is not considered more likely than not it will be recovered in future periods.

13. Share capital

	Number	2004 £'000	Number	2003 £'000
Authorised: Ordinary 5p 'A' Shares	342,734,340	17,136	342,734,340	17,136
Allotted and called up: Ordinary 5p 'A' Shares	162,734,340	8,136	162,734,340	8,136

14. Reserves

	Profit And Loss £'000	Capital Redemption £'000	Share Premium £'000	Total £'000
At 30 September 2003	20,836	302	9	21,147
Retained profit	16,069	-	-	16,069
At 30 September 2004	36,905	302	9	37,216

Johnson Controls Limited
Notes to the Financial Statements
For the year ended 30 September 2004

15. Reconciliation of movement in shareholders' funds

	2004 £'000	2003 £'000
Profit for the financial year	16,069	18,391
Shareholders' funds brought forward	29,283	10,892
Shareholders' funds carried forward	<u>45,352</u>	<u>29,283</u>

All shareholders funds relate to equity interests.

16. Capital expenditure commitments

The Company had no capital commitments at 30 September 2004 or at 30 September 2003.

17. Contingent liabilities

The Company has guaranteed the borrowings of certain other UK group companies under a cross composite guarantee, which is limited to £30,000,000. There were no other contingent liabilities at 30 September 2004 or at 30 September 2003.

18. Pensions

The Company operates a defined contribution pension scheme for the benefit of Employees and Directors. The assets of the scheme are administered by an Insurance Company and are held in a fund independent from the assets of the Company.

The Company also established on 1 April 1995 a pension scheme for certain employees providing benefits based on final pensionable pay. The company defined benefit scheme is closed to new members. Existing members are accruing future benefits under the defined benefit scheme hence future service costs will increase as members approach retirement. The assets of the scheme are held in a Trust Fund separately from the assets of the Company. Contributions are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The last valuation was at 30 September 2002. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that investment returns pre retirement would be 7% per annum and post retirement would be 5%, that salary increases would average 3.25% per annum and that future pensions would increase at the rate of 2.25% per annum.

Johnson Controls Limited
Notes to the Financial Statements
For the year ended 30 September 2004

18. Pensions (continued)

The valuation showed that the market value of the scheme's assets was £20,153,000 and the actuarial value of those assets was sufficient to cover 65% of the benefits that had accrued to members.

The last actuarial valuation for the scheme assessed the contribution rate needed for future service from 30 September 2002. On the basis that members make contributions of 6.75% of pensionable salaries, the Company has agreed to make contributions at 25% of members' pensionable salaries. The pension charge for the period from 1 October 2003 to 30 September 2004 was £2,302,000 (2003 £2,294,000). At 30 September 2004, the pension provision held in the balance sheet is £2,129,000 (2003 £1,170,000).

Included in Creditors is £ 3,589 (2003: £1,703) in respect of contributions to the two schemes.

FRS 17 disclosures

The Johnson Controls Pension Scheme is a defined benefit arrangement. The last full funding valuation was carried out as at 30 September 2002. A qualified independent actuary has updated the results of that valuation to 30 September 2004 to obtain the figures in this disclosure note.

The major assumptions used were:

	30 September 2004	30 September 2003
Rate of increase in salaries	3.90%	3.75%
Rate of increase to pensions in payment	2.90%	2.75%
Rate of increase to pensions in deferment	2.90%	2.75%
Discount rate	5.56%	5.25%
Inflation assumption	2.90%	2.75%

Johnson Controls Limited
Notes to the Financial Statements
For the year ended 30 September 2004

18. Pensions (continued)

The assets in the scheme and the expected rates of return were:

	Long-term rate of return expected at 30 September 2004	Value at 30 September 2004 £'000	Long-term rate of return expected at 30 September 2003	Value at 30 September 2003 £'000
Equities	8.50%	15,855	8.00%	16,452
Bonds	5.25%	10,659	5.00%	6,778
Other	5.25%	214	5.00%	534
Total market value of assets		26,728		23,764
 Present value of scheme liabilities		 (43,997)		 (41,110)
Deficit in the scheme		(17,269)		(17,346)
Related deferred tax asset		5,181		5,204
Net pension liability		(12,088)		(12,142)

Analysis of amount charged to operating profit

	30 September 2004 £'000	30 September 2003 £'000
Current service cost	1,224	893
Gains on any settlements and curtailments	-	-
Total operating charge	1,224	893

Johnson Controls Limited
Notes to the Financial Statements
For the year ended 30 September 2004

18. Pensions (continued)

Analysis of amount credited to other finance income

	30 September 2004	30 September 2003
	£'000	£'000
Expected return on pension scheme assets	1,724	1,546
Interest on pension scheme liabilities	(2,182)	(1,707)
Net return	<u>(458)</u>	<u>(161)</u>

Analysis of amount recognised in Statement of total recognised gains and losses (STRGL)

	30 September 2004	30 September 2003
	£'000	£'000
Actual return less expected return on pension scheme assets	210	1,265
Experience gains and losses arising on the scheme liabilities	(616)	(16)
Changes in financial assumptions underlying the scheme liabilities	822	(8,130)
Actuarial gain/(loss) recognised in STRGL	<u>416</u>	<u>(6,881)</u>

Balance sheet presentation

	30 September 2004	30 September 2003
	£'000	£'000
Net assets excluding pension liability	47,481	30,453
Net pension liability	(12,088)	(12,142)
Net assets including pension asset	<u>35,393</u>	<u>18,311</u>

Reserves note

	30 September 2004	30 September 2003
	£'000	£'000
Profit and loss reserve excluding pension liability	39,034	22,006
Net pension liability	(12,088)	(12,142)
Profit and loss reserve	<u>26,946</u>	<u>9,864</u>

Johnson Controls Limited
Notes to the Financial Statements
For the year ended 30 September 2004

18. Pensions (continued)

Movements in Deficit During the Year

	30 September 2004	30 September 2003
	<i>£'000</i>	<i>£'000</i>
Deficit in scheme at beginning of the year	(17,346)	(10,535)
Movement in year:		
Current service cost	(1,224)	(893)
Contributions	1,343	1,124
Other finance income	(458)	(161)
Actuarial gain/(loss)	416	(6,881)
Deficit in scheme at the end of the year	<u>(17,269)</u>	<u>(17,346)</u>

History of Experience Gains and Losses

	30 September 2004	30 September 2003
Difference between the expected and Actual return on scheme assets:		
Amount (<i>£'000</i>)	210	1,265
Percentage of scheme assets	1%	5%
Experience gain/(loss) on scheme liabilities:		
Amount (<i>£'000</i>)	(616)	(16)
Percentage of the present value Of the scheme liabilities	(1%)	0%
Total amount recognized in statement of Total recognised gains and (losses):		
Amount (<i>£'000</i>)	416	(6,881)
Percentage of the present value Of the scheme liabilities	1%	(17%)

Johnson Controls Limited
Notes to the Financial Statements
For the year ended 30 September 2004

19. Operating Lease Commitments

Rentals during the year following the balance sheet date:

	Land & Buildings	Land & Buildings	Other	Other	Total	Total
<i>Expiring</i>	£'000	£'000	£'000	£'000	£'000	£'000
	2004	2003	2004	2003	2004	2003
Within one year	84	11	-	-	84	11
Between one and five years	5	182	460	1,491	465	1,673
After five years	85	79	627	-	712	79
	174	272	1,087	1,491	1,261	1,763

20. Immediate and Ultimate Parent Undertaking

The immediate parent undertakings of Johnson Controls Limited is Johnson Controls (UK) Limited. The ultimate parent undertaking and ultimate controlling party of Johnson Controls Limited is Johnson Controls Inc, a company incorporated in the United States of America. Johnson Controls Inc is the largest company preparing consolidated accounts which include the accounts of Johnson Controls Limited.

Accounts of Johnson Controls Inc may be obtained from:

Johnson Controls Inc
PO Box 591
MILWAUKEE WI 53201
USA

21. Related Party Transactions

The Company has taken advantage of the exemption under FRS 8 from disclosing related party transactions with 100% members of the Johnson Controls Inc group.