

Novar Finance Limited

Report and accounts 2005

Company registration number 2948448



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COMPANIES HOUSE 31/03/2006

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Directors' report

for the year ended 31 December 2005

The directors of Novar Finance Limited present their report and financial statements of the company for the year ended 31 December 2005.

Principal activities

The principal activity of the company is that of a holding company.

Review of business and future developments

The company received dividends of £nil from subsidiary undertakings in the year (2004: £nil). The directors do not anticipate a change in the company's activities in the foreseeable future.

Results and dividends

The company's profit for the financial year was £nil (2004:£nil) which will be transferred to reserves.

The directors do not recommend the payment of a dividend.

Directors and their interests

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

Novar Nominees Limited
Rallip Holdings Limited

The directors have no interest in the shares or debentures in the company or any other company in the group that are required to be disclosed under schedule 7A of the Companies Act 1985. The company's ultimate parent undertaking, Honeywell International Inc., is incorporated outside the United Kingdom. As permitted by a statutory instrument, the register of directors' interests maintained in accordance with Section 325 of the Companies Act 1985 does not include the interests of directors in the shares of the ultimate parent undertaking.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2005 and that applicable accounting standards have been followed.

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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



On behalf of Novar Nominees Ltd
29 March 2006

Balance sheet

as at 31 December 2005

	Notes	2005 £000	2004 £000
Current assets			
Debtors: amounts falling due after more than one year	5	90,000	90,000
Net current assets		<u>90,000</u>	<u>90,000</u>
Total assets less current liabilities		90,000	90,000
Net assets		<u>90,000</u>	<u>90,000</u>
Capital and reserves			
Called up share capital	6	90,000	90,000
Profit and loss account	8	(16,229)	(16,229)
Other reserves	8	16,229	16,229
Total equity shareholders' funds	7	<u>90,000</u>	<u>90,000</u>
Attributable to equity shareholders		(16,229)	(16,229)
Attributable to non-equity shareholders		106,229	106,229
		<u>90,000</u>	<u>90,000</u>

For the year ended 31 December 2005 the company was entitled to the exemption under section 249A(1) of the Companies Act 1985.

Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

(i) ensuring the company keeps accounting records which comply with section 221; and

(ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The financial statements on pages 2 to 4 were approved by the board of directors on 29 March 2006 and were signed on its behalf by:



Director

Notes to the accounts

for the year ended 31 December 2005

1. Accounting policies

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The accounting policies which have been applied consistently throughout the year are set out below;

Investments

The company's interest in subsidiary undertakings and other investments is shown at cost less provision for permanent impairment. The value of investments is reviewed annually by the directors and provision made where it is considered that there has been a permanent impairment of value.

Taxation

Taxation is calculated on profits chargeable to UK corporation tax at the current rate applicable.

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 regarded as recoverable and therefore 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 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 or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Provisions

A provision is recognised when the company has a present obligation as a result of a past event, and if it is probable that a transfer of economic benefits will be required to settle the obligation and that a reliable estimate can be made of that obligation.

Related party transactions

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

2. Cash flow statement

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.

3. Employees and directors

There were no employees during the year. The directors received no remuneration during the year for their services to the company (2004:nil).

4. Dividends paid and proposed

	2005	2004
	<u>£000</u>	<u>£000</u>
3.8% cumulative preference dividend on non-equity shares:	-	3,420
proposed	-	-
	<u>-</u>	<u>3,420</u>

5. Debtors

	2005	2004
	<u>£000</u>	<u>£000</u>
Amounts falling due after more than one year		
Amounts owed by parent undertakings and fellow subsidiary undertaking	90,000	90,000
	<u>90,000</u>	<u>90,000</u>

Notes to the accounts continued

for the year ended 31 December 2005

6. Called up share capital	2005 £	2004 £
<i>Authorised</i>		
25,000,100 ordinary shares of £1 each	25,000,100	25,000,100
10 preference shares of £10,000,000 each	100,000,000	100,000,000
	<u>125,000,100</u>	<u>125,000,100</u>
<i>Allotted, called up, and fully unpaid</i>		
81 ordinary shares of £1 each	81	81
9 cumulative preference shares of £10,000,000 each	90,000,000	90,000,000
	<u>90,000,081</u>	<u>90,000,081</u>
 7. Movements on equity shareholders' funds	 2005 £000	 2004 £000
Opening equity shareholders' funds as at 1 January	90,000	90,000
Loss for the financial year		(3,420)
Appropriation to other reserves		3,420
Closing equity shareholders' funds at 31 December	<u>90,000</u>	<u>90,000</u>
 8. Reserves	 Profit and loss account £000	 Other reserves £000
At 1 January 2005 and 31 December 2005	<u>(16,229)</u>	<u>16,229</u>

9. Ultimate parent undertakings

The immediate parent undertaking is Novar Limited.

The smallest group of which the company is a subsidiary which produces consolidated accounts is Honeywell Group Holding UK, a company registered in England and Wales. Copies of these group accounts are available from Honeywell House, Arlington Business Park, Bracknell, Berkshire, RG12 1EB. The ultimate parent and controlling party is Honeywell International Inc., a company incorporated in the USA, which is the 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.