

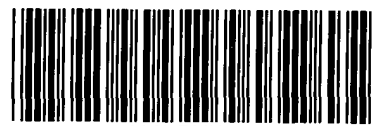
Registered No. 3056154

NORTEK (UK) LIMITED

Annual Report and Accounts

for the year ended 31 December 2013

SATURDAY



A3HBMK7K

A16

27/09/2014

#203

COMPANIES HOUSE

NORTEK (UK) LIMITED

Directors and advisers

Executive directors

A C Hall

K W Donnelly

Registered auditor

Baker Tilly UK Audit LLP

Hanover House

18 Mount Ephraim Road

Tunbridge Wells

Kent

TN1 1ED

Secretary and registered office

K W Donnelly

C/o 10 Norwich Street

London

EC4A 1BD

Solicitors

MacFarlanes

10 Norwich Street

London

EC4A 1BD

NORTEK (UK) LIMITED

Strategic Report

For the year ended 31 December 2013

The directors present their strategic report on the Company for the year ended 31 December 2013.

Principal Activities

The principal activity of the Company is the ownership of its operating subsidiaries, which are engaged in the manufacture, marketing and distribution of cooker hoods, motors, electrical transformers, plastic materials and dies, the design, manufacture, sale, installation and service of air conditioning, air handling, heating and humidification equipment. The Company's registered number is 3056154.

During 2013, the Company's two wholly-owned operating groups were Eaton-Williams Holdings Limited and its subsidiaries ("Eaton-Williams") and Best S.p.A. and its subsidiaries ("Best"). Refer to Subsequent Events in the Directors' Report for 2014 acquisitions.

Business review and future prospects

The results for the period are set out in the profit and loss account on page 7. The directors expect the present level of activity, excluding the provision for impairment losses on investments, will be sustained for the foreseeable future.

Key performance indicators

Given the nature of the Company's activities, analysis using key performance indicators is not necessary for an understanding of the Company's operations.

Capital and financial risk management

The Company's objectives when managing capital and risk are to safeguard the Company's ability to continue as a going concern in order to continue to function in its role as an intermediate parent company for certain UK and other European incorporated members of the Nortek group.

The Company is funded by a combination of debt and equity, and its financial instruments comprise cash at bank and accruals only. The directors of Nortek, Inc. manage the risks and financing at a group level, and a detailed explanation in this report of the group's risks is not appropriate for an understanding of the development, performance or position of the Company's business.

By order of the Board



Almon C. Hall

Chairman

24 September 2014

NORTEK (UK) LIMITED

Directors' Report

For the year ended 31 December 2013

The directors present their annual report on the affairs of the Company, together with the accounts and auditor's report for the year ended 31 December 2013.

Results and Dividends

The Company loss for the year after taxation was £14,798,000 (2012 - £3,619,000).

No cash dividend has been declared or is proposed in respect of the results for the year (2012 - £nil).

Directors

The directors of the Company who served throughout the year and subsequently are as follows:

Director

Almon C. Hall

Edward J. Cooney (deceased 20 March 2013)

Kevin W. Donnelly (appointed 21 March 2013)

Directors' qualifying third party indemnity provisions

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

Subsequent events

From 1 January 2014 through 23 August 2014, Nortek Holding B.V., the Company's parent, reinforced the equity position of the Company with capital contributions of approximately £8.7 million. The Company used a portion of the proceeds to contribute capital of approximately £5.2 million to Best and £1.8 million to Eaton-Williams.

On 30 April 2014, Nortek, Inc. ("Nortek") completed the acquisition of the heating, ventilation and air conditioning business of Thomas & Betts Corporation ("Reznor"). In connection with this acquisition Nortek entered into a loan agreement with the Company to fund the purchase price for the Company's acquisition of the European entities of Reznor (the "Acquisition Note"), which include Ambirad Group Limited, Ambirad Limited, Reznor (UK) Limited, Reznor Europe NV and Gaz Industries. The Acquisition Note was for approximately \$77.4 million (approximately £46 million) and is denominated in US dollars. The Acquisition Loan includes a short-term portion of \$6 million due September 18, 2014 bearing no interest and a long-term portion for the remaining balance which is repayable in full on 30 April 2023 bearing interest at 2%. All of the proceeds were used to fund the acquisition of the European entities of Reznor. On 24 June 2014, Ambirad Limited paid an approximately £0.8 million dividend to the Company.

NORTEK (UK) LIMITED

Directors' Report (continued)

For the year ended 31 December 2013

Directors' Responsibilities Statement

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare 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 those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 are also responsible for the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Group Financial Statements

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 401 of the Companies Act 2006 because its ultimate parent company, Nortek, Inc. prepares consolidated financial statements on a basis equivalent to consolidated accounts drawn up in accordance with the provisions of the Seventh Directive and which are publicly available.

Cash Flow Statement

The Company has taken advantage of the exemption under Financial Reporting Standard No. 1 not to prepare a cash flow statement as its ultimate parent company, Nortek, Inc., a company incorporated in the United States of America, prepares consolidated accounts which include the results of the Company and are available to the public.

NORTEK (UK) LIMITED

Directors' Report (continued)

For the year ended 31 December 2013

Going Concern

Nortek, Inc. a company incorporated in the United States of America, whose consolidated accounts include the results of the Company and are available to the public, has confirmed its intention to provide continuing financial support to enable the Company to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements.

Nortek has confirmed its intention to provide continuing financial support to the Company so that the Company can provide Eaton-Williams with the support necessary for it to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements.

Nortek has confirmed its intention to provide continuing financial support to the Company so that the Company can provide continuing financial support to Best. Such financial support is expected to continue for a minimum period of twelve months from the date of the approval of Best's fiscal 2013 statutory consolidated financial statements.

The Company, in connection with its annual impairment analysis, has fully reserved its investments in Eaton-Williams and Best, as of 31 December 2013. The Company is not dependent on Eaton-Williams or Best to meet any of its funding requirements and, as indicated above, all of the Company's funding commitments to Eaton-Williams and Best are supported by corresponding funding commitments from Nortek to the Company.

The directors have reviewed Nortek's going concern analysis, including cash flow projections, which support Nortek's conclusion that it is a going concern. As such, the directors believe that Nortek's letter of support to Nortek (UK) Limited can be relied upon in the directors' evaluation of Nortek (UK) Limited as a going concern. Accordingly, the directors have prepared the accounts on the going concern basis.

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of the auditor, the directors have taken all the steps they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

During the year Baker Tilly UK Audit LLP was appointed as auditor. In accordance with Section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the reappointment of Baker Tilly UK Audit LLP as auditor of the Company.

By order of the Board



Almon C. Hall

Chairman

24 September 2014

NORTEK (UK) LIMITED

Independent auditor's report to the members of Nortek (UK) Limited

We have audited the financial statements on pages 7 to 18. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 4 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 auditor's 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 3, the directors are responsible for the preparation of the financial statements and for being fully 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

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 2013 and of its loss 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.

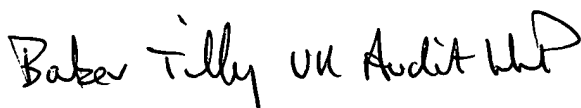
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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.



Gary Purdy (Senior Statutory Auditor)
for and on behalf of Baker Tilly UK Audit LLP, Statutory Auditor
Chartered Accountants
Hanover House
18 Mount Ephraim Road
Tunbridge Wells
Kent
TN1 1ED

25 September 2014

NORTEK (UK) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013

	<u>Notes</u>	<u>Year ended 31 Dec 2013 £</u>	<u>Year ended 31 Dec 2012 £</u> (restatement see below)
Other operating expense		(63,000)	(13,000)
Interest receivable	2	285,000	416,000
Provision for impairment losses on investments	1 and 7	(14,524,000)	(3,526,000)
Interest payable and similar charges	5	<u>(496,000)</u>	<u>(496,000)</u>
Operating loss/loss on ordinary activities before taxation	3	(14,798,000)	(3,619,000)
Taxation	6	---	---
Loss on ordinary activities after taxation and loss for the financial year		<u>(14,798,000)</u>	<u>(3,619,000)</u>

The order in which the items in the profit and loss account are presented has been changed, and the comparative figures restated to conform to the new order.

All results are derived from continuing operations. There are no recognised gains or losses other than the loss for the financial year and previous year shown above. Consequently no statement of total recognised gains and losses is presented.

NORTEK (UK) LIMITED
BALANCE SHEET
31 DECEMBER 2013

Registered No. 3056154

	<u>Notes</u>	<u>31 Dec 2013</u> £	<u>31 Dec 2012</u> £
Fixed assets			
Investments	7	---	---
Notes receivable	8	---	6,330,000
		---	6,330,000
Current Assets			
Cash at bank		69,000	77,000
Debtors: Amounts falling due within one year	9	---	1,728,000
		69,000	1,805,000
Creditors: Amounts falling due within one year	10	(4,506,000)	(3,984,000)
Net current liabilities		(4,437,000)	(2,179,000)
Total assets less current liabilities		(4,437,000)	4,151,000
Creditors: Amounts falling due after more than one year	11	(5,700,000)	(5,700,000)
Net liabilities		(10,137,000)	(1,549,000)
Capital and reserves			
Called up share capital	12	16,542,000	16,542,000
Additional paid-in capital	13	75,148,000	68,938,000
Profit and loss account	14	(101,827,000)	(87,029,000)
Shareholders' deficit	15	(10,137,000)	(1,549,000)

The financial statements were approved by the board of directors on 24 September 2014 and were authorized for issue and signed on its behalf by:



Almon C. Hall
Chairman
24 September 2014

NORTEK (UK) LIMITED

Notes to accounts

For the year ended 31 December 2013

1. Accounting policies

A summary of the principal accounting policies, which have been applied consistently throughout the year and the preceding year is set out below.

a) Basis of Accounting

These financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 401 of the Companies Act 2006 because it is a wholly owned subsidiary of Nortek, Inc. ("Nortek") which prepares consolidated financial statements on a basis equivalent to consolidated accounts drawn up in accordance with the provisions of the Seventh Directive and which are publicly available. The financial statements therefore present information about the Company as an individual undertaking and not about its group.

Nortek, a company incorporated in the United States of America, whose consolidated accounts include the results of the Company and are available to the public (Note 16), has confirmed its intention to provide continuing financial support to enable the Company to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements.

The Company's two wholly-owned operating groups for 2013 were Eaton-Williams Holdings Limited and its subsidiaries ("Eaton-Williams") and Best S.p.A. and its subsidiaries ("Best") (see Note 7).

Nortek has confirmed its intention to provide continuing financial support to the Company so that the Company can provide Eaton-Williams with the support necessary for it to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements.

Nortek has confirmed its intention to provide continuing financial support to the Company so that the Company can provide continuing financial support to Best. Such financial support is expected to continue for a minimum period of twelve months from the date of the approval of Best's fiscal 2013 statutory consolidated financial statements.

The Company, in connection with its annual impairment analysis, has fully reserved its investments in Eaton-Williams and Best, as of 31 December 2013. The Company is not dependent on Eaton-Williams or Best to meet any of its funding requirements and, as indicated above, all of the Company's funding commitments to Eaton-Williams and Best are supported by corresponding funding commitments from Nortek to the Company.

The directors, who are both officers of Nortek, have reviewed Nortek's going concern analysis, including cash flow projections, which support Nortek's conclusion that it is a going concern. As such, the directors believe that Nortek's letter of support to Nortek (UK) Limited can be relied upon in the directors' evaluation of Nortek (UK) Limited as a going concern. Accordingly, the directors have prepared the accounts on the going concern basis.

NORTEK (UK) LIMITED

Notes to accounts (continued)

1. Accounting policies (continued)

b) Foreign Currency

Monetary assets and liabilities of the Company denominated in foreign currencies are translated into sterling at exchange rates ruling at the balance sheet date. Transactions denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the transaction. All transaction exchange differences are included in the profit and loss account.

c) Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustment) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- deferred tax assets are recognised only to the extent that the directors consider that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

d) Additional paid-in capital

Where the Company receives consideration from its immediate or more remote parent companies without a contractual obligation to make repayment, the amount is described as a capital contribution and is recorded in a separate equity reserve "Additional paid-in capital".

NORTEK (UK) LIMITED

Notes to accounts (continued)

1. Accounting policies (continued)

e) Cash Flow Statement

The Company has taken advantage of the exemption under Financial Reporting Standard No. 1 not to prepare a cash flow statement as its ultimate parent company, Nortek (Note 16), a company incorporated in the United States of America, prepares consolidated accounts which include the results of the Company and are available to the public.

f) Related Party Transactions

The Company has taken advantage of the exemption under Financial Reporting Standard No. 8 not to disclose details of transactions with wholly owned companies in the same group on the grounds that its ultimate parent company, Nortek (Note 16), a company incorporated in the United States of America, prepares consolidated accounts which include the results of the Company and are available to the public. There are no other related party transactions.

g) Investments

Fixed asset investments are shown at cost less provision for impairment (see Note 7).

h) Impairment

The Company evaluates its fixed assets for financial impairment when events or circumstances indicate the carrying value of such assets may not be fully recoverable. When such evaluations indicate that the carrying value of an asset exceeds its recoverable value, impairment in value is recorded (see Note 7).

2. Interest receivable

	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
Interest on notes receivable from Eaton-Williams Group Limited	285,000	416,000

Interest on notes receivable from Eaton-Williams Group Limited related to notes receivable entered into in 2007 through 2011, which were contributed to capital on September 13 2013 (see Note 8).

3. Operating loss

The operating loss is stated after charging:

	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
Currency translation losses	37,000	---

NORTEK (UK) LIMITED**Notes to accounts (continued)****3. Operating loss (continued):**

Auditor's remuneration in respect of both audit and non-audit fees were as follows:

	Year Ended 31 December 2013 Baker Tilly UK Audit LP £	Year Ended 31 December 2013 Ernst & Young LLP £	Year Ended 31 December 2012 Ernst & Young LLP £
Statutory audit	7,500	1,050	8,400
Non-audit services	1,250	5,784	---
	<u>8,750</u>	<u>6,834</u>	<u>8,400</u>

4. Staff costs

The average monthly number of persons employed by the company, including the two executive directors, during the period was as follows:

	Year Ended 31 December 2013	Year Ended 31 December 2012
By category:		
Administration	<u>2</u>	<u>2</u>

No remuneration was paid to the Company's directors during the year or the preceding year for services to the Company. There were no payroll costs for 2013 and 2012. The directors' remuneration in respect of qualifying services is nil. Their remuneration was borne by the parent group and it is not possible to identify that part attributable to the Company.

5. Interest payable and similar charges

	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
Interest on obligations to Nortek, Inc. and Subsidiaries	<u>496,000</u>	<u>496,000</u>

Interest on obligations to Nortek, Inc. is interest on debt repayable after five years and not by instalments (see Note 11).

NORTEK (UK) LIMITED

Notes to accounts (continued)

6. Taxation

(a) Analysis of charge during the year is made up as follows:

	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
UK Corporation tax	---	---
Deferred tax	---	---
Tax on loss on ordinary activities	---	---

(b) Factors affecting the tax charge for the year:

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK, which was reduced from 24% with effect from 1 April 2013 to 23%. The differences are explained below:

	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
Loss on ordinary activities before tax	(14,798,000)	(3,619,000)
Loss on ordinary activities multiplied by effective UK Corporation tax rate of 23.25% (2012: 24.5%)	(3,441,000)	(887,000)
Provision for impairment losses not deductible	3,377,000	864,000
Unrelieved tax losses carried forward	64,000	23,000
Current tax for the year	---	---

(c) Deferred tax

No deferred tax assets in respect of tax losses carried forward in the amount of £1,643,000 and non-trade loan relationship expenditure of £1,085,000 in 2013 (2012: £1,437,000) have been recognised as there is no certainty that taxable profits will arise in the foreseeable future against which the tax losses may be utilised. Unrecognised deferred tax assets computed at 20% (2012: 23%) amounted to £546,000 in 2013 (2012: £330,000)

(d) Factors that may affect future tax charges:

It was announced in the March 2013 Budget Statement that the main corporate tax rate would be reduced to 21% from 1 April 2014 and 20% from 1 April 2015. These reductions were substantively enacted during the year.

NORTEK (UK) LIMITED

Notes to accounts (continued)

7. Fixed asset investments

At 31 December 2013 and 2012, fixed asset investments relate to the investment in subsidiary undertakings by Nortek (UK) Limited as follows:

Cost	2013 £	2012 £
At 1 January	83,516,000	79,990,000
Disposal of Imerge	(4,860,000)	---
Capital contribution to Best	5,581,000	3,526,000
Capital contribution to Eaton-Williams	8,943,000	---
At 31 December	93,180,000	83,516,000
Provision for impairment		
At 1 January	(83,516,000)	(79,990,000)
On disposals	4,860,000	---
Impairment charge for the year	(14,524,000)	(3,526,000)
At 31 December	(93,180,000)	(83,516,000)
Net book value		
At 31 December	---	---
At 1 January	---	---

The Company's principal, directly held, subsidiary undertakings during 2013 are set out below (See Note 17 for 2014 acquisitions):

<u>Operating Company</u>	<u>Country of Registration and Operation</u>	<u>Principal Activity</u>	<u>Proportion of Capital Held</u>
Best S.p.A.	Italy	Manufacturing, marketing and distribution of range hoods	100%
Eaton-Williams Holdings Limited	England and Wales	Design, selling, manufacturing, installation and service of air conditioning, air handling, heating and humidification equipment (see below for a listing of its wholly-owned subsidiaries)	100%
Imerge Limited **	England and Wales	Creation and exploitation of audio and video-based products and systems, multi-media networks and ancillary services	100%

** In July 2010, the Company's Imerge Limited subsidiary ceased trading and on 5 September 2013 Imerge Limited was dissolved.

NORTEK (UK) LIMITED

Notes to accounts (continued)

7. Fixed asset investments (continued)

Eaton-Williams Holdings Limited directly owns 100% of the capital of Eaton-Williams Limited and indirectly owns 100% of the capital of Eaton-Williams Group Limited, Eaton-Williams (Millbank) Limited, Eaton-Williams Products Limited, Eaton-Williams Service Limited, Eaton-Williams Export Limited, Edenaire Limited, Precision Air Control Limited and Vapac Humidity Control Limited. All of Eaton-Williams Holdings Limited's subsidiaries are registered and operated in England and Wales.

In 2013, the Company recorded a provision for impairment losses of £5,581,000 related to the Company's investment in Best S.p.A (the "Italian Investment"), which represented amounts contributed by the Company in 2013 to fund operating cash flow requirements. The Company determined the impairment provisions in accordance with Financial Reporting Standard 11, *Impairment of Fixed Assets and Goodwill* ("FRS 11"). The Italian Investment had previously been determined to be fully impaired in prior years and Best continued to suffer significant losses in 2013. As such, the Company determined that the Italian Investment should continue to be fully impaired and recorded impairment charges for all amounts invested in 2013.

In 2013, the Company recorded a provision for impairment losses of £8,943,000 related to the Company's investments in Eaton-Williams Holdings Limited and Eaton-Williams Group Limited (the "UK Investments"), which represented amounts contributed by the Company in 2013 to retire debt owed to the Company (see Note 8) and to fund operating cash flow requirements. The Company determined the impairment provisions in accordance with FRS 11. The UK Investments had previously been determined to be fully impaired in prior years and Eaton-Williams continued to be unable to repay debt due to the Company and suffered losses in 2013. As such, the Company determined that the UK Investments should continue to be fully impaired and recorded impairment charges for all amounts invested in 2013.

In 2012, the Company recorded a provision for impairment losses on investments of £3,526,000 related to the Italian Investment.

During 2013, Nortek Holding B.V., the Company's immediate parent, contributed additional capital of £6,210,000 (see Note 13). The Company used most of the proceeds to contribute capital of £5,581,000 to Best S.p.A and £600,000 to Eaton-Williams Holdings Limited.

During 2012, Nortek Holding B.V., the Company's immediate parent, contributed additional capital of £3,517,000 to the Company (see Note 13). The Company used the proceeds along with a portion of cash on hand to contribute capital of £3,526,000 to Best S.p.A.

NORTEK (UK) LIMITED**Notes to accounts (continued)****8. Notes receivable**

	2013 £	2012 £
Notes receivable from Eaton-Williams Holdings Limited	---	6,330,000

The Company held instruments of £3,660,000 and £820,000 issued to Eaton-Williams Holdings Limited in the form of demand notes with interest payable at 6%, which were issued in 2007 and 2008, respectively. The Company held further instruments of £600,000, £500,000 and £500,000 issued to Eaton-Williams Holdings Limited in the form of demand notes with interest payable at 8%, which were issued in 2010, and £250,000 issued in 2012 to Eaton-Williams Holdings Limited in the form of a demand note with interest payable at 8%. Interest on the above notes was receivable from Eaton-Williams Group Limited, in accordance with the loan agreements. On 13 September 2013, the Company reinforced the equity position of Eaton-Williams Holdings Limited by contributing the former's loans receivable of approximately £6.3 million to capital. On the same date, the Company reinforced the equity position of Eaton-Williams Group Limited by contributing the former's accrued interest receivable of approximately £2.0 million to capital (see Notes 7 and 9).

9. Debtors: Amounts falling due within one year

	2013 £	2012 £
Accrued interest receivable from Eaton-Williams Group Limited	---	1,728,000

Accrued interest receivable related to the notes receivable from Eaton-Williams Group Limited and the amount due at 31 December 2012, together with the amount accrued in the period to 13 September 2013, was satisfied by capital contributions on that date (see Note 8).

10. Creditors: Amounts falling due within one year

	2013 £	2012 £
Accrued interest and other payables to Nortek, Inc. and Subsidiaries	4,497,000	3,984,000
Other accrued expenses	9,000	---
	4,506,000	3,984,000

The amounts due to Nortek, Inc. and subsidiaries primarily relate to accrued interest payable on the intercompany notes (see Note 11). Other payables to Nortek, Inc. and subsidiaries were not significant at 31 December 2013 and 2012.

11. Creditors: Amounts falling due after more than one year

	2013 £	2012 £
Obligations to Nortek, Inc. and subsidiaries	5,700,000	5,700,000

NORTEK (UK) LIMITED

Notes to accounts (continued)

11. Creditors: Amounts falling due after more than one year (continued)

Obligations to Nortek, Inc. and subsidiaries include the following:

	2013 £	2012 £
Obligation of the Company payable on demand at 9%	3,740,000	3,740,000
Obligation of the Company payable on demand at 8 1/8%	1,960,000	1,960,000
Total obligations of the Company	<u>5,700,000</u>	<u>5,700,000</u>

The obligations of the Company are dated 1 September 2001 (amended on 26 January 2006) and 4 February 2003, respectively, and are payable on demand. Interest at the rate of 9% and 8 1/8%, respectively, is payable annually on the anniversary date of the notes. Nortek, Inc. has confirmed that it will not demand repayment within 12 months, and has also indicated that it is unlikely to require repayment in the medium term. Therefore the directors have classified the obligations as repayable after 5 years.

12. Called up share capital

Ordinary shares of £1 each

	2013 £	2012 £
Allotted, called up and fully paid (16,542,208 shares of £1)	<u>16,542,208</u>	<u>16,542,208</u>

13. Additional paid-in capital

	2013 £	2012 £
Balance at 1 January	68,938,000	65,421,000
Capital contributions	6,210,000	3,517,000
Balance at 31 December	<u>75,148,000</u>	<u>68,938,000</u>

During 2013, Nortek Holding B.V. reinforced the equity position of the Company by capital contributions of £6,210,000.

During 2012, Nortek Holding B.V. reinforced the equity position of the Company by capital contributions of £3,517,000.

NORTEK (UK) LIMITED

Notes to accounts (continued)

14. Reserves

	Profit and Loss Account £
Balance at 1 January 2013	(87,029,000)
Loss for the financial year	(14,798,000)
Balance at 31 December 2013	<u>(101,827,000)</u>

15. Reconciliation of movements in Shareholder's Deficit

	2013 £	2012 £
Loss for the period	(14,798,000)	(3,619,000)
Additional paid-in capital	6,210,000	3,517,000
Net decrease in shareholder's funds	(8,588,000)	(102,000)
Opening shareholder's deficit	(1,549,000)	(1,447,000)
Closing shareholder's deficit	<u>(10,137,000)</u>	<u>(1,549,000)</u>

16. Ultimate parent company

Nortek Holding B.V., which is incorporated in the Netherlands and owned by Nortek International Holdings B.V., is the immediate parent company undertaking of the Company. The ultimate holding company is Nortek, which is incorporated in the State of Delaware, United States of America. The consolidated accounts of Nortek, which include the Company, are available to the public and can be obtained from Nortek, Inc., 500 Exchange Street, Providence, Rhode Island, 02903, USA.

17. Subsequent events

From 1 January 2014 through 23 August 2014, Nortek Holding B.V., the Company's parent, reinforced the equity position of the Company with capital contributions of approximately £8.7 million. The Company used a portion of the proceeds to contribute capital of approximately £5.2 million to Best and £1.8 million to Eaton-Williams Holdings Limited.

On 30 April 2014, Nortek, Inc. ("Nortek") completed the acquisition of the heating, ventilation and air conditioning business of Thomas & Betts Corporation ("Reznor"). In connection with this acquisition Nortek entered into a loan agreement with the Company to fund the purchase price for the Company's acquisition of the European entities of Reznor (the "Acquisition Note"), which include Ambirad Group Limited, Ambirad Limited, Reznor (UK) Limited, Reznor Europe NV and Gaz Industries. The Acquisition Note was for approximately \$77.4 million (approximately £46 million) and is denominated in US dollars. The Acquisition Loan includes a short-term portion of \$6 million due September 18, 2014 bearing no interest and a long-term portion for the remaining balance which is repayable in full on 30 April 2023 bearing interest at 2%. All of the proceeds were used to fund the acquisition of the European entities of Reznor. On 24 June 2014, Ambirad Limited paid an approximately £0.8 million dividend to the Company.