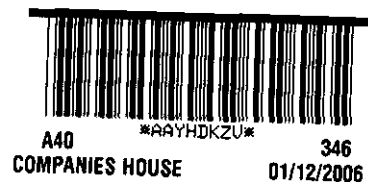


SPI (Fire Engineering) Limited

Directors report and financial statements for  
the year ended 31 December 2005

Registered Number: 03081481



# SPI (Fire Engineering) Limited

## Directors' report and financial statements for the year ended 31 December 2005

### Contents

Directors' report for year ended 31 December 2005.....	1
Independent auditors' report to the members of SPI (Fire Engineering) Limited .....	2
Profit and loss account for year ended 31 December 2005.....	3
Balance sheet as at 31 December 2005 .....	4
Notes to the financial statements for the year ended 31 December 2005.....	5

# **SPI (Fire Engineering) Limited**

## **Directors' report for year ended 31 December 2005**

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

### **Principal activities**

The company's principal activity was previously the supply of fire protection systems. The company ceased trading on 27 April 2004.

### **Results and dividends**

The company has not traded during the year. The directors do not propose a dividend (2004: nil).

### **Business review and future developments**

The directors consider the results for the year to be satisfactory and in line with expectation. The directors expect the company to continue in its present capacity for the foreseeable future.

### **Directors and directors' interests**

The directors during the year and as at the date of this report are as follows:

Kidde Corporate Services Limited

David Ladd (resigned 16 November 2005)

David Johnston (resigned 16 November 2005)

Kidde Nominees Limited

Christopher Milburn (resigned 16 November 2005)

None of the directors had any interest required to be disclosed under Schedule 7 of the Companies Act 1985.

### **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year, 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 year. In preparing those financial statements the directors are required to:

- Select suitable accounting policies and then apply them consistently; except for changes arising on the adoption of new accounting standards as explained in note 1 'Accounting policies';
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 they have complied with the above requirements in preparing the financial statements. The directors are responsible for keeping proper accounting records, which 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 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.

### **Auditors**

In accordance with section 379A of the Companies Act 1985, shareholders have passed an elective resolution in order to dispense with the need to appoint auditors annually.

On behalf of the board



**For Kidde Corporate Services Limited**  
Director

27 November 2006

# **SPI (Fire Engineering) Limited**

## **Independent auditors' report to the members of SPI (Fire Engineering) Limited**

We have audited the financial statements of SPI (Fire Engineering) Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers LLP*

**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
West London

29 November 2006

# SPI (Fire Engineering) Limited

## Profit and loss account for year ended 31 December 2005

	Note	Year ended 31 December 2005 £'000	16 months ended 31 December 2004 £'000
Turnover		-	2,477
Cost of sales		-	(1,627)
<b>Gross profit</b>		-	850
Administrative expenses		-	(638)
<b>Operating profit</b>	2	-	212
Interest payable	5	-	(19)
<b>Profit before taxation</b>		-	193
Taxation	6	2	(13)
<b>Retained profit for the period</b>		2	180

On 27 April 2004, the trade and assets of the Company were transferred to Kidde Fire Protection Services Limited for consideration of £1,445,000, settled by way of intercompany loan. All results therefore arise from discontinued operations.

The Company has no recognised gains or losses other than the results above and therefore no separate statement of total recognised gains and losses has been presented.

There are no material differences between the profit stated above and that on an historical cost basis.

### Balance sheet as at 31 December 2005

The financial statements on pages 3 to 9 were approved by the board of Directors on 27 November 2006 and signed on its behalf by:

**For Kidde Corporate Services Limited - Director**

# **SPI (Fire Engineering) Limited**

## **Notes to the financial statements for the year ended 31 December 2005**

### **1 Accounting policies**

The following accounting policies have been applied consistently throughout the year in dealing with items which are considered material in relation to the group's financial statements except as noted below.

#### **Basis of preparation**

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, except for changes arising on the adoption of new accounting standards, are set out below:

#### **Changes in accounting policies**

The company has adopted FRS 17 'Retirement benefits', FRS 21, 'Events after the balance sheet date', the presentational requirements of FRS 25, 'Financial instruments: disclosure and presentation' and FRS 28 'Corresponding amounts' in these financial statements. The adoption of these standards represents a change in accounting policy.

There was no impact on the current or prior year figures from the adoption of FRS 17, FRS 21, or the presentational requirements of FRS 25 or FRS 28.

#### **Deferred taxation**

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

A net deferred tax asset is recognised as recoverable and 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 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 substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

#### **Cash flow statements and related party transactions**

The company is a wholly owned subsidiary of United Technologies Corporation (UTC) and is included in the consolidated financial statements of that company, which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the United Technologies Corporation group or investees of the United Technologies Corporation group.

# SPI (Fire Engineering) Limited

## Notes to the financial statements for the year ended 31 December 2005

### 2 Operating profit/(loss)

	12 month period 2005 £'000	16 month period 2004 £'000
Operating profit/(loss) is stated after charging:		
Depreciation of tangible fixed assets – owned by the company	-	10
- held under finance leases	-	5
Auditors' remuneration for:		
- Audit services	-	7
Operating lease charges:	-	50
The audit fee has been borne by the parent company.		

### 3 Directors' emoluments

	12 month period 2005 £'000	16 month period 2004 £'000
Aggregate emoluments	-	70

### 4 Employee information

#### Employee information

The average weekly number of persons (including Executive Directors) employed by the Company during the period was:

By activity	12 month Period 2005 Number	16 month Period 2004 Number
Selling and distribution	-	12
Installation and servicing	-	14
Administration	-	2
	-	28
Staff costs	£'000	£'000
Wages and salaries	-	476
Social security costs	-	50
Pension costs (note 9)	-	27
	-	553

# SPI (Fire Engineering) Limited

## Notes to the financial statements for the year ended 31 December 2005

### 5 Interest payable

	12 month Period 2005 £'000	16 month Period 2004 £'000
Finance lease interest payable	-	2
Bank interest payable	-	17
<b>Net interest payable</b>	<b>-</b>	<b>19</b>

### 6 Taxation

	12 month Period 2005 £'000	16 month Period 2004 £'000
<b>Current tax:</b>		
UK corporation tax on profits of the period at 30% (2004: 30%)	-	13
Adjustments in respect of prior periods	(2)	-
<b>Tax (credit) / charge on profit on ordinary activities</b>	<b>(2)</b>	<b>13</b>

The current tax (credit) / charge for the period is lower (2004: lower) than the 30% standard rate of corporation tax in the UK. The differences are explained below:

	12 month Period 2005 £'000	16 month Period 2004 £'000
Profit on ordinary activities before taxation	-	193
Tax on profit on ordinary activities at the UK tax rate 30% (2004: 30%)	-	58
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	8
Timing differences	-	(53)
Adjustment in respect of prior periods	(2)	-
<b>Total current tax (credit) / charge</b>	<b>(2)</b>	<b>13</b>

# SPI (Fire Engineering) Limited

## Notes to the financial statements for the year ended 31 December 2005

### 7 Debtors

	2005	2004
	£'000	£'000
Amounts falling due within one year:		
Amounts owed by group undertakings	28	43
Corporation tax receivable	4	-
	32	43

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

### 8 Creditors – Amounts falling due within one year

	2005	2004
	£'000	£'000
Corporation tax	-	13

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment.

### 9 Pensions and similar obligations

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge represents the contributions payable by the Company to the fund.

	12 Month period	16 Month Period
	2005	2004
	£'000	£'000
Contributions payable by the Company	-	27

### 10 Called up share capital

	2005	2004
	£'000	£'000
<b>Authorised</b>		
240,000 Ordinary 'A' shares of £1 each	240	240
10,000 Ordinary 'B' shares of £1 each	10	10
<b>Issued</b>		
974 Ordinary 'A' shares of £1 each	1	1
25 Ordinary 'B' shares of £1 each	-	-

# SPI (Fire Engineering) Limited

## Notes to the financial statements for the year ended 31 December 2005

### 11 Reserves

	Profit and loss account £'000
At 1 January 2005	29
Profit for the year	2
At 31 December 2005	31

### 12 Reconciliation of movements in equity shareholders' funds

	2005 £'000	2004 £'000
At 1 January	30	(150)
Profit for the year	2	180
At 31 December	32	30

### 13 Ultimate parent company

The Company's immediate parent company is Kidde Products Limited, a company incorporated in England and Wales. From 1 January 2005 to 31 March 2005, the Company's ultimate parent company and controlling party was Kidde plc, a company incorporated in England and Wales. On 1 April 2005, an acquisition by Kaysail Limited, a subsidiary of United Technologies Corporation (UTC) was completed. On that date, the Company's ultimate parent company and controlling party became UTC. Kaysail Limited is incorporated in England and Wales and UTC in the United States of America.

UTC is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of the United Technologies Corporation Group financial statements can be obtained from:

Company Secretary  
United Technologies Corporation  
United Technologies Building  
Hartford, Connecticut 06101  
United States of America