EnergyMGT UK Limited

Report and Financial Statements 2016

Directors' report

for the financial year ended 31 December 2016

The directors present their report and financial statements for the company for the financial year ended 31 December 2016.

Principal activities

The company did not trade during the year. There are no future developments to report.

Business review and future developments

No business review is provided as this report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Results and dividends

The company's profit for the financial year was £nil (2015: £114,000) which has no impact on reserves. The company's net liability position is £98,000 (2015: £98,000).The results for the financial year are shown on page 3.

The directors do not recommend the payment of a dividend (2015: £nil).

Financial risk management

The company has no exposure to financial risks as it no longer trades.

Directors of the company

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

Lindsay Howard
David Thomson (appointed on 31 December 2016)
Kolja Kress (resigned on 31 December 2016)

Directors' indemnities

Pursuant of the company's articles of association, the directors were throughout the financial year ended 31 December 2016 and are at the date of this report entitled to a qualifying indemnity provision as defined in section 234 of the Companies Act 2006.

Directors' responsibilities statement

The directors are responsible for preparing the annual 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 Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework.'

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 for that period.
In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

To assist them in discharging these responsibilities, the directors have engaged a number of third party providers, including two separate Big Four accounting firms who are engaged to prepare the company's financial

Directors' report

for the financial year ended 31 December 2016

statements and tax returns respectively, as well as Honeywell International Inc.'s own finance shared service centre based in Bengaluru, India. Honeywell operates a country controllership model under which an identified senior finance representative is responsible for all of the UK and Ireland entities, supported by a wider finance team and under the supervision of the EMEA Region Finance Leader. The directors have ensured that adequate processes are in place to maintain oversight and supervision over these various providers and processes and to ensure there is clear linkage with the company's activities.

Going concern

The ultimate parent company, Honeywell International Inc. has indicated that it will provide financial support to the company for at least one year from the date of signing these financial statements. The directors, having taken into account the financial support from the ultimate parent undertaking and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Events since the balance sheet date

Honeywell International Inc. recently announced its intention to separately spin off its Homes product portfolio and ADI global distribution business, as well as its Transportation Systems business, into two stand-alone, publicly-traded companies as a result of its comprehensive portfolio review. The planned separation transactions are expected to be completed by the end of 2018. However at this stage, it is not possible to determine with any degree of certainty whether there will be any direct impact on EnergyMGT UK Limited.

Approved by the board of directors and signed on its behalf by:

DocuSigned by:
Lindsay Howard
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Lindsay Howard
Director
27/10/2017

Profit and loss account

for the financial year ended 31 December 2016

		2016	2015
	Notes	*£000s*	*£000s*
Interest receivable and similar income	5	-	2
Profit on ordinary activities before taxation		**-**	**2**
Tax credit on ordinary activities	6	-	112
Profit for the financial year attributable to owners of the parent		**-**	**114**

The company did not trade during the current financial year. The company received no income and incurred no expenditure during this year. Consequently, during the current year the company made neither a profit nor a loss.

No separate statement of comprehensive income has been presented because the company has no other comprehensive income during the year.

Balance sheet

at 31 December 2016

	Notes	2016 £000s	2015 £000s
Current liabilities			
Creditors: amounts falling due within one year	7	(98)	(98)
Net liabilities		**(98)**	**(98)**
Capital and reserves			
Share capital	8	1	1
Profit and loss account		(99)	(99)
Total shareholders' deficit attributable to owners of the parent		**(98)**	**(98)**

For the year ended 31 December 2016 the company was entitled to the exemption from audit under section 480 of the Companies Act 2006.

- the members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476; and
- the directors acknowledge their responsibility for complying with the requirement of this Act with respect to accounting records and the preparation of financial statements

The financial statements on pages 3 to 9 were approved by the board of directors on 27/10/2017 and signed on its behalf by:

DocuSigned by:
Lindsay Howard
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Lindsay Howard
Director

Statement of changes in equity

at 31 December 2016

	Share capital	*Profit and loss account*	*Total*
	£000s	*£000s*	*£000s*
At 1 January 2015	1	(213)	(212)
Profit for the financial year attributable to owners of the parent	-	114	114
At 31 December 2015	**1**	**(99)**	**(98)**
Profit for the financial year attributable to owners of the parent	-	-	-
At 31 December 2016	**1**	**(99)**	**(98)**

Notes to the financial statements

at 31 December 2016

1. General information

EnergyMGT UK Limited is a limited company which is incorporated and domiciled in England. The nature of the company's operations and its principal activities are set out in the directors' report on page 1. The registered address of the company is Honeywell House, Skimped Hill Lane, Bracknell, Berkshire, RG12 1EB, United Kingdom.

The immediate parent undertaking is Energy ICT Limited, a company incorporated in England.

The company's results are included in the consolidated financial statements of Honeywell International Inc., a company registered in the USA, which is the smallest and largest group to consolidate these financial statements. The financial statements of Honeywell International Inc. 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.

The accounting policies that have been applied consistently throughout the financial year and the preceding year are set out below:

2. Accounting policies

Basis of preparation

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

These financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and in accordance with FRS 101. The company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the financial year ended 31 December 2016.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1 and paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Going concern

The ultimate parent company, Honeywell International Inc. has indicated that it will provide financial support to the company for at least one year from the date of signing these financial statements. The directors, having taken into account the financial support from the ultimate parent undertaking and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Notes to the financial statements

at 31 December 2016

Taxation

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are never taxable or deductible. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Financial liabilities

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Thereafter, the amounts owed to group undertakings are carried at amortised cost.

3. New and amended standards and interpretations

The company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2016. The company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments applied for the first time in 2016, they did not have a material impact on the annual financial statements of the company. The nature and the impact of each new standard or amendment is described below:

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- the materiality requirements in IAS 1
- that specific line items in the profit and loss account and the balance sheet may be disaggregated
- that entities have flexibility as to the order in which they present the notes to financial statements

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the balance sheet and the profit and loss account. These amendments do not have any impact on the company.

4. Employees and directors

In 2016, all directors (2015: all directors) were remunerated by other group companies for their services to the group as a whole. No charge has been made to the company as in the opinion of the directors it is not possible to determine with reasonable accuracy the split by the company.

The company has no other employees.

5. Interest receivable and similar income

	2016	2015
	£000s	£000s
Interest receivable	-	2

Notes to the financial statements

at 31 December 2016

6. Taxation

(a). Tax charged in the profit and loss account

	2016	2015
	£000s	£000s
Current income tax:		
UK corporation tax on profit for financial year	-	-
Total current income tax	-	-

(b). Reconciliation of the total tax charge

The tax expense in the profit and loss account for the financial year is lower to the standard rate of corporation tax in the UK of 20% (2015: 20%). The differences are reconciled below:

	2016	2015
	£000s	£000s
Profit before tax	-	2
Effective tax at 20% (2015: 20.25%)	20	20.25
Profit on ordinary activities multiplied by the effective rate	-	-
Effects of:		
Income tax credit	-	112
Total tax credit reported in the profit and loss account	-	112

(c). Factors affecting tax charge for the financial year

The standard rate of UK corporation tax reduced from 21% to 20% on 1 April 2015. The 2016 Finance Act received Royal Assent on 15 September 2016 which will reduce the rate further to 19% from 1 April 2017, and to 17% from 1 April 2020. These reductions will reduce the company's future tax charge accordingly.

There are no provided or underprovided amounts relating to deferred tax.

7. Creditors

	2016	2015
	£000s	£000s
Amounts falling due within one year		
Amounts owed to group undertakings	98	98
Total amount owed to creditors	98	98

8. Share capital

	2016	2015
	£000s	£000s
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	1	1

Notes to the financial statements

at 31 December 2016

9. Events since the balance sheet date

Honeywell International Inc. recently announced its intention to separately spin off its Homes product portfolio and ADI global distribution business, as well as its Transportation Systems business, into two stand-alone, publicly-traded companies as a result of its comprehensive portfolio review. The planned separation transactions are expected to be completed by the end of 2018. However at this stage, it is not possible to determine with any degree of certainty whether there will be any direct impact on EnergyMGT UK Limited.