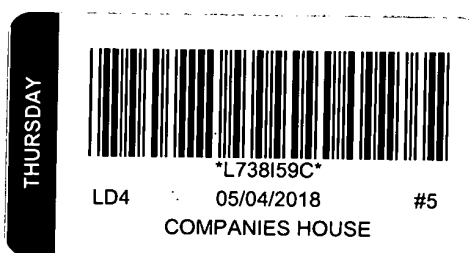


# **BW Europe Limited**

## **Annual Report and Financial Statements 2017**



## **Directors' report**

*for the financial year ended 31 December 2017*

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The directors presents their annual report and financial statements for the company for the financial year ended 31 December 2017.

### **Principal activities**

The company has not traded during the year.

### **Results and dividends**

The company's result for the financial year, after taxation, was £nil (2016: £nil). The results for the year are shown on page 3.

### **Financial risk management**

The company's exposure to risks such as credit risk, interest rate risk and cash flow risk is within reasonable limits and these exposures are not hedged. There are no further material risks against which the company believe external hedging is required at present.

### **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:

John Tus  
Tim Clothier  
Hicham Khellafi  
Terje Hanssen (resigned on 31 March 2017)

### **Director's indemnities**

Pursuant of the company's articles of association, the directors were throughout the financial year ended 31 December 2017 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 director's report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

## Directors' report

*for the financial year ended 31 December 2017*

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To assist them in discharging these responsibilities, the directors have engaged a number of third party providers, including two separate independent Big Four accounting firms who are engaged to prepare the company's financial 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 Regional Finance Leader for North & South Europe. 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.

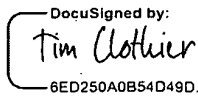
### Going concern

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, 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 BW Europe Limited.

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

DocuSigned by:  
  
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Tim Clothier  
Director

March 29, 2018

## **Profit and loss account**


*for the financial year ended 31 December 2017*

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

The company has no other recognised gains and losses nor any cash flow during these years and accordingly no statement of total recognised gains and losses, reconciliation of movements in shareholders' funds or cash flow statement is presented.

On behalf of the board

DocuSigned by:  
  
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Tim Clothier  
Director

March 29, 2018

## Balance sheet


at 31 December 2017

		2017	2016
	Notes	£000s	£000s
<b>Current assets</b>			
Debtors	6	14,327	14,327
<b>Creditors</b>	7	(4)	(4)
<b>Net current assets</b>		<b>14,323</b>	<b>14,323</b>
<b>Net assets</b>		<b>14,323</b>	<b>14,323</b>
<b>Capital and reserves</b>			
Share capital	8	-	-
Profit and loss account		14,323	14,323
<b>Total shareholders' funds attributable to owners of the parent</b>		<b>14,323</b>	<b>14,323</b>

For the year ended 31 December 2017 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 March 29, 2018 and signed on its behalf by:

DocuSigned by:  
  
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Tim Clothier  
Director

**Statement of changes in equity**  
for the year ended 31 December 2017

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total</i>
	<i>£000s</i>	<i>£000s</i>	<i>£000s</i>
At 1 January 2016	-	14,253	14,253
Result for the financial year attributable to owners of the parent	-	-	-
<b>At 31 December 2016</b>	<b>-</b>	<b>14,253</b>	<b>14,253</b>
Result for the financial year attributable to owners of the parent	-	-	-
<b>At 31 December 2017</b>	<b>-</b>	<b>14,253</b>	<b>14,253</b>

## Notes to the financial statements

at 31 December 2017

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### 1. General information

BW Europe Limited is a private company limited by shares which is incorporated in the United Kingdom under the Companies Act 2006 and is registered in England. The nature of the company's operations and its principal activities are set out in the directors' report on page 1.

The financial statements contain information about the company as an individual company and do not contain consolidated financial information as parent of a group. The immediate parent undertaking is BW Technologies Ltd, a company incorporated in Canada. The registered address of the parent company is 520- 3<sup>rd</sup> Avenue SW Suite 1600 Calgary AB T2P 0R3 Canada.

The company's results are included in the consolidated financial statements of Honeywell International Inc., a company registered in the USA, an ultimate parent company 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, 251, Little Falls Drive, Wilmington DE 19808, United States or from the Internet at [www.honeywell.com](http://www.honeywell.com).

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

### 2. Significant accounting policies

#### *Basis of preparation*

The company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by FRC. Accordingly, these financial statements were prepared in accordance with Financial reporting Standard 101 'Reduced Disclosure framework'.

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. The company's financial statements are presented in Sterling and all values are rounded to the nearest pounds (£) 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 2017.

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;
- 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;
- 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, 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 2017

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### *Financial assets - recognition and measurement*

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The company determines the classification of its financial assets at initial recognition. Amounts owed by group undertakings have been classified as loans and receivables. The company has no other financial assets.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value and subsequently measured at amortised cost, less impairment.

### *Impairment of financial assets*

The company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

An allowance for doubtful debts is made against trade debtors that exceed 180 days past due date. Losses arising from impairment are recognised in the profit and loss account in administrative expenses.

Provisioning made against debts subsequently settled after 180 days past due is treated as a change in accounting estimate and released to profit or loss.

### *Derecognition of financial assets*

Financial assets are derecognised when (i) the rights to receive cash flows from the asset have expired or (ii) the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### *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 company's trade creditors and amounts owed to group undertakings are carried at amortised cost.

### *Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

## 3. Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the financial year.

There are no judgements and estimates that have a significant effect on amounts recognised in the financial statements.



## Notes to the financial statements

at 31 December 2017

### 4. 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 2017. 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 2017, 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 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses*

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of deductible temporary difference related to unrealised losses. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

The company applied amendments retrospectively. However, their application has no effect on the company's financial position and performance as the company has no deductible temporary differences or assets that are in the scope of the amendments.

### 5. Employees and directors

In 2017, all directors (2016: all directors) were not remunerated by the company for their role as a director for their services.

The company has no other employees.

### 6. Debtors

	2017	2016
	£000s	£000s
<i>Amounts falling due within one year</i>		
Amounts owed by group undertakings	14,327	14,327
<b>Total amount owed by debtors</b>	<b>14,327</b>	<b>14,327</b>

### 7. Creditors

	2017	2016
	£000s	£000s
<i>Amounts falling due within one year</i>		
Amounts owed to group undertakings	4	4
<b>Total amount owed to creditors</b>	<b>4</b>	<b>4</b>

## Notes to the financial statements

at 31 December 2017

### 8. Share capital

	2017	2016
	£	£
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	2	2

### 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 BW Europe Limited.