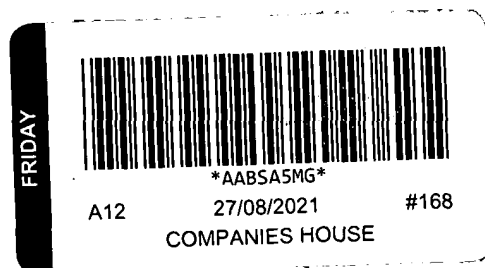


**Hamilton Sundstrand UK Holdings Limited**

**Annual Report  
for the year ended 30 November 2020**

Registered number: 04108931



## **Hamilton Sundstrand UK Holdings Limited**

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# Hamilton Sundstrand UK Holdings Limited

## Strategic report for the year ended 30 November 2020

The directors present their Strategic Report for the company for the year ended 30 November 2020.

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

United Technologies Corporation ("UTC"), the ultimate parent company of a multinational group of which the Company was a member during the year ended 30 November 2019, separated into three independent companies via spin-off transactions on 3 April 2020: (1) Ots Worldwide Corporation ("Ots"), (2) Carrier Global Corporation ("Carrier"), and (3) UTC, an aerospace company comprised of the Collins Aerospace Systems and Pratt & Whitney businesses.

On 9 June 2019, UTC entered into a merger agreement with the Raytheon Company to combine its aerospace businesses with Raytheon to form a merged company Raytheon Technologies Corporation ("RTX"). The merger was completed 3 April 2020, shortly after the completion of the separation of Ots and Carrier. As a result of this merger, the Company is now a member of RTX.

### Principal Activity

The principal activity of Hamilton Sundstrand UK Holdings Limited ("the Company") during the period was that of an intermediate holding company. The subsidiary companies' activities comprise the design, manufacture and repair of specialist actuation systems, mechanisms and equipment for aerospace, defence and specialized industrial sectors.

### Review of business and future developments

The loss for the year is a result of the interest on the 7% preference shares which carry a fixed preferential dividend per year. The directors expect the company to continue as a holding company for the foreseeable future.

The key financial and other performance indicators during the period were as follows:

	2020	2019	Change
Loss for the financial year	(4,128)	(4,140)	0.3
Total shareholders' deficit	(127,648)	(123,520)	(3.3)

The company monitors the value of its investments to prevent unexpected impairment and to ensure the value of investments recorded in the financial statements is appropriate. During 2020, no impairment was required (2019: nil)

### Key performance indicators (KPIs)

Given the nature of the business, the company's directors are of the opinion that analysis using KPIs is not appropriate in helping understand the development, performance or position of the business.

### Principal risks and uncertainties

The operations of the company's subsidiaries expose it to a number of risks. From the perspective of the Company, the principal risks and uncertainties are integrated within the principal risks of the subsidiaries and are not managed separately. The principal risks and uncertainties of the subsidiaries are discussed in the subsidiaries annual report, which does not form part of this report.

## **Hamilton Sundstrand UK Holdings Limited**

### **Strategic report for the year ended 30 November 2020**

#### **Principal risks and uncertainties (continued)**

In the month of January 2020, the emergence of the virus COVID-19 was announced and was defined by the World Health Organization as a "pandemic situation". The pandemic has not materially impacted the financial performance or position of Hamilton Sundstrand UK Holdings Limited, during the year ended 30 November 2020 and is not expected to for the foreseeable future.

#### **Events after the balance sheet date**

Details of significant events since the balance sheet date are contained in note 14 to the financial statements.

#### **Approval**

Approved by the Board and signed on its behalf by:



D Middleton  
Director  
26 August 2021  
Registered number: 04108931

## **Hamilton Sundstrand UK Holdings Limited**

### **Directors' report for the year ended 30 November 2020 (continued)**

The directors present their annual report and the audited financial statements of the company for the year ended 30 November 2020.

#### **Results and dividends**

The loss for the financial year is set out in the income statement on page 8.

There were no dividends proposed, declared and paid in the year (2019: £nil).

#### **Future developments and events after the balance sheet date**

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report on pages 1 and 2 and form part of this report by cross-reference.

#### **Going concern**

The company has received a letter of support from Raytheon Technologies Corporation and, therefore, the directors 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 financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in the financial statements.

#### **Financial risk management**

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The company's operations expose it to financial risks as set out below.

##### **Liquidity risk**

The company actively maintains intercompany finance that is designed to ensure the company has sufficient available funds for operations.

##### **Interest rate cash flow risk**

The company has interest-bearing liabilities and interest-bearing assets that include intercompany balances. Rates of interest vary according to market conditions prevailing at the time.

#### **Modern Slavery Act**

The Company is committed to ensuring slavery and human trafficking are not taking place in its business or supply chains. To this end the Company has published a statement for the reporting period at [www.rtx.com](http://www.rtx.com).

#### **Directors**

The directors who held office during the year and up to the date of signing the financial statements are given below:

D Middleton  
J Holland

#### **Directors' indemnity**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

## **Hamilton Sundstrand UK Holdings Limited**

### **Directors' report for the year ended 30 November 2020 (continued)**

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

The directors are responsible for preparing the Annual 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 these 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;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 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 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.

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.

#### **Directors' confirmations**

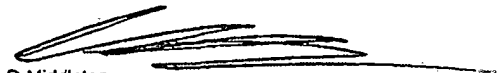
In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Independent Auditors**

PricewaterhouseCoopers LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:



D Middleton  
Director  
26 August 2021  
Registered number: 04108931

## **Hamilton Sundstrand UK Holdings Limited**

### **Independent auditors' report to the members of Hamilton Sundstrand UK Holdings Limited**

#### **Report on the audit of the financial statements**

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##### **Opinion**

In our opinion, Hamilton Sundstrand UK Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the balance sheet as at 30 November 2020; the income statement and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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##### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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##### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

**Hamilton Sundstrand UK Holdings Limited**  
**Independent auditors' report to the members of Hamilton Sundstrand UK Holdings Limited**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

*Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 November 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

**Responsibilities for the financial statements and the audit**

*Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

*Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

*Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.



**Hamilton Sundstrand UK Holdings Limited**

**Independent auditors' report to the members of Hamilton Sundstrand UK Holdings Limited**

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**Other required reporting**

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**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Alan Walsh (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
East Midlands

26 August 2021

**Hamilton Sundstrand UK Holdings Limited**

**Income statement  
For the year ended 30 November 2020**

	<i>Note</i>	<b>2020 £'000</b>	<b>2019 £'000</b>
Finance costs	<b>3</b>	<b>(4,128)</b>	<b>(4,140)</b>
<b>Loss before taxation</b>		<b>(4,128)</b>	<b>(4,140)</b>
Tax on loss	<b>7</b>	-	-
<b>Loss for the financial year</b>		<b>(4,128)</b>	<b>(4,140)</b>

All results are derived from continuing operations.

The company has no other comprehensive income other than its loss for the financial years ended 30 November 2020 and 2019, and hence no separate statement of other comprehensive income has been presented.

**Hamilton Sundstrand UK Holdings Limited**  
**Registered number: 04108931**

**Balance sheet**  
**As at 30 November 2020**

	<b>Note</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
<b>Fixed assets</b>			
Investments	<b>8</b>	<b>18,622</b>	18,622
		<b>18,622</b>	18,622
<b>Current assets</b>			
Debtors	<b>9</b>	<b>200</b>	200
Creditors: amounts falling due within one year	<b>10</b>	<b>(88,470)</b>	(84,342)
<b>Net current liabilities</b>		<b>(88,270)</b>	(84,142)
<b>Total assets less current liabilities</b>		<b>(69,648)</b>	(65,520)
Creditors: amounts falling due after more than one year	<b>11</b>	<b>(58,000)</b>	(58,000)
<b>Net liabilities</b>		<b>(127,648)</b>	(123,520)
<b>Equity</b>			
Called up share capital	<b>12</b>	<b>28,000</b>	28,000
Accumulated losses		<b>(155,648)</b>	(151,520)
<b>Total Shareholders' deficit</b>		<b>(127,648)</b>	(123,520)

The notes on pages 11 to 20 form part of these financial statements.

The financial statements on pages 8 to 20 were approved by the board of directors on 26 August 2021 and were signed on its behalf by:

  
D Middleton  
Director

**Hamilton Sundstrand UK Holdings Limited**

**Statement of changes in equity  
For the year ended 30 November 2020**

	<b>Called up share capital (Note 12) £'000</b>	<b>Accumu- lated Losses £'000</b>	<b>Total share- holders' deficit £'000</b>
<b>Balance at 1 December 2018</b>	<b>28,000</b>	<b>(147,380)</b>	<b>(119,380)</b>
Loss for the financial year	-	(4,140)	(4,140)
<b>Total comprehensive expense for the year</b>	<b>-</b>	<b>(4,140)</b>	<b>(4,140)</b>
<b>Balance at 30 November 2019</b>	<b>28,000</b>	<b>(151,520)</b>	<b>(123,520)</b>
Loss for the financial year	-	(4,128)	(4,128)
<b>Total comprehensive expense for the year</b>	<b>-</b>	<b>(4,128)</b>	<b>(4,128)</b>
<b>Balance at 30 November 2020</b>	<b>28,000</b>	<b>(155,648)</b>	<b>(127,648)</b>

## **Hamilton Sundstrand UK Holdings Limited**

### **Notes to the financial statements For the year ended 30 November 2020**

#### **1. Accounting policies**

Hamilton Sundstrand UK Holdings Limited ('the company') holds investments in subsidiary companies.

The company is a private company, limited by shares, and is incorporated and domiciled in England, United Kingdom. The address of its registered office is Fore 1, Fore Business Park, Huskisson Way, Stratford Road, Shirley, Solihull, England, B90 4SS.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and all the years presented, unless otherwise stated.

#### **Basis of accounting**

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. The financial statements are therefore prepared in accordance with the Companies Act 2006 as applicable to companies using FRS101.

The financial statements have been prepared on a going concern basis, under the historical cost convention, except for financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The financial statements contain information about Hamilton Sundstrand UK Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Raytheon Technologies Corporation, a company incorporated in the United States of America.

As permitted by FRS 101, the company has taken advantage of some of the disclosure exemptions available under that standard. The key exemptions taken are as follows:

IFRS 3 – not to restate business combinations before the date of transition  
IFRS 7 – financial instrument disclosures  
IFRS 13 – disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities  
IAS 1 – information on management of capital  
IAS 7 – statement of cash flows  
IAS 8 – disclosures in respect of new standards and interpretations that have been issued but are not yet effective  
IAS 24 – disclosure of key management compensation and for related party disclosures entered into between two or more members of a group  
IAS 1 – the requirement to present roll forward reconciliations in respect of share capital  
IAS 16 – the requirement to present roll forward reconciliations in respect of property, plant and equipment  
IAS 36 – Impairment of assets - Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e)

Where required, equivalent disclosures are given in the group financial statements of Raytheon Technologies Corporation. The group financial statements of Raytheon Technologies Corporation are available to the public and can be obtained as set out in note 15.

## **Hamilton Sundstrand UK Holdings Limited**

### **Notes to the financial statements For the year ended 30 November 2020**

#### **1. Accounting policies (continued)**

##### **Adoption of new and revised Standards**

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 30 November 2020 have had a material impact on the company.

##### **Going concern**

At 30 November 2020 the company had net current liabilities of £88,270,000 (2019: £84,142,000). The Company is dependent upon the continued support of its parent, Raytheon Technologies Corporation, which has expressed its willingness to support the Company for at least 12 months from the signing of these financial statements. On this basis the directors consider it appropriate that these financial statements have been prepared on a going concern basis.

##### **Investments**

Except as stated below, fixed asset investments, including investments in subsidiaries and associates, are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

Impairment reviews are carried out by the directors when there is indication that impairment may have occurred.

##### **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 by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the Income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

## **Hamilton Sundstrand UK Holdings Limited**

### **Notes to the financial statements For the year ended 30 November 2020**

#### **1. Accounting policies (continued)**

##### **Taxation (continued)**

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

##### **Current tax and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

##### **Dividend and Interest Income**

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

##### **Foreign currency**

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the company operates (its functional currency).

Transactions in currencies other than the functional currency are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the income statement in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments).

## **Hamilton Sundstrand UK Holdings Limited**

### **Notes to the financial statements For the year ended 30 November 2020**

#### **1. Accounting policies (continued)**

##### **Finance costs**

As explained below, where financial liabilities are measured at amortised cost using the effective interest method, interest expense is recognised on an effective yield basis in profit or loss within finance costs.

##### **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

##### **Financial assets**

Financial assets are classified into the following specified categories: at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) and amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

##### ***Financial assets at fair value through profit or loss or at fair value through other comprehensive income***

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities which are not held for trading, and which the company has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the company considers this classification to be more relevant.
- Debt securities where contractual cash flows are solely principal and interest and the objective of the company's business model is achieved both by collecting contractual cash flows and selling financial assets

##### ***Financial assets at amortised cost***

The company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

##### ***Financial assets at fair value through profit and loss***

The following financial assets are classified at fair value through profit or loss (FVTPL):

- debt investments that do not qualify for measurement at either amortised cost
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

Investments in subsidiaries are held at cost less accumulated impairment losses.



## **Hamilton Sundstrand UK Holdings Limited**

### **Notes to the financial statements For the year ended 30 November 2020**

#### **1. Accounting policies (continued)**

##### **Impairment of financial assets**

###### ***Assets carried at amortised cost***

The company assesses, at the end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets is impaired.

###### **Debtors and other receivables**

Debtors and other receivables are amounts due from services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer), they are classified as current assets. If not, they are presented as noncurrent assets.

Debtors and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all debtors and other receivables.

###### **Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Creditors are presented as amounts falling due within one year unless payment is not due within 12 months after the reporting period.

#### **2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, which are described in note 1 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### ***Critical judgements in applying the company's accounting policies***

The directors do not believe there are any critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies.

##### ***Key sources of estimation uncertainty***

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

## Hamilton Sundstrand UK Holdings Limited

### Notes to the financial statements For the year ended 30 November 2020

#### 2. Critical accounting judgements and key sources of estimation uncertainty (continued)

##### Impairment of investments in subsidiaries

Determining whether the company's investments in subsidiaries have been impaired requires estimations of the investments' values in use. The value in use calculations requires the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values. The carrying amount of investments in subsidiaries at the balance sheet date of 30 November 2020 was £18,622,000 (2019: £18,622,000) with no impairment loss recognised in the year (2019: nil).

#### 3. Finance costs

	2020 £'000	2019 £'000
Interest payable to group companies	68	80
Interest on cumulative preference shares	4,060	4,060
	<u>4,128</u>	<u>4,140</u>

The preference share interest for the year relates to the 7% cumulative redeemable preference shares of £58,000,000 (2019: £58,000,000) (note 11). This amount has not been paid and has been included in creditors – amounts falling due within one year.

#### 4. Auditors' remuneration

Fees payable to PricewaterhouseCoopers LLP and their associates for the audit of the company's annual financial statements were borne by Claverham Limited in both 2020 and 2019, and not recharged. The amounts attributable to this was £2,000 (2019: £2,000).

#### 5. Staff costs

The company had no employees during the year (2019: none).

#### 6. Directors' remuneration and transactions

The company paid no emoluments to the directors during the year (2019: £nil).

The directors are non-executive directors and also directors of a number of other group undertakings for which they carry on work. They are paid by other group companies that makes no recharge to the company.

## Hamilton Sundstrand UK Holdings Limited

### Notes to the financial statements For the year ended 30 November 2020

#### 7. Tax on loss

There was no charge to the income statement for the year (2019: £nil).

##### Factors affecting tax charge for the year

The tax on the loss before tax for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The charge for the year can be reconciled to the loss in the income statement as follows:

	2020 £'000	2019 £'000
<b>Loss before taxation</b>	<b>(4,128)</b>	<b>(4,140)</b>
Tax on loss at standard UK corporation tax rate of 19% (2019: 19%)	(784)	(787)
Effects of:		
Non-deductible costs	771	772
Effects of group relief	13	15
<b>Total tax charge for year</b>	<b>-</b>	<b>-</b>

There is no provided or un-provided deferred tax at 30 November 2020 (2019: nil).

The tax rate for the current year is the same as the prior year.

##### Factors that may affect future tax charge

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19%.

In the March 2021 Budget, the Government announced that from April 2023 the corporation tax rate would increase from 19% to 25%. As the proposal had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be immaterial.

# **Hamilton Sundstrand UK Holdings Limited**

## **Notes to the financial statements For the year ended 30 November 2020**

### **8. Investments**

	£'000
<b>Cost</b>	
At 1 December 2018	94,145
At 30 November 2019	94,145
<b>At 30 November 2020</b>	<b>94,145</b>
<b>Provisions for impairment</b>	
At 1 December 2018	75,523
At 30 November 2019	75,523
<b>At 30 November 2020</b>	<b>75,523</b>
<b>Net book value</b>	
<b>At 30 November 2020</b>	<b>18,622</b>
<b>At 30 November 2019</b>	<b>18,622</b>

All subsidiaries below have been treated as a subsidiary undertaking because the company exercises dominant influence over this investment, directing its financial and operating policies.

Details of the company's directly owned subsidiaries at 30 November 2020 are as follows:-

Name & Registered Address and Country of Incorporation	Principal activity	Class of Share	Proportion of ownership interest %
<i>Claverham Group Limited</i> Fore 1, Fore Business Park, Huskisson Way, Shirley, Solihull, West Midlands, B90 4SS, England.	Holding company	Ordinary	100%

The company owns the following indirectly through intermediate holding companies:

Name & Registered Address and Country of Incorporation	Principal activity	Class of Share	Proportion of ownership interest %
<i>Claverham Limited</i> Fore 1, Fore Business Park, Huskisson Way, Shirley, Solihull, West Midlands, B90 4SS, England.	Design of specialist actuation systems	Ordinary	100%
<i>FH Inc.</i> 1300 East 9th Street, Cleveland, OH, 44114, United States	Dormant	Ordinary	100%

The investments in subsidiaries are all stated at cost less provision for impairment.

# **Hamilton Sundstrand UK Holdings Limited**

## **Notes to the financial statements For the year ended 30 November 2020**

### **9. Debtors**

#### **Due within one year:**

	2020 £'000	2019 £'000
Amounts owed by group undertakings	200	200

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

### **10. Creditors: amounts falling due within one year**

	2020 £'000	2019 £'000
Amounts owed to group undertakings	7,270	7,202
Preference share interest	81,200	77,140
	<b>88,470</b>	<b>84,342</b>

Within amounts owed to group undertakings is a balance payable to Goodrich Aerospace UK Limited of £6,978,000 (2019: £6,909,000) at a variable interest rate. This represents cash pooled with Silver Aero Limited.

Other amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### **11. Creditors: amounts falling due after more than one year**

	2020 £'000	2019 £'000
58,000,000 (2019: 58,000,000) 7% cumulative preference shares of £1 each	58,000	58,000

The 7% cumulative preference shares carry a fixed preferential dividend at the rate of 7% per annum. As at 30 November 2020, 20 years' worth of dividends remained unpaid (2019: 19 years) and this has been included within creditors: amounts falling due within one year (note 10).

On a return of assets on liquidation or capital reduction or otherwise the surplus assets of the company remaining after the payment of its liabilities shall be applied in first to the holders of the preference shares to the amount equal to the paid up capital plus any deficiency in the fixed dividend payable.

The holders of the preference shares have the right to receive notice of and to attend and speak at any general meeting of the company but not a vote at any general meeting of the company unless i) the fixed dividend has been in arrears for more than two years from the due date or ii) a resolution proposing the variation of the preference shares is proposed.

## Hamilton Sundstrand UK Holdings Limited

### Notes to the financial statements For the year ended 30 November 2020

#### 12. Called up share capital

Ordinary shares	2020 £'000	2019 £'000
<b>Allotted, called-up and fully-paid</b>		
28,000,000 (2019: 28,000,000) ordinary shares of £1 each	<b>28,000</b>	<b>28,000</b>

#### 13. Related parties

As 100% of the company's voting rights are controlled within the Raytheon Technologies Corporation group (RTX), the company is not required pursuant to FRS 101 paragraph 8 (k) to disclose transactions with other group subsidiaries, joint venture or associated companies.

The company has not transacted with any other related parties during the year (2019: nil).

#### 14. Subsequent events

There have been no significant changes since the balance sheet date.

#### 15. Controlling party

As at 30 November 2020, the company's immediate parent undertaking was Hamilton Sundstrand International Holdings (Luxembourg) S.à r.l. On 15 January 2021, Hamilton Sundstrand International Holdings (Luxembourg) S.à r.l., merged into Commonwealth Luxembourg Holdings S.à r.l. As from the merger date, the immediate parent company is Commonwealth Luxembourg Holdings S.à r.l..

The company's ultimate parent undertaking and controlling party until 3 April 2020 was United Technologies Corporation a company incorporated in the United States of America.

On 3 April 2020, the company's ultimate parent undertaking and controlling party changed to Raytheon Technologies Corporation, a company incorporated in the United States of America.

Raytheon Technologies Corporation is the smallest and largest group to consolidate these financial statements.

Copies of the Raytheon Technologies Corporation financial statements are publicly available and can be obtained from [www.rtx.com](http://www.rtx.com).