

Honeywell Europe Finance Ltd

Report and financial statements 2013



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Directors' report

for the year ended 31 December 2013

Honeywell Europe Finance Ltd

Registration number: 05764884

The directors present their report and financial statements of the company for the year ended 31 December 2013.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Principal activities

The principal activity of the company is that of a finance company.

Results and dividends

The company's profit for the financial year was £7,864,000 (2012:£33,088,000 profit) which will be transferred to reserves. The results for the year are shown on page 5.

A dividend of 54.77p per £1 ordinary share totalling £468,441,000 was paid (2012:£nil)

Financial risk management

Foreign currency risk

The company hedges its exposures to significant foreign currency movements.

At 31 December, the fair value of unrealised assets/(liabilities) under hedge contracts was not material (2012:£nil).

Other risks

The company's exposure to other risks such as prices, credit risk, interest and cash flow is within reasonable limits and these exposures are not hedged.

Directors

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

Attila Fulöp
Gabor Bogнар

Directors' indemnities

Pursuant of the Company's articles of association, the directors were throughout the year ended 31 December 2013 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 directors' 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 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 UK 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.

Directors' report

for the year ended 31 December 2013

Honeywell Europe Finance Ltd

Registration number: 05764884

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.

Disclosure of information to auditors

In the case of each of the persons who is a director at the time this 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
- each director has taken all the steps that he/she ought to have taken as a director to make him/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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



Attila Pulöp
Director
18 June 2014

Independent auditors' report

to the members of Honeywell Europe Finance Ltd

Registration number: 05764884

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Honeywell Europe Finance Ltd, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Independent auditors' report

to the members of Honeywell Europe Finance Ltd

Registration number: 05764884

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

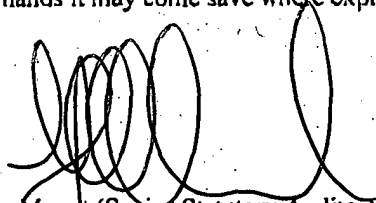
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the directors' responsibilities statement set out on pages 1 and 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.



Stephen Mount (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
West London

30 June 2014

Profit and loss account

for the year ended 31 December 2013

Honeywell Europe Finance Ltd

Registration number: 05764884

	<u>Note</u>	<u>2013</u> <u>£000</u>	<u>2012</u> <u>£000</u>
Administrative expenses		(141)	(159)
Operating loss	3	(141)	(159)
Interest receivable and similar income	6	8,140	33,764
Interest payable and similar charges	7	(24)	(46)
Profit on ordinary activities before taxation		7,975	33,559
Tax on profit on ordinary activities	8	(111)	(471)
Profit for the financial year	12	7,864	33,088

All amounts are derived from continuing operations.

There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents.

The company has no recognised gains and losses other than the profit for the year, and therefore no separate statement of total recognised gains and losses has been presented.

Balance sheet

at 31 December 2013

Honeywell Europe Finance Ltd

Registration number: 05764884

	Note	2013 £000	2012 £000
Current assets			
Debtors	9	142,967	603,259
Cash at bank and in hand		271	112
		<u>143,238</u>	<u>603,371</u>
 Creditors: amounts falling due within one year	10	(3,623)	(3,179)
 Net assets		<u>139,615</u>	<u>600,192</u>
 Capital and reserves			
Called up share capital	11	8,553	408,553
Share premium account	12	1,120	1,120
Profit and loss account	12	129,942	190,519
 Total shareholders' funds	12	<u>139,615</u>	<u>600,192</u>

The financial statements on pages 5 to 9 were approved by the board of directors on
on its behalf by:

June 2014 and signed


Attila Fulöp
Director

18/JUNE/2014

Notes to the financial statements

for the year ended 31 December 2013

Honeywell Europe Finance Ltd
Registration number: 05764884

1. Accounting policies

These financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The accounting policies which have been applied consistently throughout the year are set out below:

Changes in accounting policies

The accounting policies have been reviewed by the board of directors in accordance with FRS18 "Accounting policies".

There were no changes to accounting standards in 2013 which were applicable to the company.

Taxation

Current tax is the amount of tax estimated to be payable or recoverable in respect of the taxable profit or loss for a period, along with adjustments to estimates in respect of previous periods.

2. Cash flow statement and related party transactions

The company is a wholly owned subsidiary company of a group headed by Honeywell International Inc., and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the company has taken advantage of the exemption within FRS 1 "Cash flow statements" (revised 1996) from preparing a cash flow statement.

In accordance with the exemptions available under FRS 8 "Related party disclosures", transactions with other wholly owned undertakings within the Honeywell group are not required to be disclosed in these financial statements, on the grounds that this company is a wholly owned subsidiary of Honeywell International Inc., whose financial statements are publicly available.

3. Operating loss

Operating loss is stated after charging:

Management fees

2013	2012
<u>£000</u>	<u>£000</u>
75	100

4. Auditors' remuneration

Fees payable for audit

2013	2012
<u>£000</u>	<u>£000</u>
8	9

5. Employees and directors

In 2013, all directors (2012: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 company.

The company has no other employees.

6. Interest receivable and similar income

Interest receivable from group undertakings

2013	2012
<u>£000</u>	<u>£000</u>
8,140	33,764

7. Interest payable and similar charges

Interest payable to group undertakings

2013	2012
<u>£000</u>	<u>£000</u>
24	46

Notes to the financial statements

for the year ended 31 December 2013

Honeywell Europe Finance Ltd

Registration number: 05764884

8. Tax on profit on ordinary activities

	2013	2012
	<u>£000</u>	<u>£000</u>
<i>Current tax</i>		
Hungarian corporation tax on profit for the year	111	471

Factors affecting tax charge for the year:

The tax assessed for the year is different to the standard rate of Hungarian corporation tax of 10% (2012:11.5%) and the differences are explained below:

	2013	2012
	<u>£000</u>	<u>£000</u>
Profit on ordinary activities before taxation	7,975	33,559
Standard rate of Hungarian corporation tax (%)	10.20	11.5
Profit on ordinary activities multiplied by the standard rate of Hungarian corporation tax	813	3,845

Effects of:

Non taxable income	(784)	(3,655)
Exchange differences	(2)	2
Effect of overseas taxation at different rates	84	279
Total tax charge for the year	111	471

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

9. Debtors

Amounts falling due within one year

	2013	2012
	<u>£000</u>	<u>£000</u>
Amounts owed by group undertakings	142,610	603,259
Corporation tax	357	-
	<u>142,967</u>	<u>603,259</u>

10. Creditors: amounts falling due within one year

Trade creditors	5	-
Amounts owed to group undertakings	3,593	2,975
Corporation tax	-	169
Other taxation and social security	20	27
Accruals and deferred income	5	8
	<u>3,623</u>	<u>3,179</u>

Loans and other borrowings

Amounts owed to group undertakings include the following loans and other borrowings

<u>Repayable</u>	<u>Currency</u>	<u>Interest terms</u>		
on demand	GBP	UK base rate plus 1%	250	246
on demand	GBP	6 month LIBOR plus 0.0625%	3,260	2,630
			<u>3,510</u>	<u>2,876</u>

All amounts are unsecured.

11. Called up share capital

Allotted, called up and fully paid

Ordinary shares of £1 each	8,553	408,553
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Notes to the financial statements

for the year ended 31 December 2013

Honeywell Europe Finance Ltd

Registration number: 05764884

12. Reconciliation of shareholders' funds and movements on reserves

	Called up share capital	Share premium	Other reserves	Profit and loss account	2013 Total	2012 Total
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
At 1 January	408,553	1,120	-	190,519	600,192	567,104
Capital reduction	(400,000)	-	-	400,000	-	-
Dividends paid 54.77p per £1 ordinary share	-	-	-	(468,441)	(468,441)	-
Profit for the financial year	-	-	-	7,864	7,864	33,088
At 31 December	<u>8,553</u>	<u>1,120</u>	<u>-</u>	<u>129,942</u>	<u>139,615</u>	<u>600,192</u>

13. Parent undertakings

The immediate parent undertaking is Honeywell International Technologies Sarl, a company incorporated in Switzerland.

The ultimate parent undertaking and controlling party is Honeywell International Inc., a company incorporated in the USA, which is the smallest and largest group to consolidate these financial statements. Copies of their financial statements 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.