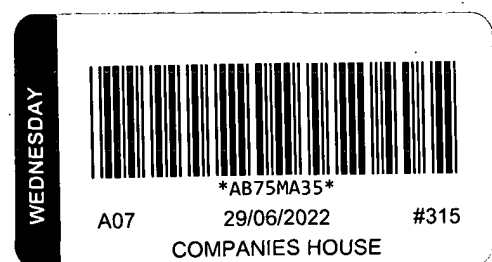


Registered Number 09458809

Johnson Controls International Holdings Ltd
Annual report and financial statements
for the year ended 30 September 2021



Johnson Controls International Holdings Ltd

Annual report and financial statements for the year ended 30 September 2021

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Johnson Controls International Holdings Ltd

Strategic report

The directors present their Strategic report on the company, for the year ended 30 September 2021.

Principal activities of business

The activities of the company continue to be that of a holding company and of a financing company as a result of the loans provided to fellow group undertakings. The company will continue to engage in these services for the foreseeable future. The company engages in investment activities which are, by their nature, non-recurrent events. The company will continue to monitor each investment it holds together with any potential opportunities as they arise.

Business review

The results for the financial year and the financial position of the company are shown in the accompanying financial statements.

The profit for the financial year ended 30 September 2021 was \$53,739,000 (2020: \$36,012,000). The contributing factor is the dividend received from its subsidiary of \$54,000,000 (2020: \$54,000,000).

At the year end the company had net assets of \$683,498,000 (2020: \$629,759,000).

In relation to the COVID-19 situation, the company is working to identify any ongoing potential risks and define and implement risk mitigation plans. Currently, the impact on the company's operations has been minimal due to the investment nature of the business. A potential future impact that management have identified is that the performance of the subsidiaries may deteriorate during the global crisis due to market uncertainty and trading restrictions caused by country specific lock downs. Management's top priority remains ensuring that their people and extended supplier partners are safe and is continually assessing the situation and monitoring for any potential disruptions. The directors, in assessing the company's financial position in light of COVID-19, have received confirmation that the appropriate entity within the Johnson Controls group intends to support the company, for at least one year after the financial statements are signed, if the company needs additional liquidity.

Future developments

The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

Key performance indicators

The finance and investment activities of the company are managed as part of the global investment strategy of the Johnson Controls International plc group and the company's directors are of the opinion that analysis using KPIs is not necessary or appropriate for an understanding of the development, performance or position of the business.

Johnson Controls International Holdings Ltd

Strategic report (cont'd)

Principal risks and uncertainties

The principal risks and uncertainties of the company relate to the performance of its fellow group undertakings to which it has provided finance as well as to the investments in the Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd group. Any reductions in performance of the company's direct subsidiary, and the sub group which sits beneath, will have a direct impact on their valuation. Annual impairment reviews are carried out where an initial trigger assessment has been performed indicating further assessment is required. These trigger assessments use, where possible, audited financial information to compute a value for the company's subsidiaries and sub-subsidiaries to identify where any value has potentially diminished for which a more detailed assessment is then made. This reduces the risk that the value of the investment disclosed in the financial statements is materially different from the recoverable value.

The Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd group is a group where management expectation is one of appreciation and this is reflective of both the group's historic performance. The adoption of group policy which requires risk management and operational policies and procedures to be implemented in all areas of business, together with the robust supervision structure aids in the mitigation of this risk.

On behalf of the board

Mark Ayre

.....
M Ayre
Director

24-Jun-22
Date:

Johnson Controls International Holdings Ltd

Directors' report

The directors present their report and the audited financial statements of the company for the year ended 30 September 2021.

Future developments

The future developments of the company are noted in the Strategic report.

Post balance sheet events

Subsequent to the year end, in March 2022, the company received a dividend of \$54,000,000 from its subsidiary Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd.

Dividends

The directors do not recommend payment of a dividend (2020: nil).

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including credit risk, exchange rate risk, price risk and liquidity risk. The company does not use derivative financial instruments.

Credit risk

The company is not exposed to any credit risk other than in respect of inter-company balances within the Johnson Controls International plc group. The company does not have an external customer base. The company uses financial institutions authorised by Johnson Controls International plc who actively manage the global banking facilities. All cash held on deposit is pooled at a European level to mitigate risk.

Exchange rate risk

Potential exposure to currency exchange rate fluctuations is managed internally within the Group treasury function. The group enter into forward exchange contracts on behalf of the company to the value of its future multi-currency cash flows, arising from investments in foreign subsidiaries.

The company is also exposed to exchange rate risk in relation to amounts due from group undertakings denominated in foreign currency and the year end translated values fluctuating with changing exchange rates. The group enters into forward exchange contracts on behalf of the company in relation to intercompany loans denominated in GBP and EUR. This mitigates the exposure to exchange rate risk for these currencies.

Price risk

The directors do not consider that the company's operations expose it to any price risk.

Liquidity and interest rate risk

Cash balances held with external institutions form part of the Johnson Controls International plc group global cash pool arrangement which minimises any interest rate exposure. If funding is required, then this is achieved by either an internal loan from a Johnson Controls International plc group company or through cash pooling arrangements. All interest-bearing intercompany loans are at fixed interest rates.

All Group risk is closely managed by the corporate risk management team, which is controlled by the ultimate parent company Johnson Controls International plc.

Directors

The following directors served during the year and up to the date of signing this report, unless otherwise stated:

M Ayre

P Schieser

Johnson Controls International Holdings Ltd

Directors' report (cont'd)

Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The group also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, Brebners, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next Directors' Board Meeting.

On behalf of the Board

.....
M Ayre
Director

24-Jun-22
Date:

Johnson Controls International Holdings Ltd

Independent auditor's report to the members of Johnson Controls International Holdings Ltd for the year ended 30 September 2021

Opinion

We have audited the financial statements of Johnson Controls International Holdings Ltd (the 'company') for the year ended 30 September 2021, which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, Statement of changes in equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2021 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Johnson Controls International Holdings Ltd

Independent auditor's report to the members of Johnson Controls International Holdings Ltd for the year ended 30 September 2021 (cont'd)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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.

Johnson Controls International Holdings Ltd

Independent auditor's report to the members of Johnson Controls International Holdings Ltd for the year ended 30 September 2021 (cont'd)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and the industry in which it operates, we determined that the principal risks of non-compliance with laws and regulations related to the reporting framework (FRS 102 and the Companies Act 2006) and UK corporate taxation laws and data protection legislation. These risks were communicated to our audit team and we remained alert to any indications of non-compliance throughout our audit.

We understood how the company is complying with relevant legislation by making enquiries of management and those responsible for legal and compliance procedures. We also considered the results of our audit procedures and to what extent these corroborate this understanding and assessed the susceptibility of the company's financial statements to material misstatement. This included consideration of how fraud might occur and evaluation of management's incentives and opportunities for fraudulent manipulation of the financial statements.

We designed our audit procedures to identify any non-compliance with laws and regulations. Such procedures included, but were not limited to, inspection of any regulatory or legal correspondence; challenging assumptions and judgements made by management; identifying and testing journal entries with a focus on large or unusual transactions as determined based on our understanding of the business; and identifying and assessing the effectiveness of controls in place to prevent and detect fraud.

Owing to the inherent limitations of an audit, there remains a risk that a material misstatement may not have been detected, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance with laws and regulations and cannot be expected to detect all instances of non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Brebners
.....
Martin Widdowson (Senior Statutory Auditor)
For and on behalf of

Brebners, Statutory Auditor
1 Suffolk Way
Sevenoaks
TN13 1YL

24-Jun-22
Date:.....

Johnson Controls International Holdings Ltd

Statement of comprehensive income for the year ended 30 September 2021

	Note	2021 \$'000	2020 \$'000
Administrative expenses		(7)	(7)
Loss on foreign exchange		(38)	(10,610)
Operating loss	5	(45)	(10,617)
Income from fixed asset investments	6	54,000	54,000
Loss on sale of receivable		—	(16,323)
Interest receivable and similar income	7	3,711	14,572
Interest payable and similar expenses	8	(3,927)	(5,620)
Profit before taxation		53,739	36,012
Tax charge on profit	9	—	—
Profit for the financial year		53,739	36,012
Total comprehensive income for the year		53,739	36,012

All amounts relate to continuing operations.

Johnson Controls International Holdings Ltd

Statement of financial position as at 30 September 2021

	Note	2021 \$'000	2020 \$'000
Fixed assets			
Investments	11	557,618	557,618
		557,618	557,618
Current assets			
Debtors (including \$41,776,000 (2020: \$Nil) due after more than one year)	12	455,412	437,242
		455,412	437,242
Creditors - amounts falling due within one year	13	(329,532)	(365,101)
Net current assets		84,104	72,141
Total assets less current liabilities		683,498	629,759
Net assets		683,498	629,759
Capital and reserves			
Called up share capital	15	111,780	111,780
Other distributable reserve		691,141	691,141
Accumulated losses		(119,423)	(173,162)
Total equity		683,498	629,759

The notes on pages 11 to 25 are an integral part of these financial statements.

24-Jun-22

The financial statements on pages 8 to 25 were approved by the Board of directors on
and were signed on its behalf by:

Mark Ayre

.....
M Ayre
Director
Johnson Controls International Holdings Ltd
Registered Number 09458809

Johnson Controls International Holdings Ltd

Statement of changes in equity for the year ended 30 September 2021

	Called up share capital \$'000	Other distributable reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance as at 1 October 2019	111,780	691,141	(209,174)	593,747
Profit for the financial year	—	—	36,012	36,012
Balance as at 30 September 2020	111,780	691,141	(173,162)	629,759
Profit for the financial year	—	—	53,739	53,739
Balance as at 30 September 2021	111,780	691,141	(119,423)	683,498

Accumulated losses represents accumulated comprehensive expense for the current financial year and prior financial years.

Johnson Controls International Holdings Ltd

Notes to the financial statements for the year ended 30 September 2021

1 General information

Johnson Controls International Holdings Ltd is a private company limited by shares, domiciled and incorporated in the United Kingdom under the Companies Act 2006. The address of its registered office is 9/10 The Briars, Waterberry Drive, Waterlooville, England, PO7 7YH.

The company's principal activities are that of a holding and financing company.

2 Statement of compliance

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and in accordance with the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies, which have been applied in the preparation of these financial statements are set out below. These policies have been consistently applied to both the years/periods presented, unless otherwise stated. The company has applied FRS 102 in these financial statements.

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the recognition of certain financial assets and liabilities at fair value. In light of the impact of Coronavirus on the company the directors have taken a number of steps to protect and support the business. However, if the company needs additional liquidity, the directors have received confirmation that the appropriate entity within the Johnson Controls group intends to support the company for at 12 months after the financial statements are signed.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant in these financial statements are disclosed in note 4.

Johnson Controls International Holdings Ltd

Notes to the financial statements for the year ended 30 September 2021 (cont'd)

Reduced disclosures

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements on the basis that the information is provided in the consolidated financial statements of Johnson Controls International plc, which is registered in Cork Ireland. Johnson Controls International plc prepares consolidated financial statements which are publicly available and can be obtained from the address given in note 18.

Section 4 'Statement of Financial Position'

Reconciliation of the opening and closing number of shares;

Section 7 'Statement of Cash Flows'

Presentation of a Statement of Cash Flow and related notes and disclosures;

Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues'

Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in the statement of comprehensive income;

Section 33 'Related Party Disclosures'

Paragraphs 33.7 and 33.1A, Disclosure of compensation for key management personnel and related party transactions.

Group financial statements

The company is exempt from the requirement to prepare and deliver consolidated financial statements under the provisions of Section 401 of the Companies Act 2006 as it is a wholly owned subsidiary undertaking of Johnson Controls International plc, which is registered in Cork, Ireland and which itself prepares consolidated financial statements which are publicly available and can be obtained from the address given in note 18. Accordingly consolidated financial statements have not been prepared and the financial information presented for the current year is for the company as an individual undertaking.

Functional and presentational currency

The directors are of the view that the main exposures and risks to the company are those in relation to the company's investment which is denominated in US dollars, and hence US dollars is the appropriate functional currency. The directors have also selected US dollars as the presentational currency for the financial statements.

Foreign currencies

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Johnson Controls International Holdings Ltd

Notes to the financial statements for the year ended 30 September 2021 (cont'd)

Taxation

The tax charge represents the sum of the current tax charge and deferred tax charge.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profits for the year or prior years at the standard effective rate of corporation tax in the UK.

Deferred tax

Taxable profits differ from comprehensive income in that, it excludes items of income or expense that are taxable or deductible in other periods. Tax deferred or accelerated as a result of timing differences between the treatment of certain items for taxation and for accounting purposes is provided in full with certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured at rates that are expected to apply in the periods which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the date of the statement of financial position. Deferred tax is measured on an undiscounted basis.

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown in creditors due within one year.

Financial instruments

Financial assets

Basic financial assets, including debtors, cash and bank balances and loans to fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest rate method and are assessed annually for objective evidence of impairment. Any impairment loss or reversal of an impairment loss is recognised in the Statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, the control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade creditors and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Such debt instruments are subsequently carried at amortised cost using the effective interest rate method. Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classed as current liabilities if payment is due within one year or less.

Johnson Controls International Holdings Ltd

Notes to the financial statements for the year ended 30 September 2021 (cont'd)

Financial instruments cont'd

Forward exchange contracts

Forward exchange contracts are not basic financial instruments. They are initially recognised at fair value on the date the contract is entered into and are then subsequently re-measured at their fair value. Changes in the fair value of the contracts are recognised in the Statement of comprehensive income in administrative expenses.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Fixed asset investments

Fixed assets investments are stated at cost plus incidental expenses less provisions for impairment in value. The company reviews the carrying value of investments when there has been an indication of potential impairment annually. If it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the Statement of comprehensive income.

The calculations for determining the carrying value of investments involves the use of estimates including projected future cash flows and other future events.

Income from fixed asset investments

Income from fixed asset investments is recognised when distributions are declared from the company's investment. This is measured at the value resolved to be received (see note 6).

Interest receivable and similar income

Interest income is recognised in the period to which it relates regardless of when it is received.

Related party transactions

The company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

Johnson Controls International Holdings Ltd

Notes to the financial statements for the year ended 30 September 2021 (cont'd)

4 Critical accounting judgements and estimation uncertainty

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying value of assets and liabilities with the next financial year are addressed below:

Impairment of fixed asset investments

As per the accounting policy fixed asset investments are reviewed for indicators of impairment. If there is such an indication, the recoverable amount of the investment is compared to its carrying value. The recoverable amount of the investment is the higher of the fair value less costs to sell and value in use. The value-in-use (VIU) of relevant groups of income generating units (IGUs) for impairment testing purposes is determined using calculations of cash flow projections from the financial plans approved by the Board. These calculations involve the use of estimates including projected future cash flows and other future events. Management make estimates regarding the future financial performance of the income generating units, taking into account elements such as long-term business strategy. Minimum amount of variable consideration on a quarterly basis.

Fair value assessment of loans

As per the accounting policy the interest rates applied to all intercompany loans are calculated at their fair value by the central Johnson Controls International plc group treasury team. The rates are calculated on an arm's length basis and reflect the interest rates the borrower could obtain if they were to have sought the financing from an external financing institution. This calculation involves the use of estimates, assumptions and other future events.

5 Operating loss

	2021 \$'000	2020 \$'000
Operating loss is stated after charging/(crediting)		
Foreign exchange losses / (gains) on forward contracts	17,995	18,791
Foreign exchange (gain)/loss	(17,957)	(8,181)
Auditors remuneration - for audit services	7	13

A proportion of auditors' remuneration for audit services is borne by other members of the Johnson Controls International plc group.

Johnson Controls International Holdings Ltd

Notes to the financial statements for the year ended 30 September 2021 (cont'd)

6 Income from fixed asset investments

	2021	2020
	\$'000	\$'000
Dividends received	54,000	54,000

7 Interest receivable and similar income

	2021	2020
	\$'000	\$'000
Bank interest receivable	291	569
Interest receivable from group undertakings	3,420	14,003
	3,711	14,572

8 Interest payable and similar expenses

	2021	2020
	\$'000	\$'000
Bank interest payable	3,927	5,620

Johnson Controls International Holdings Ltd

Notes to the financial statements for the year ended 30 September 2021 (cont'd)

9 Tax charge on profit

There is no tax charge for the current or prior financial year.

Reconciliation of tax charge

The tax assessed for the year is lower (2020: lower) than the standard rate of corporation tax in the United Kingdom of 19% (2020: 19%). The differences are explained below:

	2021 \$'000	2020 \$'000
Profit before taxation	53,739	36,012
Profit before taxation multiplied by the standard rate of corporation tax of 19% (2020: 19%)	10,210	6,842
Income not taxable	(10,260)	(10,260)
Expenses not deductible for tax purposes	148	(159)
Group relief (received) / surrendered for nil consideration	(98)	3,577
Total tax charge for the year	—	—

The rate of UK corporation tax is currently 19%. In its 2021 Spring budget, the UK government announced that from 1 April 2023 the corporation tax rate will increase to 25%. This was substantively enacted for UK GAAP purposes on 10 June 2021.

Temporary differences at the Statement of financial position date have been measured using the enacted tax rate of 19% (2020: 19%) and reflected in these financial statements.

No deferred tax asset has been recognised in these financial statements in respect of the tax losses due to uncertainty surrounding the future profitability of the company. The total unrecognised deferred tax asset for the year is \$4,462,370 (2020: \$3,391,400).

10 Directors and employees

The directors received no remuneration (2020: \$nil) in respect of their services to the company during the year as their services as directors of the company were incidental to the other services within the Johnson Controls International plc group of companies. Directors' remuneration costs are borne by other members of the Johnson Controls International plc group of companies. It is not possible to determine an allocation to this company. The average monthly number of employees, excluding directors, is nil (2020: nil).

Johnson Controls International Holdings Ltd

Notes to the financial statements for the year ended 30 September 2021 (cont'd)

11 Investments

	Total
Shares in subsidiary undertakings	\$'000
Cost	
At 1 October 2020 and at 30 September 2021	557,618
Net book amount	
At 30 September 2021	557,618
At 30 September 2020	557,618

In the directors' opinion, the carrying value of the investments, net of impairment provisions, is supported by the value of the underlying business.

	2021	2020
Analysed as:	\$'000	\$'000
Johnson Controls – Hitachi Air Conditioning Holding (UK) Ltd	557,618	557,618
At 30 September	557,618	557,618

The principal activity of the subsidiary is that of a holding company.

The company held the following investments at 30 September 2021:

Company name	Class of shares	Proportion of issued share capital held by:		Registered Office
		The Company	Other group companies	
Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd	Ordinary	60%	—	9/10 The Briars, Waterberry Drive, Waterlooville, Hampshire, PO7 7YH, UK
Johnson Controls-Hitachi Air Conditioning Holding GK	Membership Interest	—	100%	16-1 Kaigan 1-chome, Minato-Ku, Tokyo 105-0022, Japan
Johnson Controls-Hitachi Air Conditioning Technology (Hong Kong) Limited	Ordinary A-C Preference	—	100% 100%	11/F & 12/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong
Johnson Controls Air Conditioning Asia (Hong Kong) Limited	Ordinary	—	100%	11/F & 12/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong
Johnson Controls Air Conditioning (Hong Kong) Limited	Ordinary	—	100%	11/F & 12/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong
Johnson Controls Air Conditioning Asia Holding (Hong Kong) Limited	Ordinary	—	100%	11/F & 12/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong
JCHAC Jersey Holding Limited	Ordinary	—	100%	Fifth floor, 37 Esplanade, St Helier, JE1 2TR, Jersey

Johnson Controls International Holdings Ltd

Notes to the financial statements for the year ended 30 September 2021 (cont'd)

11 Investments (cont'd)

Company name	Class of shares	Proportion of issued share capital held by:		Registered Office
		The Company	Other group companies	
Johnson Controls Air Conditioning Europe Limited	Ordinary	—	100%	9/10 The Briars, Waterberry Drive, Waterlooville, Hampshire, PO7 7YH, UK
Johnson Controls Air Conditioning Holding (M) Sdn. Bhd.	Ordinary A-C Preference	—	100% 100%	Level 21, Suite 21.01, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur
Hitachi Industrial Machinery Philippines Corp.	Ordinary	—	100%	PEZA Drive, Phase 2, First Cavite Industrial Estate, Brgy. Langkaan, Dasmarias, Cavite Philippines
Johnson Controls-Hitachi Air Conditioning North America LLC	Membership Interest	—	100%	1209 Orange St., Wilmington, 19801 Delaware, USA
Johnson Controls-Hitachi Components (Thailand) Co., Ltd.	Ordinary	—	100%	64/39 Moo4 Eastern Seaboard Industrial Estate Tambol Pluakdeang Amphur Pluakdeang, Rayong 21140 Thailand
Hitachi-Johnson Controls Air Conditioning, Inc.	Ordinary A-C Preference	—	100% 100%	16-1 Kaigan 1-chome, Minato-Ku, Tokyo, Japan
Johnson Controls-Hitachi Air Conditioning (Thailand) Co., Ltd.	Ordinary	—	100%	719 KPN Tower, 8th Floor, Rama Road, Bangkok, Huay Kwang, Bangkok 10310, Thailand
PT Johnson Controls Hitachi Air Conditioning Indonesia	Ordinary	—	67%	Wisma 77, 16th Floor, Jl. S. Parman Kav.77, Slipi, Jakarta Raya 11410, Indonesia
Johnson Controls-Hitachi Air Conditioning Vietnam Limited Liability Company	Ordinary	—	70%	Floor 6, Tower B, Royal Center, 235 Nguyen Van Cu Street, Nguyen Cu Trinh Ward, District 1, Ho Chi Minh City, Vietnam
Johnson Controls Air Conditioning Japan Nin-i Kumiai	Ordinary	—	100%	12th Floor, OCTA Tower, No. 8 Lam Chak Street, Kowloon Bay, Kowloon, Hong Kong
Johnson Controls Air Conditioning Finance (Hong Kong) Limited	Ordinary A-C Preference	—	100% 100%	11/F & 12/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong
Johnson Controls Air Conditioning Investments (UK) Limited	Ordinary A-C Preference	—	100% 100%	9/10 The Briars, Waterberry Drive, Waterlooville, Hampshire, PO7 7YH, UK
Johnson Controls-Hitachi Air Conditioning Singapore Pte. Ltd.	Ordinary	—	100%	2 Serangoon North Avenue 5, #03-01 Singapore 554911, Singapore

Johnson Controls International Holdings Ltd

Notes to the financial statements for the year ended 30 September 2021 (cont'd)

11 Investments (cont'd)

Company name	Class of shares	Proportion of issued share capital held by:		Registered Office
		The Company	Other group companies	
Johnson Controls Hitachi Air Conditioning Sales Malaysia Sdn. Bhd.	Ordinary	—	100%	Luxo Tech. Centre, Level 2, No. 1A, Jalan Teknologi 3/4, Taman Sains Selangor 1, Kota Damansara PJU 5, Petaling Jaya, Selangor, 47810, Malaysia
Johnson Controls-Hitachi Air Conditioning Supply Singapore Pte. Ltd.	Ordinary	—	100%	2 Serangoon North Avenue 5, #03-01 Singapore 554911, Singapore
Johnson Controls Air Conditioning Asia Finance China	Ordinary	—	100%	Room 1301, 13/F, Octa Tower, 8 Lam Chak Street, Kowloon, Hong Kong
Johnson Controls Air Conditioning Holding (Hong Kong) Limited	Ordinary	—	100%	11/F & 12/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong
Johnson Controls Air Conditioning Asia Holding China	Ordinary	—	100%	Room 1301, 13/F, Octa Tower, 8 Lam Chak Street, Kowloon, Hong Kong
Johnson Controls Air Conditioning (UK) Limited	Ordinary A-C Preference	—	100% 100%	9/10 The Briars, Waterberry Drive, Waterlooville, Hampshire, PO7 7YH, UK
Johnson Controls-Hitachi Air Conditioning Services (Hong Kong) Limited	Ordinary A-C Preference	—	100% 100%	11/F & 12/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong
Johnson Controls-Hitachi Wanbao Air Conditioning (Guangzhou) Co., Ltd	Ordinary	—	57%	No. 1086 Cheng ao EastRoad, Conghua District, Guangzhou, China
Johnson Controls-Hitachi Wanbao Air Conditioning System (Shanghai) Co., Ltd	Ordinary	—	100%	Part 2, 2F, No.39 Jia Tai Road, Pilot Free Trade Zone, Shanghai, China
Johnson Controls-Hitachi Wanbao Compressor (Guangzhou) Co., Ltd.	Ordinary	—	60%	No. 1086 Cheng ao EastRoad, Conghua District, Guangzhou, China
Johnson Controls-Hitachi Air Conditioning Wuhu Co., Ltd	Ordinary	—	100%	2, Qi Luo Shan Road, Wuhu City, Anhui Province, 241009 China
Johnson Controls-Hitachi Air Conditioning Technology (Wuxi) Co., Ltd.	Ordinary	—	100%	32, Chang Jiang Road, National High-Tech Investment & Development Zone, Wuxi, Jiangsu Province, China
Johnson Controls-Hitachi Air Conditioning Technology (Shanghai) Co., Ltd.	Ordinary	—	100%	1C105, No. 518-11 North Fuquan Road, Changning District, Shanghai, China
Johnson Controls-Hitachi Air Conditioning Trading (Hong Kong) Limited	Ordinary A-C Preference	—	100% 100%	11/F & 12/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong

Johnson Controls International Holdings Ltd

Notes to the financial statements for the year ended 30 September 2021 (cont'd)

11 Investments (cont'd)

Company name	Class of shares	Proportion of issued share capital held by:		Registered Office
		The Company	Other group companies	
Johnson Controls AC Limited	Ordinary	—	100%	9/10 The Briars, Waterberry Drive, Waterlooville, Hampshire, PO7 7YH, UK
Johnson Controls Ar Condicionado do Brasil Holding Ltda.	Ordinary	—	100%	Av Embaixador Macedo Soares, 10001, Torre A, Andar 12 CJ, Vila Ribeiro de Bar, Sao Paulo 5307-200, Brazil
Johnson Controls-Hitachi Ar Condicionado do Brasil Ltda.	Ordinary	—	100%	Rod. Presidente Dutra km 141, S/N Bairro Eugenio de Mello, Sao Jose dos Campos, Sao Paulo, 12247-901, Brazil
Qingdao Hisense Hitachi Air-conditioning Systems Co., Ltd.	Ordinary	—	49%	No.218 Qian Wan Gang Road, Qingdao ETDZ, Qingdao, Shandong, China
Qingdao Hisense Hitachi Air-conditioning Marketing Co., Ltd.	Ordinary	—	80%	South of the Qian Wan Gang Road, East of the FenJin Road, West of the TuanJie Road, HuangDao District, China
Qingdao Hisense Nuantong HVAC Equipment Co., Ltd.	Ordinary	—	100%	Room 101, Building B, Building 12, No. 9, Xiehu Road, Taiping Street, Ji 'nan Pilot District, No.102 Luoyuan Street, Jinan, Jimiya, Shandong, China
Qingdao Johnson Controls Air-Conditioning Co., Ltd	Ordinary	—	100%	#5 Plant Building, Hisense Information Industrial Park, Tuanjie Road, #18, Huangdao District, Qingdao, Shandong 266510, China
Shanghai Highly Electrical Appliances Co., Ltd.	Ordinary	—	25%	1051, Yunqiao Road, Pilot Free Trade Zone, Shanghai, China
Nanchang Highly Electrical Machinery Co., Ltd.	Ordinary	—	100%	88, Meilin Road, Economic and Technological Development Zone, Nanchang, China
Mianyang Highly Electrical Appliances Co., Ltd.	Ordinary	—	51%	188 Mianzhou Road , Economic and Technology Development Area, Mianyang City, Sichuang Province, China
Nanchang Highly Cooling and Heating Technology Co., Ltd	Ordinary	—	100%	88, Meilin Road, Economic and Technological Development Zone, Nanchang, China
Highly Electrical Appliances India Pvt. Ltd.	Ordinary	—	100%	Survey No. 456, 457, Village Matoda Besides, Intas Pharmaceuticals, Sarkhej-Bavla Highway, Ahmedabad-382213, Gujarat, India

Johnson Controls International Holdings Ltd

Notes to the financial statements for the year ended 30 September 2021 (cont'd)

11 Investments (cont'd)

Company name	Class of shares	Proportion of issued share capital held by:		Registered Office
		The Company	Other group companies	
JCHAC UK Holdco Limited	Ordinary A-C Preference	—	100% 100%	9/10 The Briars, Waterberry Drive, Waterlooville, Hampshire, PO7 7YH, UK
JCHAC Europe Finco Limited	Ordinary A-C Preference	—	100% 100%	9/10 The Briars, Waterberry Drive, Waterlooville, Hampshire, PO7 7YH, UK
JCHAC Taiwan Holdco Limited	Ordinary	—	100%	104, 1F, 61, Sec. 3, Nanking E. Rd., Chungshan Dist., Taipei City, Taiwan
Johnson Controls-Hitachi Air Conditioning Taiwan Co., Ltd.	Ordinary	—	61%	No. 63, Sec. 3, Nanjing E Road, Zhongshan Dist., Taipei City, Taiwan
Johnson Controls-Hitachi Air Conditioning Sales Taiwan Co., Ltd.	Ordinary	—	100%	No. 63, Sec. 3, Nanjing E Road, Zhongshan Dist., Taipei City 104, Taiwan
Johnson Controls-Hitachi Air Conditioning Philippines, Inc.	Ordinary	—	100%	1A, Binictican Drive, Subic Bay Industrial Park Phase II, Subic Bay Freeport Zone, Philippines
Johnson Controls-Hitachi Air Conditioning Taiwan (BVI) Co., Ltd.	Ordinary	—	100%	P.O. Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands
JCHAC India Holdco Limited	Ordinary A-C Preference	—	100% 100%	9/10 The Briars, Waterberry Drive, Waterlooville, Hampshire, PO7 7YH, UK
Johnson Controls-Hitachi Air Conditioning India Limited	Ordinary	—	74%	9/F, Abhijeet, Mithakhali Six Road, Ahmedabad, Gujurat, India
Johnson Controls Hitachi Air Conditioning Europe SAS	Ordinary	—	100%	2 Rue de Lombardie, Aktiland II, 69800 Saint-Priest, France
Johnson Controls-Hitachi Air Conditioning Spain, S.A.U.	Ordinary	—	100%	Ronda Shimizu, 1, 8233 Vacarisses, Barcelona, Spain
Johnson Controls Hitachi Air Conditioning Malaysia Sdn. Bhd.	Ordinary	—	100%	10, Jalan Kemajuan, Bangi Industrial Estate, 43650 Bandar Baru Bangi, Selangor, Malaysia

Johnson Controls International Holdings Ltd

Notes to the financial statements for the year ended 30 September 2021 (cont'd)

12 Debtors

	2021	2020
	\$'000	\$'000
Amounts falling due within one year		
Amounts owed by group undertakings	413,631	437,239
Forward exchange contracts (note 16)	5	3
	413,636	437,242
Amounts falling due after more than one year		
Amounts owed by group undertakings	41,776	—
	41,776	—

Amounts owed by group undertakings include three loans totalling \$454,942,000 (2020: three loans totalling \$436,960,000). The loans bear the terms:

Loan value (in \$'000's)	Interest Rate	Maturity date	Loan Value (000's)
\$143,484 (2020: \$137,078)	0.90% (2020: 0.70%)	Sep 2022 (2020: Sep 2021)	GBP 106,758
\$269,682 (2020: \$257,643)	0.75% (2020: 0.70%)	Sep 2022 (2020: Sep 2021)	GBP 200,656
\$41,776 (2020: \$42,239)	0.80% (2020: 1.30%)	April 2022 (2020: April 2021)	EUR 36,000

Interest receivable on these loans of \$196,401 (2020: \$277,097) is also included in amounts owed by group undertakings.

The two loans denominated in GBP reached their maturity date on 25 September 2021 and both loans were extended for a further twelve months so as to end on 25 September 2022. All accrued unpaid interest as at that date was settled and the interest rate was amended to 0.90% and 0.75% effective 25 September 2021.

The loan denominated in EUR reached its maturity date on 29 April 2021 and was extended for a further twelve months so as to end on 29 April 2022. All accrued unpaid interest as at that date was settled and the interest rate was amended to 0.80% effective 29 April 2021. On maturity date 29 April 2022, the loan was extended for a further twelve months so as to end on 29 April 2023. All accrued unpaid interest as at that date was settled and the interest rate was amended to 0.76% effective 29 April 2022.

Johnson Controls International Holdings Ltd

Notes to the financial statements for the year ended 30 September 2021 (cont'd)

13 Creditors – amounts falling due within one year

	2021 \$'000	2020 \$'000
Bank overdrafts	288,500	342,064
Amounts owed to group undertakings	13	8
Forward exchange contracts (note 16)	41,013	23,022
Accruals	6	7
	329,532	365,101

The overdraft is unsecured, repayable on demand and interest rates are set and calculated daily for each currency. Overdraft interest rates during the year were between 0.60% and 1.56% (2020: average 0.9%).

All amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

15 Called up share capital

		2021 \$'000		2020 \$'000
Allotted, called-up and fully paid	No.		No.	
Ordinary shares of \$1 each	12,100,000	12,100	12,100,000	12,100
Preference A Shares of \$1 each	34,000,000	34,000	34,000,000	34,000
Preference B Shares of \$1 each	34,000,000	34,000	34,000,000	34,000
Preference C Shares of \$1 each	31,679,736	31,680	31,679,736	31,680
	111,779,736	111,780	111,779,736	111,780

The following rights attach to the different classes of shares:

Voting rights: The holders of the ordinary and preference shares shall be entitled one vote in any circumstances.

Dividend rights: The holders of ordinary shares shall be entitled to a dividend at a rate declared by the directors from time to time. Payments of these dividends shall be made only after payments of all preferred dividends, including payments of a sum equal to all arrears and accruals. Holders of the preference shares shall be paid in the following order A, B then C. Holders will be paid a discretionary cumulative dividend at a rate of 7%, 7.1% and 7.2% respectively.

16 Financial instruments

The company enters into forward exchange contracts to mitigate the exchange rate risk for certain foreign currency receivables. The foreign exchange contracts are measured at fair value with any changes charged or credited to comprehensive income. At the year end the company has internal foreign exchange swaps held at their fair value of \$41,012,690 (2020: \$23,022,790) for the sale of GBP £307,415,000 (2020: GBP £307,480,000) and EUR €36,000,000 (2020: EUR €36,000,000) for USD. All hedges closed in October 2021.

Johnson Controls International Holdings Ltd

Notes to the financial statements for the year ended 30 September 2021 (cont'd)

17 Post balance sheet events

Subsequent to the year end, in March 2022, the company received a dividend of \$54,000,000 from its subsidiary Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd.

18 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Johnson Controls Reorganization Luxembourg SCS, a company incorporated in Luxembourg.

The ultimate parent undertaking and controlling party is Johnson Controls International plc, a company incorporated in Cork, Ireland. Johnson Controls International plc is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements for the year ended 30 September 2021. The consolidated financial statements of Johnson Controls International plc are available from:

Johnson Controls International plc
1 Albert Quay
Cork
Ireland