

Chubb Fire Protection Unlimited

(Registered Number 48747)

Annual report

for the year ended 31 December 2003



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Chubb Fire Protection Unlimited

Annual report for the year ended 31 December 2003

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Chubb Fire Protection Unlimited

Directors' report for the year ended 31 December 2003

The directors present their report and the audited financial statements for the year ended 31 December 2003.

Principal activities

The company acts as a property company which rents and sub-lets properties.

Review of business and future developments

The results for the year are set out on page 4. The directors do not expect the nature of the business to change for the foreseeable future.

Dividends

The directors are unable to recommend the payment of a dividend (2002:£483,890,000).

Directors

The directors of the company during the year are listed below:

Westminster Securities Limited
Chubb Management Services Limited

Directors' share interests

None of the directors at the year end held any interest in the share capital of the company, United Technologies Corporation, or any other subsidiary of United Technologies Corporation.

Directors' interests in contracts

During the year, none of the directors had any material interest in any contract of significance in relation to the company's business.

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors consider that in preparing the financial statements the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards, which they consider to be applicable have been followed.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

In adopting a going concern basis in the financial statements the directors, after making enquiries, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

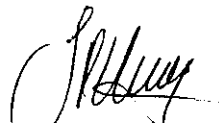
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Directors' report for the year ended 31 December 2003 (continued)

Auditors

Following the conversion of the Company's auditors PricewaterhouseCoopers to a limited liability partnership (LLP), PricewaterhouseCoopers have resigned and the directors have appointed PricewaterhouseCoopers LLP to fill the casual vacancy created by the resignation. As a consequence of an elective resolution PricewaterhouseCoopers LLP will continue in office until further notice.

By order of the board

A handwritten signature in black ink, appearing to be 'J. H. H. H.', written over a horizontal line.

For and on behalf of:
Chubb Management Services Ltd

Director

14 July 2004

Independent auditors' report to the members of Chubb Fire Protection Unlimited

We have audited the financial statements, which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the directors' report.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
London

3 August 2004

Chubb Fire Protection Unlimited

Profit and loss account for the year ended 31 December 2003

	<i>Note</i>	2003 £'000	2002 £'000
Administrative expenses		(350)	(8)
Operating loss	2	(350)	(8)
Loss on sale of fixed asset investments		-	(7,470)
Income from shares in group undertakings		-	565
Loss on ordinary activities before taxation		(350)	(6,913)
Tax on profit on ordinary activities	3	-	-
Loss on ordinary activities after taxation		(350)	(6,913)
Dividends		-	(483,890)
Loss for the financial year	9	(350)	(490,803)

All amounts relate to continuing operations.

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

Statement of total recognised gains and losses for the year ended 31 December 2003

	<i>Note</i>	2003 £'000	2002 £'000
Loss for the year		(350)	(490,803)
Reduction in share capital	8	-	493,225
Total recognised (losses)/gains for the year		(350)	2,422

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Balance sheet at 31 December 2003

	Note	2003 £'000	2002 £'000
Current assets			
Debtors: amounts falling due within one year	4	8	45
Cash at bank and in hand		149	204
		157	249
Creditors: Amounts falling due within one year	5	(164)	(205)
Net current assets		(7)	44
Total assets less current liabilities		(7)	44
Provisions for liabilities and charges	6	(321)	(22)
Net (liabilities)/assets		(328)	22
Capital and reserves			
Called up share capital	7	-	-
Capital Redemption Reserve	8	5	5
Profit and loss account	8	(333)	17
Equity shareholders' (deficit)/ funds	9	(328)	22

The financial statements on pages 4 to 9 were approved by the board of directors on 14 July 2004 and were signed on its behalf by:



For and on behalf of:
Chubb Management Services Ltd

Director

Chubb Fire Protection Unlimited

Notes to the financial statements for the year ended 31 December 2003

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, except as indicated, is set out below.

Cash flow statement

The company was a wholly owned subsidiary of the United Technologies Group at 31 December 2003. Consequently the company is exempt under the terms of FRS 1 from publishing its cash flow statement.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention and have been prepared on a going concern basis, although the company had net liabilities at 31 December 2003. The ultimate parent company has confirmed that it will support the company financially for the next financial year.

Transactions with other group companies have not been disclosed as permitted by FRS 8.

Foreign exchange

Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Individual transactions are translated at the rate of exchange ruling on the date of the transaction. All exchange differences including unrealised gains on long term monetary items, are included in the profit and loss account.

This treatment is required by SSAP 20 in order to give a true and fair view of the company's results and overrides Schedule 4, paragraph 12 of the Companies Act 1985 which states that only profits realised at the balance sheet date should be included in the profit and loss account.

Fixed asset investments

Fixed asset investments are held at cost less any provision for impairment in value.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the terms of the lease to the profit and loss account.

Onerous leases

Provision is made for onerous contract obligations for leasehold properties that are vacated, or where future sub-let income is estimated to be insufficient to meet all the obligations under the lease.

Deferred taxation

The Company has adopted FRS 19 'Deferred tax'. Under FRS19, deferred tax is recognised in full on timing differences which result, at the balance sheet date, in an obligation to pay more tax, or a right to pay less tax in the future. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are recognised in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

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Notes to the financial statements for the year ended 31 December 2003 (continued)

2 Loss on ordinary activities before taxation

	2003 £'000	2002 £'000
The loss on ordinary activities before taxation is stated after charging/(crediting):		
Operating lease rentals - land and buildings	74	104
Operating lease income – land and buildings	(74)	(104)
Vacated property provision	348	-

None of the directors received any emoluments for their services to the company (2002: £nil).

Auditors' remuneration has been borne by another group undertaking.

3 Tax on profit on ordinary activities

	2003 £'000	2002 £'000
Current tax – UK corporation tax at 30%	-	-

Tax reconciliation

	2003 £'000	2002 £'000
Loss on ordinary activities before taxation	(350)	(6,913)
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2002: 30%)	(105)	(2,074)
Effects of:		
Timing differences	27	-
Group relief surrendered	78	2,074
Tax charge for the current year	-	-

Deferred tax assets have not been recognised in respect of short term timing differences of £27,000 (2002:nil) as there is insufficient evidence that there will be suitable future taxable profits from which the future reversal of these items may be deducted.

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Notes to the financial statements for the year ended 31 December 2003 (continued)

4 Debtors

	2003 £'000	2002 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	8	1
Other debtors	-	44
	8	45

5 Creditors

	2003 £'000	2002 £'000
Amounts falling due within one year:		
Amounts owed to group undertakings	159	159
Other creditors	5	46
	164	205

6 Provisions for liabilities and charges

	Vacated Property provision £'000
At 1 January 2003	22
Profit and loss account	348
Utilised	(49)
At 31 December 2003	321

7 Share capital

	2003 £'000	2002 £'000
Authorised		
494,007,000 Ordinary shares of 0.001p each (2002: 0.001p each)	5	5
Allotted, called up and fully paid		
493,093,387 Ordinary shares of 0.001p each (2002: 0.001p each)	-	-

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Notes to the financial statements for the year ended 31 December 2003 (continued)

8 Reserves

	Capital Redemption £'000	Profit and Loss £'000
At 1 January 2003	5	17
Loss for the financial year	-	(350)
At 31 December 2003	5	(333)

9 Reconciliation of movements in shareholders' funds

	2003 £'000	2002 £'000
Loss for the financial year	(350)	(490,803)
Net decrease in shareholders' funds	(350)	(490,803)
Opening shareholders' funds	22	490,825
Closing shareholders' (deficit)/funds	(328)	22

10 Other commitments

At 31 December 2003 the company had annual commitments under operating leases as follows:

	2003 £'000	2002 £'000
Land and buildings		
Leases expiring:		
Between one and five years	8	8
After more than five years	93	93

11 Contingent liabilities

The company is party to a group arrangement with its bankers, whereby any in-hand balance may be applied against the overdraft of Chubb Limited.

12 Ultimate parent company

The company's ultimate parent company is United Technologies Corporation, a company incorporated in the United States of America.

Copies of the United Technologies Corporation financial statements can be obtained from:

The Secretary
United Technologies Corporation
1 Financial Plaza
Hartford
Connecticut 06103
U.S.A.