

Chubb Group Limited
(Registered number 00585729)
Annual Report
for the year ended 31 December 2014

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Chubb Group Limited

Annual report for the year ended 31 December 2014

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Chubb Group Limited

Strategic report for the year ended 31 December 2014

The directors present the strategic report on the company for the year ended 31 December 2014.

Review of business and future activities

The Company acts as an intermediate parent company with subsidiaries operating worldwide in the field of security services provision. The Company provides management services to its subsidiary companies. The company's principal risks and uncertainties predominantly relate to the investments held by the company, which management review on a regular basis.

The directors consider the results for the year to be satisfactory and in line with expectation. It is the intention of the directors to dispose of its' investments within the next twelve months.

Results and dividends

The profit for the financial year was £148,208,000 (2013: £2,125,000). The directors do not recommend the payment of a final dividend (2013:£nil).

The company received dividends of £316,000 from Connaught Alarms Limited, £10,156,000 from White Peak Finance Ireland, £2,369,000 from Westminster Insurance Limited, £1,982,000 from Chubb Singapore Private Limited, £191,000 from Onity Co. Limited, £758,000 from Chubb (Thailand) Limited, £1,393,000 from Chubb Security Systems BVBA and £30,000 from Security Monitoring Centre BVBA.

In previous year the company received dividends of £968,000 from Guardforce Macau Limitada, £2,734,000 from Chubb Singapore Private Limited, £199,000 from Onity Co. Limited, £1,536,000 from Chubb (Thailand) Limited, £788,000 from Chubb Security Systems BVBA and £91,000 from Security Monitoring Centre BVBA.

On 8 October 2014 Chubb Group Limited contributed Chubb Fire Limited, Onity Limited & TG Products Limited to Chubb Group Security Limited in exchange for 1 non-voting share of Chubb Group Security Limited with value of £367,258,000 and on 9 December 2014 Chubb Group Limited sold Chubb Group Security Limited to United Technologies Luxembourg Sarl for £525,058,000.

During the year the company disposed of the following investments:

Chubb Thailand Limited and Chubb Aviation Security Limited, with a profit on disposal of £1,672,000
Chubb Fire Limited, Onity Limited and TG Products Limited, with a profit on disposal of £244,550,000
Chubb Group Security Limited, with a loss on disposal of £112,866,000
Guardforce (Macau) Limited with a profit on disposal of £9,838,000
White Peak Finance Ireland Limited, with a loss on disposal of £10,000,000

During the year the directors' considered the carrying value of investments and provided £996,000 against the cost of investment in Chubb Group Properties Limited.

Key performance indicators

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.


Chubb Group Limited

Strategic report for the year ended 31 December 2014 (continued)

Principal risks and uncertainties

The management of the business and the execution of the company's strategy as a holding entity within the United Technologies Corporation group are subject to group activities. Discussion of these risks and uncertainties, in the context of the group as a whole, is provided in the United Technologies Corporation group's annual report, which can be obtained from the address in note 16.

Approved on behalf of the board of directors



Neil Gregor Macgregor
Director
25 June 2015

Chubb Group Limited

Directors' report for the year ended 31 December 2014

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2014.

Principal activities

The Company acts as an intermediate parent company with subsidiaries operating worldwide in the field of security services provision. The Company provides management services to its subsidiary companies.

Review of the business and future activities

A review of the business of the company and future activities is included in the strategic report.

Directors

The directors of the Company during the year and up to the date of signing the financial statements were:

Chubb Management Services Limited
Robert Sloss
Robert Sadler
Neil Gregor Macgregor (appointed 26 September 2014)

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.

Statement of directors' responsibilities

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Chubb Group Limited

Directors' report for the year ended 31 December 2014 (continued)

Statement of directors' responsibilities (continued)

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

So far as the directors are aware at the time the report is approved:

- (a) there is no relevant audit information of which the company's auditors are unaware; and
- (b) the directors have taken all the steps that they ought to have taken as a directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved on behalf of the board of directors


Neil Gregor Macgregor
Director
25 June 2015

Chubb Group Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHUBB GROUP LIMITED

Report on the financial statements

Our opinion

In our opinion, Chubb Group Limited's financial statements (the "financial statements"):

- Give a true and fair view of the state of the company's affairs as at 31 December 2014 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.
-

What we have audited

Chubb Group Limited's financial statements comprise:

- The balance sheet as at 31 December 2014;
- The profit and loss account for the year then ended; and
- 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 the preparation of the financial statement is applicable law and United Kingdom Account 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and 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.

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.

Chubb Group Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHUBB GROUP LIMITED (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 2 and 3, 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 International Standards on Auditing (UK and Ireland) ("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.

What an audit of financial statements involves

We conducted our audit in accordance with 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report 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.



Alex Crompton (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge

Date: 25 June 2015

Chubb Group Limited

Profit and loss account for the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Administrative expenses		(6,444)	(2,809)
Other operating income		572	-
Net profit on disposal of investments	7	133,194	-
Provision for impairment of investments	7	(996)	(26)
Operating profit/(loss)	2	126,326	(2,835)
Income from shares in group undertakings	7	17,195	6,316
Interest receivable and similar income	4	61,187	59,466
Interest payable and similar charges	5	(53,470)	(51,397)
Profit on ordinary activities before taxation		151,238	11,550
Tax on profit on ordinary activities	6	(3,030)	(9,425)
Profit for the financial year	12	148,208	2,125

All results relate to continuing operations.

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

There are no material differences between the profit on ordinary activities before taxation and the profit for the years stated above and their historical cost equivalents.

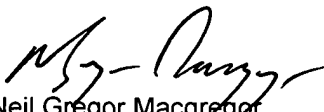
Chubb Group Limited

Balance sheet as at 31 December 2014

	Note	2014 £'000	2013 £'000
Fixed assets			
Investments	7	259,337	673,227
		259,337	673,227
Current assets			
Debtors			
– due within one year	8	10,350,467	9,748,933
– due after one year		69,625	72,560
		10,420,092	9,821,493
Creditors: amounts falling due within one year	9	(7,864,808)	(7,827,675)
Net current assets		2,555,284	1,993,818
Total assets less current liabilities		2,814,621	2,667,045
Provision for liabilities	10	(638)	(1,270)
Net assets		2,813,983	2,665,775
Capital and reserves			
Called up share capital	11	116,049	116,049
Share premium account	12	999,997	999,997
Merger reserve	12	767,603	767,603
Capital contribution	12	325,096	325,096
Other reserves	12	246,163	246,163
Profit and loss account	12	359,075	210,867
Total shareholders' funds	13	2,813,983	2,665,775

The notes on pages 8 to 16 form part of these financial statements.

The financial statements on pages 6 to 16 were approved by the board of directors on 25 June 2015 and were signed on its behalf by:


 Neil Gregor Macgregor
 Director

Chubb Group Limited
 Registered no.00585729

Chubb Group Limited

1 Principal accounting policies

Basis of preparation

The financial statements are prepared on the 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 principal accounting policies, applied throughout the year, are set out below.

Basis of accounting

The financial statements contain information about Chubb Group 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 publicly available consolidated financial statements of its parent, United Technologies corporations, a company incorporated in the United States of America, and whose consolidated financial statements are drawn up in accounts with the 7th directive.

Related party transactions

The company is a wholly owned subsidiary of the ultimate parent undertaking, United Technologies Corporation incorporated in the United States of America. The company is exempt under Financial Reporting Standard 8 from disclosure of transactions with entities that are part of the group headed by United Technologies Corporation on the grounds that more than 90% of voting rights are controlled within the group.

Cash flow statement

The company is a wholly owned subsidiary of United Technologies Corporation and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

Fixed asset investments

Fixed asset investments are held at cost less any provision for impairment in value. Impairment reviews are carried out by the directors on an annual basis, or earlier when there is indication that impairment may have occurred.

Foreign exchange

Monetary assets and liabilities denominated in overseas currencies are translated into sterling at rates of exchange ruling at the date of the balance sheet or at the agreed contractual rate. Transactions in foreign currency are converted to sterling at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account.

1 Principal accounting policies (continued)

Taxation

Current tax is provided as the amounts expected to be paid applying tax rates that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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

Pension scheme arrangements

The Company follows the provisions of FRS 17. The majority of the Company's employees are members of the Chubb Pension Plan. This is a defined benefit pension scheme and is funded by contributions partly from the employees and partly from the company at rates determined by an independent actuary. Actuarial valuations are made regularly and the contributions payable are adjusted as appropriate.

The scheme is accounted for as if it was a defined contribution scheme, as the Company is unable to separately identify its share of the assets and liabilities of the group scheme.

The Company recharges fellow group companies their proportion of the total annual pension contribution. In the current year this has resulted in recharges of £nil (2013: £14,981,000) which is held within group debtors at the year end.

Some of the Company's employees are members of a defined contribution pension scheme. Contributions to this scheme are charged to the profit and loss in the period to which they relate.

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.

Chubb Group Limited

2 Operating loss

Operating loss is stated after charging:

	2014 £'000	2013 £'000
Auditors' Remuneration:		
Audit services	78	101
Depreciation charge	-	50

None of the directors received any emoluments for their services to this Company during the year (2013: £nil).

3 Employee information

	2014 £'000	2013 £'000
Wages and salaries	212	180
Social security costs	26	84
Other pension costs (Note 14)		
- defined benefit	6,031	327
- defined contribution	15	10
	6,284	601

The average monthly number of employees (including directors) employed by the Company during the year was 4 (2013: 4), all of whom were employed in an administrative capacity.

4 Interest receivable and similar income

	2014 £'000	2013 £'000
Interest receivable from group companies	61,187	59,419
Foreign exchange gains	-	47
	61,187	59,466

5 Interest payable and similar charges

	2014 £'000	2013 £'000
Interest payable to group companies	52,653	51,379
Foreign exchange losses	817	18
	53,470	51,397

6 Tax on profit on ordinary activities

	2014 £'000	2013 £'000
Current tax:		
United Kingdom corporation tax at 21.5% (2013: 23.25%)	-	-
Overseas tax	95	11
Total current tax charge	95	11
Deferred tax:		
Origination and reversal of timing differences	2,945	3,380
Impact of rate change	-	6,230
Change in recognition of deferred tax assets	(10)	(196)
Total deferred tax charge	2,935	9,414
Total tax on profit on ordinary activities	3,030	9,425

Factors affecting the tax charge for the year

The current tax charge for the year is lower (2013: lower) than the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%). The differences are explained below:

	2014 £'000	2013 £'000
Profit on ordinary activities before taxation	151,238	11,550
Tax on profit on ordinary activities at standard UK corporation tax rate of 21.5 % (2013: 23.25%)	32,516	2,685
Effects of:		
Capital allowances in excess of depreciation	(19)	(26)
Impairment of investments not subject to tax	214	6
Movement in short term timing differences	(673)	(735)
Transfer pricing adjustments	2,893	2,301
Expenses not deductible for tax purposes	-	406
Non-taxable dividend income	(3,697)	(1,468)
Non-taxable profit on disposal	(28,760)	-
Utilisation of losses	(2,474)	(3,169)
Overseas tax	95	11
Total current tax	95	11

The movement in the deferred tax asset during the financial year was:

	2014 £'000	2013 £'000
At 1 January	72,560	81,974
Charge to profit and loss account	(2,945)	(3,380)
Prior year adjustment – profit and loss account	10	-
Change in recognition of deferred tax assets	-	196
Impact of rate change – profit and loss account	-	(6,230)
At 31 December	69,625	72,560

6 Tax on profit on ordinary activities (continued)

The amount of deferred tax provided in the financial statements is:

	2014 £'000	2013 £'000
Decelerated capital allowances	82	100
Other timing differences	-	626
Losses and surplus ACT	69,543	71,834
Total	69,625	72,560

A deferred tax asset of £917,000 (2013: £1,309,000) has not been recognised in respect of capital losses as the company is not expected to make suitable taxable gains in the foreseeable future against which they could be utilised.

The Directors consider at the date of signing it is more likely than not that the company will be profitable in the future. Therefore, a deferred tax asset of £69,625,000 has been recognised.

Factors that may affect future tax charges

The corporation tax rate was reduced to 21% with effect from 1 April 2014, and further rate reductions to 21% from 1 April 2014 and then 20% from 1 April 2015 were enacted during 2014. The current tax rate used in the financial statements for the year ended 31 December 2014 is therefore 21.5% (2013: 23.25%) and the rate used for closing deferred tax balances is 20% (2013: 20%).

7 Fixed asset investments

	Shares in group undertakings £'000
Cost	
At 1 January 2014	6,543,342
Additions	367,730
Disposals	(2,840,472)
At 31 December 2014	4,070,600
Provision for impairment	
At 1 January 2014	5,870,115
Provision made in the financial year	996
Disposals	(2,059,848)
At 31 December 2014	3,811,263
Net book value	
At 31 December 2014	259,337
At 31 December 2013	673,227

Chubb Group Limited

7 Fixed asset investments (continued)

The company holds investments in several undertakings, which, in the opinion of the directors, do not require disclosure as permitted by s.410 of the Companies Act 2006. A full list of subsidiaries will be annexed to the next annual return to be filed with the Registrar of Companies.

<u>Company Name</u>	<u>Country</u>	<u>Company Name</u>	<u>Country</u>
Chubb Iberia SL (57.5%)	Spain	Chubb Security Systems BVBA	Belgium
Chubb Ireland Ltd	Ireland	Chubb Singapore Private Ltd (70%)	Singapore
Onity Ltda	Brazil	Chubb Deutschland GmbH	Germany
Onity SA	Spain	Security Monitoring Centre BVBA	Belgium

The company received dividends of £316,000 from Connaught Alarms Limited, £10,156,000 from White Peak Finance Ireland, £2,369,000 from Westminster Insurance Limited, £1,982,000 from Chubb Singapore Private Limited, £191,000 from Onity Co. Limited, £758,000 from Chubb (Thailand) Limited, £1,393,000 from Chubb Security Systems BVBA and £30,000 from Security Monitoring Centre BVBA.

On 8 October 2014 Chubb Group Limited contributed Chubb Fire Limited, Onity Limited & TG Products Limited to Chubb Group Security Limited in exchange for 1 non-voting share of Chubb Group Security Limited with value of £367,258,000 and on 9 December 2014 Chubb Group Limited sold Chubb Group Security Limited to United Technologies Luxembourg Sarl for £525,058,000.

During the year the company disposed of the following investments:

Chubb Thailand Limited and Chubb Aviation Security Limited, with a profit on disposal of £1,672,000
 Chubb Fire Limited, Onity Limited and TG Products Limited, with a profit on disposal of £244,550,000
 Chubb Group Security Limited, with a loss on disposal of £112,866,000
 Guardforce (Macau) Limited with a profit on disposal of £9,838,000
 White Peak Finance Ireland Limited, with a loss on disposal of £10,000,000

During the year the directors' considered the carrying value of investments and provided £996,000 against the cost of investment in Chubb Group Properties Limited.

The directors believe that the book value of investments is supported by the underlying assets.

8 Debtors

	2014 £'000	2013 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	10,347,449	9,745,458
Other debtors	3,018	3,475
	10,350,467	9,748,933

Amounts owed by group undertakings of £8,612,398,000 (2013: £8,026,156,000) are unsecured, incur interest at between 0.75% and 4.16% (2013: between 0.74% and 0.84%) and are repayable on demand. The remaining balance is unsecured, interest free and repayable on demand. There are no restricted funds included in other debtors (2013: £nil).

Chubb Group Limited

8 Debtors (continued)

	2014 £'000	2013 £'000
Amounts falling due after one year		
Deferred taxation	69,625	72,560

The balance is unsecured and interest free.

9 Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Bank loans and overdrafts	11	-
Amounts owed to group undertakings	7,861,959	7,824,774
Other creditors	619	517
Taxation and social security	2,219	2,384
	7,864,808	7,827,675

Amounts owed to group undertakings of £7,204,400,000 (2013: £6,945,974,000) are unsecured, incur interest at between 0.5% and 0.75% (2013: between 0.74% and 1.00%) and are repayable on demand. The remaining balance is unsecured, interest free and repayable on demand.

10 Provisions for liabilities

	Onerous Lease Provision £'000
At 1 January 2014	1,270
Reduction in provision during the year	(252)
Utilised during the financial year	(380)
At 31 December 2014	638

Property

The provision covers onerous contract obligations for a leasehold property where vacated or where the sublet income is insufficient to meet all the obligations of the lease. The duration of this contract is a further three years.

11 Called up share capital

	2014 £'000	2013 £'000
Allotted, called up and fully paid		
828,923,079 (2013: 828,923,079) ordinary shares of 14p (2013: 14p) each	116,049	116,049

12 Reserves

	Other Reserve	Share premium account £'000	Merger reserve £'000	Capital contribution £'000	Profit and loss account £'000	Total £'000
At 1 January 2014	246,163	999,997	767,603	325,096	210,867	2,549,726
Profit for the financial year	-	-	-	-	148,208	148,208
At 31 December 2014	246,163	999,997	767,603	325,096	359,075	2,697,934

At 31 December 2014 the Company had a merger reserve of £767,603,000 which was created on the acquisition of various companies for shares, where the investments were recorded at fair value.

13 Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
Profit for the financial year	148,208	2,125
Net movement in shareholders' funds	148,208	2,125
Opening shareholders' funds	2,665,775	2,663,650
Closing shareholders' funds	2,813,983	2,665,775

14 Post retirement benefits

The Company's defined benefit pension cost for the year was £6,031,000 (2013: charge of £327,000) which relates predominantly to the Chubb Pension Plan. At 31 December 2014 there was no accrual for contributions (2013: £nil) in relation to the scheme.

The majority of the Company's employees are members of the Chubb Pension Plan, a defined benefit pension scheme that is funded by contributions from both the employees and the Company at rates determined by an independent actuary. These contributions are invested separately from the Company's assets and no pension scheme funds are invested in the company.

The Company's employees form only part of the multi-employer scheme operated by the group. Due to a number of changes to the group over the years through various restructuring exercises, acquisitions and disposals, the allocation of the share of the underlying assets and liabilities in the scheme relating to individual subsidiaries would be extremely complex and not possible to complete on a consistent and reasonable basis. As a result the company has accounted for the scheme as a defined contribution pension scheme in accordance with the provisions of FRS 17.

A full actuarial valuation of the Chubb Pension Plan as at 31 March 2012 was made by Barnett Waddingham LLP, an independent firm of actuaries, using the projected unit method. This valuation was updated as at 31 December 2014 by Towers Watson, another independent firm of actuaries. The financial assumptions adopted were that over the long term the rate of return on investments would be 6.40% (2013: 6.40% pa); the increase in pensionable pay 2.25% (2013: 2.25% pa); the increase in pensions in payment 2.85% (2013: 3.0% pa); price inflation 3.0% (2013: 3.25%) and the discount rate 3.70% (2013: 4.50%).

14 Post retirement benefits (continued)

On the basis of these assumptions the market value of the scheme's assets as at 31 December 2014 represented 126.0% (2013: 124.7%) of the value of the benefits to members at that date including allowance for future salary and pension increases. The market value of the scheme's assets on 31 December 2014 was £714,100,000 (2013: £660,100,000). The scheme was closed to new entrants in 2001. The Group is required to pay £7,500,000 to the Plan per annum.

The Company also operated a defined contribution plan, the assets of which are held in a separate contract-based fund. The defined contribution plan is funded by payments from employees and the company.

The Company's contributions to the defined contribution pension plan were charged to the profit and loss account in the year to which they relate.

The pension cost charge in relation to the defined contribution scheme for the year was £15,000 (2013: £10,000). At 31 December 2014 there was no accrual for contributions (2013: £nil) in relation to the scheme.

15 Ultimate parent undertaking

The Company's immediate parent undertaking is Chubb Limited.

The Company's ultimate parent undertaking and controlling party is United Technologies Corporation, a company incorporated in the United States of America.

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

Copies of the United Technologies group financial statements are publicly available and can be obtained from:

United Technologies Corporation
One Financial Plaza
Hartford
Connecticut 06103
U.S.A.