ADI-Gardiner Ltd

Report and accounts 2009

Company registration number 1322200

Contents

Directors' report

for the year ended 31 December 2009

The directors of ADI-Gardiner Ltd present their report and audited accounts of the company for the year ended 31 December 2009

Principal activities

The principal activities of the company consist of the wholesale distribution of electronic security and surveillance systems, fire detection and prevention equipment and related products

Business review and future developments

Turnover

Turnover for 2009 was 6 5% down on 2008 at £96,462,000 (2008 £103,181,000)

Operating result

The results of the company during the year remained strong and the year end position was satisfactory Turnover for 2009 was down 6 5% as a result of the economic slowdown in the UK, but with its strong market position the company is well placed to withstand difficult trading conditions

The company expects to continue its activities and its current level of performance for the foreseeable future

Strategy

The company maintains market share and sustainable growth through the following strategies

-focus on customers, including customer survey programmes to obtain and action customer feedback to improve business performance,
-productivity and process improvement,
-continued expansion into markets such as Energy and Security,
-defending and extending the installed base through customer productivity improvements, and
-strong brand recognition through brand and channel management

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks The key business risks affecting the company are

-rate of growth of domestic and commercial construction
-fluctuation in demand for residential retrofits and upgrades
-fluctuations in industrial capital spend
-adverse economic conditions in the UK construction industry
-changes to fire, security, health care and safety concerns/regulations

In response to the risks the company
-maintains a UK-wide presence and aims to have a competitive installed cost and integrated product solutions through technology and productivity,
-ensures effective pricing and continued recognition of brand and quality to maintain market position,
-maintains a high technology offering while widening its product base and expanding into new areas, and
-monitors applicable regulations to ensure products and systems provide high quality solutions for current needs

Key performance indicators

Management monitors the business using the following key indicators

	2009	2008
Turnover		
% change compared with the prior year	(6 5%)	*(4 2%)*
The change in net sales in 2009 and 2008 is attributable to the following	%	%
Volume	(6 5%)	*(4 2%)*
Cost of products and services sold		
Gross margin %	22 5%	*23 1%*
Distribution costs and administrative expenses		
% of turnover	20 8%	*19 9%*
Staff numbers		
% decrease year on year	(7 8%)	*(6 0%)*

The decrease in staff numbers is due to efficiency improvements

Results and dividends

The company's profit for the financial year was £1,542,000 (2008 £3,291,000 profit) which will be transferred to reserves The results for the year are shown on page 6

The directors do not recommend the payment of a dividend (2008 £nil)

Directors
The directors of the company who held office during the year and up to the date of signing these accounts were

Adrian Connell
Hemant Trivedi
Peter O'Toole
Jean-Francois Gazielly
Mike Reddington
Allan Richards
Kamleshkumar Mistry

Directors' indemnities
Pursuant to the Company's articles of association, the directors were throughout the year to 31 December 2009 and are at the date of this report entitled to a qualifying indemnity provision as defined in section 236 of the Companies Act 2006

Financial instrument policies
Financial risk management
The company's operations expose it to a variety of financial risks that include interest rate risk, foreign exchange risk, credit risk and liquidity risk Financial risks are monitored by the directors in order to mitigate the risks
Interest rate risk
The company borrows in the United Kingdom at both fixed and floating rates of interest The interest rate characteristics of new borrowings are positioned according to expected movements in interest rates
Currency risk
The company has a limited exposure to foreign currency movements related to its operating transactions It covers its foreign currency risk by obtaining currency hedges with the ultimate parent company
Credit risk
The company's credit risk is primarily attributable to its trade receivables The company has an extensive customer portfolio so no one customer represents a significant proportion of it's credit exposure
Liquidity risk
The company ensures availability of funding through an appropriate amount of committed facilities, on a group wide basis, that are designed to ensure the company has sufficient available funds for its operations

Employment
It is the company's policy that persons who are disabled or become disabled during their employment shall be considered for employment and subsequent training, career development and promotion on the basis of their aptitudes and abilities

Employee involvement
The company keeps employees fully informed of the company's strategies and their impact of the performance of the company and the group and encourages employee participation Briefing meetings are held regularly for each division to give information on company matters and provide an opportunity for discussion E-mail bulletins are circulated regularly to all employees to ensure a common awareness of financial and economic factors that affect the performance of the company

Directors' report (continued)

for the year ended 31 December 2009

Statement of directors' responsibilities in respect of the annual report and accounts
The directors are responsible for preparing the Directors' report and the accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year Under that law the directors have elected to prepare the accounts in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law) Under company law the directors must not approve the accounts 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 those accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 accounts,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

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 to enable them to ensure that the accounts 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
Each director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

By order of the board

Adrian Connell
Director
29 March 2010

Independent auditors' report

to the members of ADI-Gardiner Ltd

We have audited the financial statements of ADI-Gardiner Ltd for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses, and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the Directors Responsibilities Statement 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

Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and 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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Owen Venter (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
West London
24 March 2010

Profit and loss account

for the year ended 31 December 2009

	Note	2009 £000	*2008 £000*
Turnover	3	96,462	*103,181*
Cost of sales		(74,754)	*(79,361)*
Gross profit		21,708	*23,820*
Distribution costs		(14,110)	*(14,167)*
Administrative expenses		(5,914)	*(6,406)*
Operating profit	4	1,684	*3,247*
Interest receivable and similar income	6	40	*246*
Other finance charges	15	(46)	*(51)*
Profit on ordinary activities before taxation		1,678	*3,442*
Tax on profit on ordinary activities	7	(136)	*(151)*
Profit on ordinary activities after taxation		1,542	*3,291*

All results derive from continuing operations

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

Statement of total recognised gains and losses

for the year ended 31 December 2009

	Note	2009 £000	*2008 £000*
Profit for the financial year		1,542	*3,291*
Actuarial (loss)/gain	15	(648)	*306*
Movement on deferred tax relating to pension deficit	8	115	*(86)*
Movement on current tax related to pension deficit		66	-
Total recognised gains and losses relating to the year		1,075	*3,511*

Balance sheet

as at 31 December 2009

	Note	2009 £000	*2008 £000*
Fixed assets			
Tangible assets	9	315	*306*
Current assets			
Stocks	11	7,311	*8,906*
Debtors	12	21,573	*22,694*
Cash at bank and in hand		15,494	*10,984*
		44,378	*42,584*
Creditors: amounts falling due within one year	13	(21,403)	*(20,898)*
Net current assets		22,975	*21,686*
Total assets less current liabilities		23,290	*21,992*
Provisions for liabilities	14	(231)	*(306)*
Net assets excluding pension liability		23,059	*21,686*
Pension deficit	15	(469)	*(171)*
Net assets including pension liability		22,590	*21,515*
Capital and reserves			
Called up share capital	16	100	*100*
Profit and loss account	17	22,490	*21,415*
Total shareholders' funds	17	22,590	*21,515*

The accounts were approved by the board of directors on 29 March 2010 and were signed on its behalf by

A.D. Cu.

Adrian Connell
Director

Notes to the accounts

for the year ended 31 December 2009

1. Accounting policies

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

Changes in accounting policies

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

During the year amendments to FRS8 "Related Party Disclosures", FRS26 "Financial Instruments Recognition and Measurement" and FRS29 "Financial Instruments Disclosures" became effective, and have been adopted in the year The adoption of these policies has had no impact on the accounts of the company

Group accounts

The accounts contain information about the company as an individual company and do not contain consolidated financial information as parent of a group The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated accounts as it and its subsidiary undertakings are included by full consolidation in the consolidated accounts of Honeywell International Inc , a company registered in the USA and whose accounts the directors consider to be drawn up in a manner equivalent to the 7th Directive The accounts of Honeywell International Inc are publicly available

Turnover and revenue recognition

Turnover comprises sales to customers and service revenues net of value added tax Revenue from product and service sales is recognised on delivery and when acceptance by the customer has occurred Revenue from long term contracts for custom built control systems is recognised on the percentage of completion basis Revenue from service contracts is recognised evenly over the period of the contract Revenue from the sale of consignment stock is recognised when the title of goods sold passes to the customer Where, for a particular contract, turnover exceeds amounts invoiced on account, the excess is included in debtors as amounts recoverable on contracts Where amounts invoiced exceed turnover, the excess is included in payment on account

Leases

Rental costs under operating leases are charged to the profit and loss account in equal amounts over the period of the lease

Foreign currency

Transactions denominated in foreign currency are booked into the accounts using daily or monthly exchange rates prevailing when the transaction is recorded Monetary assets and liabilities which are denominated in foreign currencies are translated into pounds sterling at rates of exchange approximating to those ruling at the balance sheet date Exchange gains or losses resulting from the year's trading are reflected in the operating results for the year Exchange gains and losses from financing activities are recognised in interest income and expense Foreign currency hedges obtained from the ultimate parent company are recorded on the balance sheet as assets or liabilities and are measured at fair value Any changes in fair value are recognised in the current year profit and loss account as gains or losses on foreign exchange

Taxation

Taxation is calculated on profits chargeable to UK corporation tax at the current rate applicable

1. Accounting policies (continued)

Deferred taxation

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 regarded as recoverable and therefore 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 tax 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 a non-discounted basis

Tangible assets and depreciation

Tangible assets are stated at historical purchase cost less accumulated depreciation Depreciation is calculated using the straight line method at rates calculated to write down the cost to the estimated residual value over the estimated useful life Cost comprises purchase cost, together with any incidental expenses of acquisition The annual depreciation rates used for the major assets are

Short leasehold property	20%
Fixtures and fittings	20% - 33%

Investments

The company's interest in subsidiary undertakings is shown at cost less provision for permanent impairment The value of investments is reviewed annually by the directors or more frequently if there is a triggering event, and provision made where it is considered that there has been a permanent impairment of value

Stocks

Stocks are stated at the lower of cost and net realisable value Cost represents materials, direct labour and appropriate production overheads Where necessary, provision has been made for slow moving, obsolete and defective stocks

Onerous lease provision

The onerous lease provision was established to cover anticipated rental costs net of rents received from sub-tenants

Pensions

The company operates a defined benefit pension scheme, the assets of which are held separately from those of the company in an independently administered fund Full actuarial valuations of the company's defined benefit scheme are carried out every three years, the valuations are updated to 31 December each year by qualified independent actuaries For the purposes of these annual updates, scheme assets are included at market value and scheme liabilities are measured on an actuarial basis using the projected unit method, these liabilities are discounted at the current rate of return on a high quality corporate bond of equivalent currency and term The post-retirement benefits surplus or deficit is included on the company's balance sheet, net of the related amount of deferred tax Surpluses are only included to the extent that they are recoverable through reduced contributions in the future or through refunds from the schemes The current service cost and any past service costs are included in the profit and loss account within operating expenses and the expected return on the schemes' assets, net of the impact of the unwinding of the discount on scheme liabilities, is included within other finance income Actuarial gains and losses, including differences between the expected and actual return on scheme assets, are recognised, net of the related deferred tax, in the statement of total recognised gains and losses

Defined contribution schemes are externally funded, with the assets of the scheme held separately from those of the company in separate trustee administered funds and contributions to such schemes are charged to the profit and loss account as they become payable

Notes to the accounts (continued)

for the year ended 31 December 2009

2. Cash flow statement and related party transactions

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

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

3. Segmental reporting

Turnover, stated net of value added tax, is attributable to the principal activity of the company The business is carried on in the UK and the turnover derives mainly from that origin

	2009	*2008*
Analysis of turnover by geographical market	£000	*£000*
United Kingdom	92,854	*100,113*
Rest of Europe	1,945	*1,855*
Other	1,663	*1,213*
	96,462	*103,181*

4. Operating profit

Operating profit is stated after charging/(crediting)		
Depreciation and amortisation		
Tangible assets - owned	120	*130*
Rental charges under operating leases		
Other operating leases	828	*908*
Loss/(gain) on foreign exchange	582	*(144)*
Auditors' remuneration		
Audit fees - statutory audit	30	*36*

5. Employees and directors

Average number of persons employed during the year		
(including executive directors)	number	*number*
Selling, servicing and marketing	357	*387*
Staff costs	£000	*£000*
Wages and salaries	7,598	*8,206*
Social security costs	837	*950*
Pension costs - defined contributions (note 15)	109	*149*
	8,544	*9,305*
Directors' remuneration		
Aggregate emoluments	386	*442*
Pension	22	*11*
	408	*453*
Highest paid director		
Aggregate emoluments	160	*184*

No directors were members of a defined benefit plan (2008 none)

6. Interest

Interest receivable and similar income		
Other interest receivable	40	*246*

	2009 £000	*2008 £000*
7. Tax on profit on ordinary activities		
Current tax		
UK corporation tax on profits of the year	65	-
Adjustment in respect of prior years	1	-
	66	-
Deferred tax		
Accelerated capital allowances	69	*85*
Other timing differences	-	*(1)*
Impact of change in tax rate on deferred tax	-	*3*
Adjustment in respect of prior years	1	-
Difference between pension contribution relief and net pension cost charge	-	*64*
	70	*151*
Tax on profit on ordinary activities	136	*151*

The tax assessed for the year is different to the standard rate of UK corporation tax rate of 28% (2008 28½%) and the differences are explained below

Profit on ordinary activities before tax	1,678	*3,442*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 28½%)	470	*981*
Effects of		
Expenses not deductible for tax purposes and other permanent differences	36	*489*
Capital allowances for the year in excess of depreciation	(56)	*(88)*
Movements in general provisions and other short term timing differences	15	*(62)*
Group relief not paid for	(399)	*(1,320)*
Total current tax charge for the year	66	-

8. Deferred taxation		
Tax effect of timing differences because of		
Differences between capital allowances and depreciation	257	*327*
Short term timing differences	38	*39*
Deferred tax excluding that relating to pension scheme liability (note 12)	295	*366*
Deferred tax asset on pension liability (note 15)	183	*67*
Total deferred tax asset	478	*433*
Movement in deferred tax excluding that relating to pension liability		
At 1 January	366	*450*
Charge to the profit and loss account	(71)	*(84)*
At 31 December	295	*366*
Amounts included within pension deficit relating to deferred tax		
At 1 January	67	*220*
Charge to the profit and loss account	(65)	*(67)*
Charge to the statement of total recognised gains and losses	181	*(86)*
At 31 December	183	*67*

Notes to the accounts (continued)

for the year ended 31 December 2009

9. Tangible assets	Short leasehold buildings	Fixtures & fittings	Total
Cost	£000	£000	£000
At 1 January 2009	935	914	1,849
Additions	66	63	129
Disposals	(282)	(525)	(807)
At 31 December 2009	719	452	1,171
Accumulated depreciation			
At 1 January 2009	659	884	1,543
Charge for the year	95	25	120
Disposals	(282)	(525)	(807)
At 31 December 2009	472	384	856
Net book value			
At 31 December 2009	247	68	315
At 31 December 2008	*276*	*30*	*306*

10. Investments	Ordinary shares in subsidiary undertakings
Cost	£000
At 1 January and 31 December	1,523
Provision for diminution in investments	
At 1 January and 31 December	1,523
Net book value 1 January and 31 December	-

The company had investments in the following subsidiary undertakings as at 31 December 2009 The company's principal subsidiary undertakings, all of which are 100% owned unless otherwise indicated, are as follows

Name of company	Principal activities	Country of incorporation
Alarm Express Holdings Ltd	Holding company	England and Wales
ADI-Gardiner Ireland Ltd	Distributor of security systems	Ireland

11. Stocks	2009 £000	*2008 £000*
Finished goods for sale	7,311	*8,906*

12 Debtors	2009 £000	*2008 £000*
Trade debtors	18,308	*19,206*
Amounts owed by group undertakings	1,380	*902*
Corporation tax	-	*271*
Deferred taxation (note 8)	295	*366*
Other debtors	1,334	*1,514*
Prepayments and accrued income	256	*435*
	21,573	*22,694*

Amounts owed by group undertakings are unsecured, repayable on demand and bear no interest

Notes to the accounts (continued)

for the year ended 31 December 2009

13. Creditors. amounts falling due within one year	2009 £000	*2008 £000*
Trade creditors	15,727	*14,814*
Amounts owed to group undertakings	2,635	*2,314*
Other taxation and social security	823	*1,443*
Accruals and deferred income	2,218	*2,327*
	21,403	*20,898*

Amounts owed to group undertakings are unsecured, repayable on demand and bear no interest

14. Provisions for liabilities	Onerous leases £000
At 1 January 2009	306
Charged to the profit and loss account	(75)
At 31 December 2009	231

The onerous lease provision was established to cover anticipated rental costs net of rents received from sub-tenants

15. Pension commitments

The company operates a defined benefit pension scheme, The Gardiner Pension Scheme An actuarial valuation of the liabilities was carried out at 31 December 2008 The present values of the defined benefit obligation (DBO) were measured using the projected unit credit method

The valuation used for FRS17 disclosures has been based on a full assessment of the liabilities of the scheme as at 31 October 2005 The present values of the defined benefit obligation (DBO), the related current service cost and any past service cost were measured using the projected unit credit method Regular employer contributions to the scheme in 2010 are estimated to be £280,000

The assets are in the form of an insurance policy invested in the with-profits fund with the Equitable Life Assurance Society and monies held in the trustees' bank account The value of the assets held in the with-profits fund has been taken as the policy value on 31 December 2009, which broadly represents the policy's share of assets in the with-profits fund The value shown is not necessarily the value that would be available were the policy to be surrendered The value of the trustees' bank account has been taken as the balance provided at 31 December 2009

Main actuarial assumptions	2009	*2008*
Inflation	3 40%	*2 70%*
Salary increases	4 40%	*3 70%*
Rate of increase for pensions and deferred pensions	3 40%	*3 30%*
Discount rate for scheme liabilities	5 70%	*5 80%*
Expected rate of return	2 50%	*3 50%*

Basis used to determine the overall long-term rate of return

The long-term rate of return is a weighted average of the return for each class of asset held in the with-profits fund For gilts, this is the yield on the FTSE Actuaries 15 year gilt index (4 45%), for corporate bonds, the yield on the iBoxx £ Corporates AA 15+ index (5 66%), for cash, the Bank of England base rate (0 5%), and for equity and property, the gilt yield plus 4% A deduction of 0 5% is made for expenses

Mortality assumptions

Death after retirement in accordance with the standard mortality tables PNMA00 and PNFA00, appropriate to each individual's year of birth ,with the long cohort improvements and subject to a minimum rate of improvement of 1 5% p a for males and 1 0% p a for females

15. Pension commitments (continued)

Fair value by class of asset	2009 £000	*2008 £000*	*2007 £000*
With-profits fund	1,487	*815*	*951*
Cash/liquid assets	48	*481*	*195*
	1,535	*1,296*	*1,146*

Reconciliation of funded status to balance sheet	2009	2008
Fair value of assets	1,535	*1,296*
Present value of funded defined benefit obligations	(2,187)	*(1,534)*
Net pension liability	(652)	*(238)*
Related deferred tax asset	183	*67*
Net pension deficit	(469)	*(171)*
Analysis of profit and loss charge/(credit)		
Interest cost	95	*109*
Expected return on pension scheme assets	(49)	*(58)*
Charge recognised in profit and loss	46	*51*
Changes in present value of defined benefit obligation		
At 1 January	1,534	*1,919*
Interest cost	95	*109*
Actuarial gains on liabilities	611	*(340)*
Net benefits paid out	(53)	*(154)*
At 31 December	2,187	*1,534*
Changes in fair value of scheme assets		
At 1 January	1,296	*1,146*
Expected return on assets	49	*58*
Actuarial losses on assets	(37)	*(34)*
Contributions by the employer	280	*280*
Net benefits paid out	(53)	*(154)*
At 31 December	1,535	*1,296*
Actual return on assets		
Expected return on assets	49	*58*
Actuarial losses on assets	(37)	*(34)*
Actual return on assets	12	*24*
Amounts recognised in the statement of total recognised gains and losses (STRGL)		
Total actuarial (losses)/gains	(648)	*306*
Cumulative amount of losses recognised in STRGL	(455)	*193*

History of asset values, DBO and deficit	2009 £000	*2008 £000*	*2007 £000*	*2006 £000*	*2005 £000*
Fair value of assets	1,535	*1,296*	*1,146*	*1,054*	*1,039*
Defined benefit obligation (DBO)	(2,187)	*(1,534)*	*(1,919)*	*(2,122)*	*(2,002)*
Deficit in scheme	(652)	*(238)*	*(773)*	*(1,068)*	*(963)*
History of experience gains and losses					
Experience (loss)/gain on assets	(37)	*(34)*	*33*	*6*	*20*
Experience (loss)/gain on liabilities	(0)	*(64)*	*8*	*(33)*	*164*

Notes to the accounts (continued)

for the year ended 31 December 2009

15. Pension commitments (continued)

Defined contribution sections	2009 £000	*2008 £000*
Contributions payable during the year	109	*149*

16. Called up share capital

Authorised, allotted and fully paid

100,000 ordinary shares of £1 each	100	*100*

17 Reconciliation of shareholders' funds and movements on reserves

	Share capital £000	Profit and loss account £000	2009 Total £000	*2008 Total £000*
At 1 January	100	21,415	21,515	*18,004*
Profit for the financial year	-	1,542	1,542	*3,291*
Actuarial (loss)/gain on the pension plan	-	(648)	(648)	*306*
Movement on current tax relating to pension deficit		66	66	-
Movement on deferred tax relating to pension deficit	-	115	115	*(86)*
At 31 December	100	22,490	22,590	*21,515*

18. Operating lease commitments

At 31 December the company had annual commitments under non-cancellable operating leases expiring as follows

Land and buildings	2009 £000	*2008 £000*
expiring in one year	100	*42*
expiring in two to five years	767	*953*
expiring after five years	40	*118*
	907	*1,113*

19. Contingent liabilities

All UK Honeywell group companies have entered into a composite accounting agreement whereby each company has provided a guarantee to the bank This agreement permits the set-off of balances, on a group basis, for interest purposes The maximum liability arising from this arrangement, on a group basis, is the total overdraft balances held by group companies amounting to £659,538,000 (2008 £545,839,000) Positive cash balances held in the group exceeded the overdraft balances in 2009 and 2008

20. Ultimate parent undertakings

The immediate parent undertaking is ADI-Gardiner EMEA Ltd

The smallest group to consolidate these accounts is Honeywell SL, a company incorporated in Spain Copies of these accounts can be obtained from Calle Josefa Valcarel, 24, 28027, Madrid, Spain

The ultimate parent undertaking and controlling party is Honeywell International Inc , a company incorporated in the USA, which is the largest group to consolidate these accounts Copies of these accounts are publicly available and can be obtained from Corporate Publications, PO Box 2245, Morristown, New Jersey 07962-2245, USA or from the Internet at www honeywell com