

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LIMITED)

Reports and Financial Statements

31 December 2014

Registered Number: 01390934

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COMPANIES HOUSE

**Macfarlanes LLP
20 Cursitor Street
London
EC4A 1LT**

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

COMPANY INFORMATION

DIRECTORS

K W Donnelly
A C Hall

SECRETARY

K W Donnelly

AUDITORS

Ernst & Young LLP
No. 1 Colmore Square
Birmingham
B4 6HQ

BANKERS

Barclays Bank Plc
54 High Street
Worcester
WR1 2QQ

REGISTERED OFFICE

10 Norwich Street
London
EC4A 1BD

TRADING ADDRESS

Fens Pool Avenue
Wallows Industrial Estate
Brierley Hill
West Midlands
DY5 1QA

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

STRATEGIC REPORT

The directors present their Strategic Report for the year ended 31 December 2014.

On 21 May 2015 the company changed its name to Nortek Global HVAC (UK) Ltd from Ambi-Rad Ltd.

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the company in the year under review was the manufacture of energy efficient heating equipment.

On 30 April 2014, Nortek, Inc., a US company, listed in New York, acquired the HVAC part of ABB Ltd. The ultimate parent company from that date was Nortek, Inc.

During the year the decision was taken to move to one facility and close the Knighton factory.

Key performance indicators

The Directors consider the KPI's to be as follows

	2014	2013
	£	£
Turnover from continuing operations	21,972,726	22,512,194
Operating profit before operating exceptional items	1,854,931	2,685,316
as a % of turnover	8%	12%
Working capital	4,210,658	3,883,925

Turnover has decreased, in part due to the closure of the Knighton factory and the disruption caused by this transition period. This has also led to an adverse effect on operating profit, due to costs related to the re-organisation such as extra labour and stock write offs. The business has now transferred successfully with no major concerns. Working capital comprises of stocks and external trade debtors net of external trade creditors. Working capital requirements have increased slightly, this was due to a supplier payment run being done in December unlike the previous year.

Exceptional costs were incurred during the year as a result of the closure of the Knighton factory, these included increased labour, stock losses and redundancy.

Continuous improvements of the products and systems will be an ongoing focus for the company. Customer care and loyalty, allied to a broad range of products is a major strength of the business that will drive growth in the future.

The directors consider the state of affairs of the company to be very satisfactory for the period, in light of the circumstances, and the outlook for the business to be extremely favourable.

On 21 May 2015 the trade and assets of the company's subsidiary, Reznor (UK) Ltd, were transferred into the company for consideration of £1,446,559.

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

STRATEGIC REPORT (CONTINUED)

There was a purchase back of trademarks, valued at £1,604,082, during the year.
Taking back ownership from the previous parent company, ABB Ltd

RISKS AND UNCERTAINTIES

Credit, Liquidity and Cash Flow

The company has a sizeable customer base and does not rely on any one of its customers. Accordingly, it has minimal exposure to a bad debt affecting its liquidity, cash flow or future prospects.

The company has policies in place that require appropriate credit checks on potential customers before sales are made. These credit checks are periodically updated using a specialist credit rating agency.

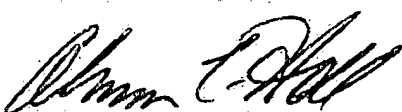
The company and group have sufficient cash balances and do not consider that it has any significant exposure to liquidity issues.

Foreign Currency

As the company deals in multiple currencies, it has exposure to fluctuations in exchange rates, these are naturally hedged as far as possible by offsetting sales and purchases. There are no external hedging arrangements.

The company has no third party debt.

On behalf of the board



A C Hall
Director

22 September 2015

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

DIRECTORS' REPORT

The Directors present their report for the year ended 31 December 2014.

DIRECTORS AND THEIR INTERESTS

The Directors who served during the year were

K W Donnelly	(appointed 30 April 2014)
A C Hall	(appointed 30 April 2014)
F J-P Van Belle	(resigned 30 April 2014)
W D Smith Jr	(resigned 30 April 2014)
D L Alyea	(resigned 30 April 2014)

The Directors have no interests requiring disclosure under the Companies Act 2006.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £3,162,505 (2013: £2,004,610).

During the year an interim dividend of £2,300,000 was received from Reznor (UK) Ltd and interim dividend of £5,795,159 (2013: £nil) was paid to the company's immediate parent undertaking Ambi-Rad Group Limited. The directors do not recommend the payment of a final dividend (2013: £nil).

GOING CONCERN

The directors consider that the company has adequate resources to continue in operation for the foreseeable future. In forming this view, the directors have reviewed budgets and other financial information and the financial support the ultimate parent undertaking has agreed to provide for at least one year following the signature date of these financial statements. For this reason the directors continue to adopt the going concern basis in preparing the accounts.

ACQUISITION BY NORTEK

On 30 April 2014, Nortek, Inc., a US company, listed in New York, acquired the HVAC part of ABB Ltd. The ultimate parent company from that date was Nortek, Inc. On 21 May 2015 the company changed its name from Ambi-Rad Ltd to Nortek Global HVAC (UK) Ltd.

FUTURE DEVELOPMENTS

On 23 May 2015, the trade and assets of the Company's subsidiary, Reznor (UK) Limited, were transferred into the company for consideration of £1,446,559.

RESEARCH AND DEVELOPMENT

The company will continue its policy of investing in research and development in order to retain a competitive market position. During the year £578,443 (2013: £549,722) was spent on R&D.

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

DIRECTORS' REPORT (CONTINUED)

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22 September 2015 and signed on its behalf.



A C Hall
Director

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 elected to prepare 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 judgments and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

We have audited the financial statements of Nortek Global HVAC (UK) Limited (formerly Ambi-Rad Ltd) for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 22. 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).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities Statement set out on page 6, 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). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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

Opinion on 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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NORTEK GLOBAL
HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD) (CONTINUED)**

Opinion on other matter 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.

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.

Ernst & Young LLP

Lorna McNeil (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Birmingham

23 September 2015

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)
Registered Number: 01390934

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2014

	Notes	2014 £	2013 £
TURNOVER	2	21,972,726	22,512,194
Cost of sales		<u>(13,453,002)</u>	<u>(13,046,116)</u>
GROSS PROFIT		8,519,724	9,466,078
Administration costs		<u>(6,664,793)</u>	<u>(6,780,762)</u>
OPERATING PROFIT BEFORE OPERATING EXCEPTIONAL ITEMS	3	1,854,931	2,685,316
Operating exceptional items	4	<u>(792,898)</u>	<u>-</u>
OPERATING PROFIT		1,062,033	2,685,316
Dividends received		2,300,000	-
Interest payable and similar charges	5	<u>(7,803)</u>	<u>(15,985)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,354,230	2,669,331
Tax on profit on ordinary activities	7	<u>(191,725)</u>	<u>(664,721)</u>
PROFIT FOR THE FINANCIAL YEAR	16, 17	<u>3,162,505</u>	<u>2,004,610</u>

All amounts relate to continuing operations.

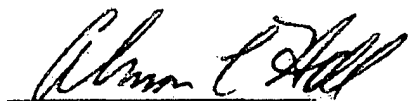
There are no recognised gains or losses for 2014 or 2013 other than the profit for the year included in the Profit and Loss Account.

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)**BALANCE SHEET**

at 31 December 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Intangible assets	8	1,601,837	55,947
Tangible assets	9	788,630	741,483
Investments	10	1	1
		<u>2,390,468</u>	<u>797,431</u>
CURRENT ASSETS			
Stocks and work in progress	11	2,287,930	2,242,077
Debtors	12	5,409,437	5,549,669
Cash at bank		1,368,756	5,684,971
		<u>9,066,123</u>	<u>13,476,717</u>
CREDITORS: amounts falling due within one year	13	<u>(5,061,227)</u>	<u>(5,311,437)</u>
NET CURRENT ASSETS		<u>4,004,896</u>	<u>8,165,280</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,395,364	8,962,711
PROVISIONS FOR LIABILITIES			
Deferred tax	14	<u>(73,195)</u>	<u>(7,888)</u>
NET ASSETS		<u>6,322,169</u>	<u>8,954,823</u>
CAPITAL AND RESERVES			
Called up share capital	15	50,000	50,000
Profit and loss account	16	6,272,169	8,904,823
EQUITY SHAREHOLDER'S FUNDS	17	<u>6,322,169</u>	<u>8,954,823</u>

These financial statements were approved on behalf of the Board on the date shown below.

**A C Hall**
Director

22 September 2015

The notes on pages 11 to 22 form part of these financial statements.

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2014

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention in accordance with applicable UK accounting standards.

The financial statements present information about the Company as an individual undertaking and not as a group. The company has taken advantage of the exemption in section 400 of the Companies Act 2006 not to produce group financial statements as it is included in the group financial statements of Nortek Inc, a company incorporated in the USA.

Fundamental accounting concept

The directors consider that the company has adequate resources to continue in operation for the foreseeable future. In forming this view, the directors have reviewed budgets and other financial information. For this reason they continue to adopt the going concern basis in preparing the accounts.

Cash flow statement

A statement of cash flows in accordance with FRS1 (revised) has not been prepared, as the Company was a wholly owned subsidiary of Nortek Inc. incorporated in USA and which prepares a cash flow within its consolidated accounts.

Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value, as follows:

Work in progress and finished goods – cost of direct materials and labour plus attributable overheads

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Revenue recognition

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Turnover is recognised on product sales on the delivery of goods.

Turnover is recognised on service sales at the time the service is rendered.

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2014

1. ACCOUNTING POLICIES (continued)

Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and Loss Account over its estimated economic life.

Amortisation is provided at the following rates:

Goodwill - 20 years straight line

Other Intangibles

Other intangibles comprises of trademarks and patents.

Amortisation is provided at the following rates:

Patents - 20 years straight line

Trademarks - 20 years straight line

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Property improvements	-	10% - 15%
Plant	-	10% - 20%
Tooling	-	33%
Motor vehicles	-	20%
Fixtures & fittings	-	10% - 15%
Computer equipment	-	33%

Foreign currencies

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

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2014

1. ACCOUNTING POLICIES (continued)

Operating lease rentals

Rentals paid under operating leases are charged to the Profit & Loss Account on a straight-line basis over the term of the lease.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

Contributions to defined contribution schemes are recognised in the Profit and Loss Account in the period in which they become payable.

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Research and development

Research and development expenditure is written off as incurred.

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2014

2. TURNOVER

The whole of the turnover and profit before tax is attributable to the principal activity of the company.

A geographical analysis of turnover is as follows:

	2014 £	2013 £
United Kingdom	17,179,309	17,617,316
Europe	2,635,297	3,498,561
United States of America and other	2,158,120	1,396,317
	<u>21,972,726</u>	<u>22,512,194</u>

3. OPERATING PROFIT

This is stated after charging / (crediting):

	2014 £	2013 £
Auditors remuneration for audit services	40,004	13,349
Amortisation	58,192	4,722
Depreciation of fixed assets		
• owned by the company	173,507	132,417
• held under finance lease	21,746	39,968
Profit on sale of fixed assets	(13,183)	(6,334)
Operating lease rentals - land and buildings	512,992	538,620
Operating lease rentals - fixtures and fittings	87,049	112,965
Operating lease rentals - motor vehicles	190,252	158,367
Research & development	578,443	549,722
Foreign exchange differences	(54,214)	(11,714)

4. OPERATING EXCEPTIONAL ITEMS

The operating exceptional items relate to the costs associated with the closure of the Knighton site.

	2014 £	2013 £
Redundancy	256,451	-
Stock losses	191,000	-
Increased labour	115,837	-
Premises surrender deed	111,248	-
Removal and installation of equipment	48,918	-
Other costs relating to Knighton closure	69,444	-
	<u>792,898</u>	<u>-</u>

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**at 31 December 2014****5. INTEREST PAYABLE & SIMILAR CHARGES**

	2014 £	2013 £
Other interest	4,284	9,642
Hire purchase interest	3,519	6,343
	<u>7,803</u>	<u>15,985</u>

6. DIRECTORS' REMUNERATION AND STAFF COSTS

Staff costs	2014 £	2013 £
Wages and salaries	5,471,058	5,215,009
Social security costs	546,457	536,908
Other pension costs	96,768	58,456
	<u>6,114,283</u>	<u>5,810,373</u>

The average monthly number of employees during the year was as follows:

	2014 No.	2013 No.
Directors	-	3
Management and administration	34	31
Production and selling	161	159
	<u>195</u>	<u>193</u>

The directors are remunerated by other group companies. The directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the year. (2013: No recharge is made for the directors' services but an allocation of time spent results in a charge of £2,273.)

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**at 31 December 2014****7. TAXATION**

Analysis of tax charge:	2014	2013
	£	£
UK corporation tax	218,400	605,954
Adjustments in respect of prior periods	(91,982)	79,489
Total current tax	<u>126,418</u>	<u>685,443</u>
Deferred tax (origination and reversal of timing differences)	25,255	(20,722)
Deferred tax (adjustments in respect of prior periods)	40,052	-
Tax on profit on ordinary activities	<u>191,725</u>	<u>664,721</u>

Factors affecting current tax charge for the year

The tax charged on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 21.5% (2013 – 23.25%) The differences are reconciled below:

	2014	2013
	£	£
Profit on ordinary activities before tax	<u>3,354,230</u>	<u>2,669,331</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	721,159	620,619
Expenses not deductible for tax purposes, other than Goodwill amortisation and impairment	24,881	9,462
Excess depreciation (over capital allowances)	(22,884)	6,408
Fixed asset disposals	(2,834)	(1,472)
Due to change in tax rate in the year	192	-
Dividend Income not taxable	(494,500)	-
Research and development relief	(7,614)	(29,063)
Adjustments in respect of prior periods	(91,982)	79,489
Total current tax charge	<u>126,418</u>	<u>685,443</u>

The corporation tax rate will reduce to 20% from 1 April 2015. The company considers that the timing differences included in the deferred tax calculation will, for the most part, reverse after 1 April 2015 and therefore, the deferred tax asset has been calculated using the 20% rate. In his summer budget of July 2015, the Chancellor of the Exchequer proposed a decrease in the rate of UK corporation taxation from 20% to 18%, falling by 1% in 2017 and a further 1% in 2020. These reductions in rates were not substantively enacted at the balance sheet date and so they are not reflected in these financial statements. The impact of the reduction in rates is not considered material.

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

at 31 December 2014

8. INTANGIBLE FIXED ASSETS

	Patents & Trademarks £	Goodwill £	Total £
Cost			
At 1 January 2014	94,451	75,002	169,453
Additions for the year	1,604,082	-	1,604,082
At 31 December 2014	1,698,533	75,002	1,773,535
Amortisation			
At 1 January 2014	38,504	75,002	113,506
Charge for the year	58,192	-	58,192
At 31 December 2014	96,696	75,002	171,698
Net book value			
At 31 December 2014	1,601,837	-	1,601,837
At 31 December 2013	55,947	-	55,947

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2014

9. TANGIBLE FIXED ASSETS

	Property Improvements	Plant & Machinery	Motor Vehicles	F/F & Computer Equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2014	213,643	953,577	183,310	590,159	1,940,689
Additions	-	30,048	68,651	143,701	242,400
Disposals	-	-	(63,493)	-	(63,493)
At 31 December 2014	213,643	983,625	188,468	733,860	2,119,596
Depreciation					
At 1 January 2014	141,273	438,519	155,085	464,329	1,199,206
Charge for the year	16,327	94,030	16,490	68,406	195,253
On disposals	-	-	(63,493)	-	(63,493)
At 31 December 2014	157,600	532,549	108,082	532,735	1,330,966
Net book value					
At 31 December 2014	56,043	451,076	80,386	201,125	788,630
At 31 December 2013	72,370	515,058	28,225	125,830	741,483

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2014	2013
	£	£
Plant & machinery	-	159,750
Motor vehicles	-	1,828
	<u>-</u>	<u>161,578</u>

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2014

10. PRINCIPAL SUBSIDIARIES

The company holds the following £1 (2013: £1) investment:

Company Name	Percentage Shareholding	Class of Shares	Nature of Business
Reznor (UK) Limited	100% direct	Ordinary	Distribution of warm air heaters

11. STOCKS

	2014 £	2013 £
Raw materials	1,169,296	1,096,502
Work in progress	676,346	922,661
Finished goods	442,288	222,914
	<u>2,287,930</u>	<u>2,242,077</u>

12. DEBTORS

	2014 £	2013 £
Trade debtors	4,687,939	4,770,297
Amounts owed by group undertakings	464,561	635,374
Other debtors	59,003	61
Prepayments and accrued income	197,934	143,937
	<u>5,409,437</u>	<u>5,549,669</u>

13. CREDITORS

Amounts falling due within one year.	2014 £	2013 £
Net obligations under finance leases and HP contracts	-	45,341
Trade creditors	2,765,211	3,128,449
Amounts owed to group undertakings	806,837	334,016
Corporation tax	26,197	307,860
Other taxation and social security	499,689	554,282
Accruals and deferred income	963,293	941,489
	<u>5,061,227</u>	<u>5,311,437</u>

Net obligations under finance leases and hire purchase contracts were secured on the assets to which they are associated.

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2014

14. DEFERRED TAXATION

	2014 £	2013 £
At beginning of year	(7,888)	(28,610)
Charged for year (P&L)	(25,255)	20,722
Adjustment in respect of prior periods (P&L)	(40,052)	-
At end of year	<u>(73,195)</u>	<u>(7,888)</u>

The deferred taxation balance is made up as follows:

	2014 £	2013 £
Accelerated capital allowance	<u>(73,195)</u>	<u>(7,888)</u>

15. SHARE CAPITAL

	2014 £	2013 £
Allotted called up and fully paid 50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

16. RESERVES

	<i>Profit and loss account £</i>
At beginning of year	8,904,823
Credited for year	3,162,505
Equity dividend paid	(5,795,159)
At end of year/period	<u>6,272,169</u>

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2014

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2014	2013
	£	£
Opening shareholders' funds	8,954,823	6,950,213
Profit for the financial year	3,162,505	2,004,610
Equity dividend paid	(5,795,159)	-
Closing shareholders' funds	<u>6,322,169</u>	<u>8,954,823</u>

18. PENSIONS COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge for the period was £96,768 (2013: £58,456). As at 31 December 2014 there is a creditor of £13,937 (2013 - £Nil) in respect of outstanding pension contributions. Pension benefits are provided by a Group defined contribution pension scheme.

19. FINANCIAL COMMITMENTS

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as set out below:

	2014 Land & Buildings	2014 Other	2013 Land & Buildings	2013 Other
	£	£	£	£
Expiry date:				
Within 1 year	5,174	14,208	-	26,086
Between 2 and 5 years	<u>374,994</u>	<u>73,176</u>	<u>535,000</u>	<u>71,988</u>
Total	<u>380,168</u>	<u>87,384</u>	<u>535,000</u>	<u>98,074</u>

20. TRANSACTIONS WITH DIRECTORS AND RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS 8 'Related party disclosures' from disclosing transactions with wholly owned fellow group entities. There were no other related party transactions requiring disclosure under FRS 8.

NORTEK GLOBAL HVAC (UK) LIMITED (FORMERLY AMBI-RAD LTD)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

at 31 December 2014

21. ULTIMATE HOLDING COMPANY

The immediate parent undertaking of Nortek Global HVAC (UK) Limited is Ambi-Rad Group Limited, a company incorporated in England and Wales.

On 30 April 2014, Nortek, Inc., a US company, listed in New York, acquired the HVAC part of ABB Ltd including Nortek Global HVAC (UK) Limited.

The ultimate parent undertaking and the controlling party of the group into which the financial statements of the company are consolidated is Nortek, Inc., which is incorporated in the USA. Nortek, Inc. is the smallest and largest group into which financial statements of the company are consolidated.

22. SUBSEQUENT EVENTS

On 23 May 2015, the trade and assets of the Company's subsidiary Reznor (UK) Limited were transferred into the company for consideration of £1,446,559.

**NORTEK GLOBAL HVAC (UK) LIMITED
(FORMERLY AMBI-RAD LIMITED)**

Reports and Financial Statements

31 December 2014

Registered Number: 01390934