

Company Registration No. 01984288 (England and Wales)

MCDOWALL AIR CONDITIONING (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2021

MCDOWALL AIR CONDITIONING (UK) LIMITED

COMPANY INFORMATION

Directors
Mr M Ayre
Mr J P Earnshaw
Mr A J Ellis
Mr R H Jones

Company number 01984288

Registered office
9/10 The Briars
Waterberry Drive
Waterlooville
PO7 7YH

Auditor
Edwards
34 High Street
Aldridge
Walsall
West Midlands
WS9 8LZ

MCDOWALL AIR CONDITIONING (UK) LIMITED

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MCDOWALL AIR CONDITIONING (UK) LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

The directors present their annual report and financial statements for the period ended 30 September 2021.

Principal activities

The principal activity of the company continued to be that of air conditioning services until 1 September 2021. From this point the company ceased to trade and transferred its trade and assets to Johnson Controls Building Efficiency Limited.

Business sale and restructuring

Effective 1 September 2021 the trade and assets of the company were sold to a fellow group undertaking, Johnson Controls Building Efficiency UK limited for £5,672,563 which has led to a profit on sale of £4,119,932 seen in the Statement of Comprehensive Income.

Following the trade and asset sale effective 1 September 2021 no further contracts will be tendered for by this company. All employees have been TUPE'd to Johnson Controls Building Efficiency UK limited effective from 1 May 2022. Any work completed by the employees between the 1 September 2021 and 1 May 2022 has been completed on behalf of Johnson Controls Building Efficiency UK limited, in line with the signed trade and asset sale agreement. All costs and revenues generated by this work in the period are legally owned by Johnson Controls Building Efficiency UK limited and the transactions have been appropriately recorded in that legal entity.

Following completion of the TUPE of the employees the intention is to wind down the remaining balances unsold deeming the entity to be dormant shortly thereafter. Management expects the application for strike off to then be filed with Companies House during late 2022 or early 2023. However, no resolutions have yet been approved for this action as at the time of approving these financial statements.

The directors do not consider the going concern basis to be appropriate as the company does not expect to trade in its own right in the future and these financial statements have therefore not been prepared on that basis.

Going Concern

The directors have considered the going concern status of the company. After the transfer of the trade and assets of the company, the directors do not consider the going concern basis to be appropriate. As the company does not expect to trade in its own right in the future, these financial statements have therefore not been prepared on that basis.

Results and dividends

The results for the period are set out on page 7.

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Mr M Ayre
Mr J P Earnshaw
Mr A J Ellis
Mr R H Jones

Auditor

Edwards were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

MCDOWALL AIR CONDITIONING (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

Other matters

On the 11th of March 2020, the World Health Organisation officially declared COVID-19, the disease caused by novel coronavirus, a pandemic. Management is closely monitoring the evolution of this pandemic, including how it may affect the company, the economy and the general population. We currently have an appropriate response plan in place, and we will continue to monitor and assess the ongoing development and respond accordingly.

On behalf of the board

Mr J P Earnshaw
Director

23 June 2022

MCDOWALL AIR CONDITIONING (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for 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.

MCDOWALL AIR CONDITIONING (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MCDOWALL AIR CONDITIONING (UK) LIMITED

Opinion

We have audited the financial statements of McDowall Air Conditioning (UK) Limited (the 'company') for the period ended 30 September 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to note 16 to the financial statements which show the sale of trade and assets of the company. As such the directors do not consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

MCDOWALL AIR CONDITIONING (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MCDOWALL AIR CONDITIONING (UK) LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the company is not entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained an understanding of the legal and regulatory frameworks within which the Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Taxation legislation and Health & Safety compliance.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be in the following areas: timing of recognition of income, the override of controls by management, inappropriate treatment of non-routine transactions and areas of estimation uncertainty. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, review and discussion of non-routine transactions, sample testing on the posting of journals and income transactions and review of accounting estimates for biases.

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

MCDOWALL AIR CONDITIONING (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MCDOWALL AIR CONDITIONING (UK) LIMITED

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our report

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

Neil Taylor BA FCA (Senior Statutory Auditor)
For and on behalf of Edwards

24 June 2022

Chartered Accountants
Statutory Auditor

34 High Street
Aldridge
Walsall
West Midlands
WS9 8LZ

MCDOWALL AIR CONDITIONING (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

		Period ended 30 September 2021 £	Year ended 31 March 2020 £
	Notes		
Turnover	3	11,295,712	10,024,274
Cost of sales		(9,812,174)	(7,895,782)
Gross profit		1,483,538	2,128,492
Administrative expenses		(996,972)	(1,125,629)
Other operating income		94,814	-
Operating profit	4	581,380	1,002,863
Interest receivable and similar income	7	1,124	4,996
Interest payable and similar expenses	8	(7)	(60)
Profit/(loss) on disposal of operations	16	4,119,932	-
Profit before taxation		4,702,429	1,007,799
Tax on profit	9	-	(191,704)
Profit for the financial period		4,702,429	816,095

After the 1 September 2021 all operations ceased as per note 16. Therefore the profit and loss account has been prepared on the basis that all operations are discontinued operations.

MCDOWALL AIR CONDITIONING (UK) LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Debtors	11	6,719,525		2,591,271	
Cash at bank and in hand		124,580		728,988	
		<u>6,844,105</u>		<u>3,320,259</u>	
Creditors: amounts falling due within one year	12	(444)		(1,134,907)	
		<u></u>		<u></u>	
Net current assets			6,843,661		2,185,352
Provisions for liabilities					
Provisions	13	-	-	44,120	(44,120)
		<u></u>	<u></u>	<u></u>	<u></u>
Net assets			6,843,661		2,141,232
			<u></u>		<u></u>
Capital and reserves					
Called up share capital	15		100		100
Profit and loss reserves			6,843,561		2,141,132
			<u></u>		<u></u>
Total equity			6,843,661		2,141,232
			<u></u>		<u></u>

The financial statements were approved by the board of directors and authorised for issue on 23 June 2022 and are signed on its behalf by:

Mr J P Earnshaw
Director

Company Registration No. 01984288

MCDOWALL AIR CONDITIONING (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 April 2019		100	5,414,393	5,414,493
Period ended 31 March 2020:				
Profit and total comprehensive income for the period		-	816,095	816,095
Dividends	10	-	(4,089,356)	(4,089,356)
Balance at 31 March 2020		100	2,141,132	2,141,232
Period ended 30 September 2021:				
Profit and total comprehensive income for the period		-	4,702,429	4,702,429
Balance at 30 September 2021		100	6,843,561	6,843,661

MCDOWALL AIR CONDITIONING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

1 Accounting policies

Company information

McDowall Air Conditioning (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 9/10 The Briars, Waterberry Drive, Waterlooville, PO7 7YH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

These financial statements have been prepared on a basis other than that of the going concern basis. As explained in the Directors report of the financial statements, the trade and assets of the company were transferred on 1 September 2021. This basis includes, where applicable, writing the company's assets down to net realisable value. No provision has been made for the future costs of terminating the business unless such costs were committed at the reporting date.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements on the basis that the information is provided in the consolidated financial statements of Johnson Controls International plc, which is registered in Cork, Ireland. Johnson Controls International plc prepares consolidated financial statements which are publicly available and can be obtained from the address given in note 8.

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

1.2 Going concern

As noted in the Strategic report, the directors have considered the going concern status of the company. After the post year end transfer of the trade and assets of the company, the directors do not consider the going concern basis to be appropriate. As the company does not expect to trade in its own right in the future, these financial statements have therefore not been prepared on this basis.

1.3 Reporting period

The company has changed its financial year end from 31 March to 30 September to align with group reporting periods. This is the first financial reporting period adopting the new year-end date and the financial statements are therefore for the 18 month period ended 30 September 2021. The change in accounting period means that the comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

MCDOWALL AIR CONDITIONING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.5 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Stage of completion is measured by reference to contract costs to date.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

MCDOWALL AIR CONDITIONING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Provisions for the expected cost of warranty obligations are recognised on open contracts, at the directors' best estimate of the expenditure required to settle the company's obligation.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

MCDOWALL AIR CONDITIONING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Recognition of profit on long term contracts

Profit recognition is based on an assessment of the overall profitability forecast on individual contracts. Losses are recognised as soon as they are foreseen. Profits are recognised by the directors when the outcome of the contract can be assessed with reasonable certainty. The profit recognised reflects that part of the total profit currently estimated to arise over the duration of the contract that fairly represents the profit attributable to work performed at the accounting date.

Warranty

Provision is made for the estimated future costs to be incurred on repairs to a number of contracts carried out.

3 Turnover and other revenue

	2021	2020
	£	£
Other significant revenue		
Interest income	1,124	4,996
Grants received	94,814	-
	<u> </u>	<u> </u>

MCDOWALL AIR CONDITIONING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

4 Operating profit

	2021	2020
	£	£
Operating profit for the period is stated after charging/(crediting):		
Government grants	(94,814)	-
Operating lease charges	24,676	63,250
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2021	2020
	Number	Number
Cost of sales labour	29	31
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	1,507,155	1,126,032
Social security costs	172,638	119,437
Pension costs	52,566	33,205
	<u> </u>	<u> </u>
	1,732,359	1,278,674
	<u> </u>	<u> </u>

6 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	-	81,721
Company pension contributions to defined contribution schemes	-	2,462
	<u> </u>	<u> </u>
	-	84,183
	<u> </u>	<u> </u>

7 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	1,124	4,996
	<u> </u>	<u> </u>

MCDOWALL AIR CONDITIONING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

8 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank overdrafts and loans	7	-
Other interest	-	60
	<u>7</u>	<u>60</u>

9 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	-	191,704
	<u>-</u>	<u>191,704</u>

Of the charge to current tax in relation to discontinued operations, £Nil relates to tax on profits and £Nil arose on disposal.

The actual charge for the period can be reconciled to the expected charge for the period based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Profit before taxation	<u>4,702,429</u>	<u>1,007,799</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	893,462	191,482
Tax effect of expenses that are not deductible in determining taxable profit	-	222
Group relief	(110,675)	-
Non taxable (gain) on disposal	<u>(782,787)</u>	<u>-</u>
Taxation charge for the period	<u>-</u>	<u>191,704</u>

10 Dividends

	2021	2020
	£	£
Final paid	<u>-</u>	<u>4,089,356</u>

MCDOWALL AIR CONDITIONING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

11 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	-	2,216,389
Gross amounts owed by contract customers	-	135,032
Amounts owed by group undertakings	6,648,990	82,433
Other debtors	70,535	157,417
	<u>6,719,525</u>	<u>2,591,271</u>

12 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	-	620,352
Corporation tax	444	104,371
Other taxation and social security	-	201,685
Accruals and deferred income	-	208,499
	<u>444</u>	<u>1,134,907</u>

13 Provisions for liabilities

	2021	2020
	£	£
Warranty provision	-	44,120
	<u>-</u>	<u>44,120</u>

14 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	52,566	33,205
	<u>52,566</u>	<u>33,205</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

15 Share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

MCDOWALL AIR CONDITIONING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

16 Disposal of a business

On 1 September 2021, the company disposed of its trade and assets to a related group company Johnson Controls Building Efficiency Limited.

The assets/(liabilities) disposed of and consideration received are as follows:

	£
Cash and cash equivalents	829,169
Trade and other receivables	1,508,023
Inventories	259,453
Trade and other payables	(950,301)
Tax liabilities	(42,546)
Provisions	(51,167)
	<hr/>
	1,552,631
Gain on disposal	4,119,932
	<hr/>
Total consideration	5,672,563
	<hr/> <hr/>
Satisfied by:	£
Cash	5,672,563
	<hr/> <hr/>

17 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	-	8,464
Between two and five years	-	22,627
	<hr/>	<hr/>
	-	31,091
	<hr/> <hr/>	<hr/> <hr/>

MCDOWALL AIR CONDITIONING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

18 Ultimate controlling party

At the start of the period the immediate parent undertaking is McDowall Limited.

Effective 24 August 2021 the immediate parent undertaking and controlling party is Tyco Holdings (UK) Limited, a company incorporated in the United Kingdom. Prior to the 24 August 2021 the immediate parent undertaking and controlling party was McDowall Holdings Limited.

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

Johnson Controls International plc
1 Albert Quay
Cork
Ireland

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.