ABI Acquisition 2 Ltd

Report and accounts 2012

Registration Number 03011776

Contents

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Directors' report

for the year ended 31 December 2012

The directors of ABI Acquisition 2 Ltd present their report and audited accounts of the company for the year ended 31 December 2012

Principal activities
The principal activity of the company is to act as the holding company for its trading subsidiaries

Business review and future developments
The results for the year are in line with the directors' expectations The directors intend that the company will continue to operate as a holding company for the foreseeable future

Key performance indicators
The company monitors its net interest income/expense

Principal risks and uncertainties
As a holding company, the company is exposed to the value of its investments and the ability of its subsidiaries to generate surplus funds and pay dividends The ultimate parent company actively manages the performance of its subsidiaries

Financial risk management
The company's exposure to risks such as prices, credit risk, liquidity, and cash flow are within reasonable commercial limits

Results and dividends
The company's loss for the financial year was £104,000 (2011 £5,427,000 profit) which will be deducted from reserves The results for the year are shown on page 4

The directors do not recommend the payment of a dividend (2011 £nil)

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

Tom Larkins (resigned 16 November 2012)
John Tus
Andrew Lloyd
Glen Davies

Directors' indemnities
Pursuant to the company's articles of association, the directors were throughout the year to 31 December 2012 and are at the date of this report entitled to a qualifying indemnity provision as defined in section 236 of the Companies Act 2006

Directors responsibilities statement
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 prepared the accounts 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 accounts unless they are satisfied that they give a true and fair view of the state of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 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

Going concern
The company's business activities, together with the factors likely to affect its future development and position, are set out in the business review section of the Directors' report The ultimate parent company, Honeywell International Inc has indicated it will provide financial support to the company for at least one year from the date of signing these accounts

The directors, having taken into account the financial support from the ultimate parent company believe that no material uncertainties exist that may cast significant doubt on the ability company's ability to continue in operational existence for the foreseeable future

Disclosure of information to auditors
In the case of each of the persons who is a director at the time this report is approved

- 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

Andrew Lloyd
Director
15th January 2013

Independent auditors' report

to the members of ABI Acquisition 2 Ltd

We have audited the financial statements of ABI Acquisition 2 Ltd for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet 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 2 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 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 In addition, we read all the financial and non-financial information in the report and accounts to identify material inconsistencies with the audited financial statements 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 2012 and of its loss 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

Alison Cashmore (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
West London
18 JANUARY 2013

Profit and loss account

for the year ended 31 December 2012

	Note	2012 £000	*2011 £000*
Amounts written back in respect of investments	5	-	*5,531*
Interest receivable and similar income	6	85	*83*
Interest payable and similar charges	6	(189)	*(187)*
(Loss)/profit on ordinary activities before taxation		(104)	*5,427*
Tax on (loss)/profit on ordinary activities	7	-	-
(Loss)/profit for the financial year	12	(104)	*5,427*

All results derive from continuing operations

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

The company has no recognised gains and losses other than the losses for the year, and therefore no separate statement of total recognised gains and losses has been presented

Balance sheet
as at 31 December 2012

	Note	2012 £000	*2011* *£000*
Fixed assets			
Investments	9	5,699	*5,614*
Current liabilities			
Creditors amounts falling due within one year	10	(31,866)	*(31,677)*
Net current liabilities		(31,866)	*(31,677)*
Total assets less current liabilities		(26,167)	*(26,063)*
Net liabilities		(26,167)	*(26,063)*
Capital and reserves			
Called up share capital	11	10,756	*10,756*
Share premium account	12	25	*25*
Profit and loss account	12	(36,948)	*(36,844)*
Total shareholders' deficit	12	(26,167)	*(26,063)*

The accounts on pages 4 to 9 were approved by the board of directors on 15th January 2013 and were signed on its behalf by

Andrew Lloyd
Director

Notes to the accounts

for the year ended 31 December 2012

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"

There were no changes to accounting standards in 2012 which were applicable to 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

Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the business review section of the Directors' report The ultimate parent company, Honeywell International Inc has indicated it will provide financial support to the company for at least one year from the date of signing these accounts

The directors, having taken into account the financial support from the ultimate parent company believe that no material uncertainties exist that may cast significant doubt on the ability company's ability to continue in operational existence for the foreseeable future

Taxation

Current tax is the amount of tax estimated to be payable or recoverable in respect of the taxable profit or loss for a period, along with adjustments to estimates in respect of previous periods

Deferred taxation

Deferred tax is recognised in respect of the future estimated tax consequences of transactions or events recognised in the accounts of the current and previous periods

Deferred tax assets are recognised to the extent that, on the basis of all available evidence, it can be regarded as 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 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

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

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. Employees and directors

In 2012, all directors were remunerated by other group companies for their services to the group as a whole No charge has been made to the company as in the opinion of the directors it is not possible to determine with reasonable accuracy the split by company The company has no other employees

4. Audit fees	2012	*2011*
Auditors remuneration	£000	*£000*
Fees payable to the company's auditor for the audit of the company's annual accounts	3	*3*
5. Transactions in relation to group undertakings		
Release of provision against loans in group undertakings		
ABI Acquisition 1 Ltd	-	*5,531*
6 Interest		
Interest receivable and similar income		
Interest receivable from group undertakings	85	*83*
Interest payable and similar charges		
Interest payable to group undertakings	189	*187*
7. Tax on (loss)/profit on ordinary activities		
Current tax		
UK corporation tax on (loss)/profit of the year	-	-

Factors affecting tax charge for year

The standard rate of corporation tax in the UK changed from 26% to 24% with effect from 1 April 2012 Accordingly, the company's losses for this accounting period are taxed at an effective rate of 24 5%

	2012	*2011*
Differences between tax at standard rate of UK corporation tax and total tax charge	£000	*£000*
(Loss)/profit on ordinary activities before taxation	(104)	*5,427*
Standard rate of UK corporation tax (%)	24 5	*26 5*
(Loss)/profit on ordinary activities multiplied by standard rate of UK corporation tax	(25)	*1,438*
Effects of		
Expenses not deductible for tax purposes and other permanent differences	(24)	*(1,491)*
Group relief not paid for	49	*53*
Total tax charge for the year	-	-

Notes to the accounts (continued)

for the year ended 31 December 2012

8. Deferred taxation	2012	*2011*
Unrecognised deferred tax asset @23% (2011 25%)	£000	*£000*
Overseas interest not paid	996	*1,083*

The deferred tax asset is unrecognised because it is less likely than not that there will be sufficient taxable profits in the future to recover the asset

9 Investments	Loans	Subsidiary undertakings	Total
Cost	£000	£000	£000
At 1 January 2012	5,614	18,571	24,185
Interest receivable	85	-	85
At 31 December 2012	5,699	18 571	24,270
Provision for impairment			
At 1 January and 31 December 2012	-	18,571	18,571
Net book value			
At 31 December 2012	5,699	-	5,699
At 31 December 2011	*5,614*	-	*5,614*

Loans to subsidiary undertakings are unsecured, repayable on demand and bear interest at UK base rate plus 1%

The directors believe that the book value of the investments is not less than the value of the underlying net assets

The company's principal subsidiary undertakings, all of which are 100% owned (ordinary shares) unless otherwise indicated, are as follows

Name of company	Principal Activity	Country of incorporation
Directly held subsidiaries		
Honeywell Specialty Wax & Additives Ltd	Intermediate holding company	England
Indirectly held subsidiaries		
Honeywell Specialty Wax & Additives SA	Dormant	Belgium

			2012	*2011*
10. Creditors. amounts falling due within one year			£000	*£000*
Amounts owed to group undertakings			31,866	*31,677*
Loans and other borrowings				
Amounts owed to group undertakings include the following loans and other borrowings				
Repayable	Interest terms	Currency		
On demand	UK base rate +1%	GBP	12,679	12,490

All amounts are unsecured

11. Called up share capital	2012	*2011*
Allotted, called up and fully paid	£000	*£000*
1,075,627 voting ordinary shares of £1 each	1,076	*1,076*
9,680,625 non-voting ordinary shares of £1 each	9,680	*9,680*
	10,756	*10,756*

Both classes of ordinary share carry the same rights with the exception of voting rights A non voting ordinary share does not entitle the holder to receive notice of or attend and vote at a general meeting of the company or to appoint or remove any director from the company's board

12. Reconciliation of shareholders' deficit and movements on reserves

	Share capital £000	Share premium £000	Profit and loss account £000	2012 Total £000	*2011 Total £000*
At 1 January	10,756	25	(36,844)	(26,063)	*(31,490)*
(Loss)/profit for the financial year	-	-	(104)	(104)	*5,427*
At 31 December	10,756	25	(36,948)	(26,167)	*(26,063)*

13. Ultimate parent undertakings
The immediate parent undertaking is ABI Acquisition 1 Ltd, a company incorporated in England

The ultimate parent undertaking and controlling party is Honeywell International Inc , a company incorporated in the USA, which is the smallest and 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