

ABI Acquisition 1 Ltd

Report and financial statements 2013

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Contents

	<u>Page</u>
Directors' report	1
Independent auditors' report	3
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7

Directors' report

for the year ended 31 December 2013

ABI Acquisition I Ltd

Registration number 03011781

The directors present their report and financial statements of the company for the year ended 31 December 2013

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

Principal activities

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

Results

The company's loss for the financial year was £89,000 (2012 £88,000 loss) which will be deducted from reserves

The results for the year are shown on page 5

Financial risk management

Other risks

The company's exposure to other risks such as prices, credit risk, interest and cash flow is within reasonable limits and these exposures are not hedged

Directors

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

Andrew Lloyd (appointed 22 March 2013)

John Tus

Glen Davies (appointed 22 March 2013)

Tom Larkins (resigned 22 March 2013)

Directors' indemnities

Pursuant of the Company's articles of association, the directors were throughout the year ended 31 December 2013 and are at the date of this report entitled to a qualifying indemnity provision as defined in section 234 of the Companies Act 2006

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

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

Directors' report

for the year ended 31 December 2013

ABI Acquisition 1 Ltd
Registration number 03011781

Going concern

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 financial statements

The directors, having taken into account the financial support from the ultimate parent undertaking believe that no material uncertainties exist that cast significant doubt on the company's ability to continue in operation 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/she ought to have taken as a director to make him/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Approved by the board of directors and signed on its behalf by



Andrew Lloyd

Director

12th March 2014

Independent auditors' report

to the members of ABI Acquisition 1 Ltd

Registration number 03011781

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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

This opinion is to be read in the context of what we say in the remainder of this report

What we have audited

The financial statements, which are prepared by ABI Acquisition 1 Ltd, comprise

- the balance sheet as at 31 December 2013,
- the profit and loss account for the year then ended,
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events

What an audit of the financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)") An audit involves obtaining evidence about the amounts 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 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 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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit, or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility

Independent auditors' report

to the members of ABI Acquisition 1 Ltd

Registration number 03011781

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

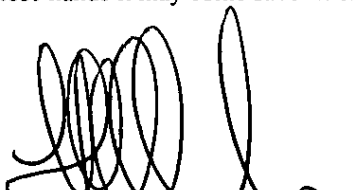
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the directors' responsibilities statement set out on page 1, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standard 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.



Stephen Mount (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

West London

28 March 2014

Profit and loss account

for the year ended 31 December 2013

ABI Acquisition I Ltd

Registration number 03011781

	<u>Note</u>	<u>2013</u> <u>£000</u>	<u>2012</u> <u>£000</u>
Interest receivable and similar income	5	77	76
Interest payable and similar charges	6	(166)	(164)
Loss on ordinary activities before taxation		(89)	(88)
Tax on loss on ordinary activities	7	-	-
Loss for the financial year	14	(89)	(88)

All amounts are derived 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 loss for the year, and therefore no separate statement of total recognised gains and losses has been presented

Balance sheet

at 31 December 2013

ABI Acquisition 1 Ltd

Registration number 03011781

	Note	2013 £000	2012 £000
Fixed assets			
Investments	9	2,326	7,425
		<u>2,326</u>	<u>7,425</u>
Current assets			
Debtors	10	5,176	-
Creditors amounts falling due within one year	11	(6,632)	(6,533)
Net current liabilities		<u>(1,456)</u>	<u>(6,533)</u>
Total assets less current liabilities		870	892
Creditors amounts falling due after more than one year	12	(4,526)	(4,459)
Net liabilities		<u>(3,656)</u>	<u>(3,567)</u>
Capital and reserves			
Called up share capital	13	10,756	10,756
Share premium account	14	25	25
Capital redemption reserve	14	14,892	14,892
Profit and loss account	14	(29,329)	(29,240)
Total shareholders' deficit	14	<u>(3,656)</u>	<u>(3,567)</u>

The financial statements on pages 5 to 10 were approved by the board of directors on 12th March 2014 and signed on its behalf by



Andrew Lloyd
Director

Notes to the financial statements

for the year ended 31 December 2013

ABI Acquisition 1 Ltd

Registration number 03011781

1 Accounting policies

These financial statements 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 2013 which were applicable to the company.

Group financial statements

The financial statements 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 financial statements as it and its subsidiary undertakings are included by full consolidation in the financial statements of Honeywell International Inc, a company registered in the USA, and whose financial statements the directors consider to be drawn up in a manner equivalent to the 7th Directive. The financial statements of Honeywell International Inc are publicly available.

Going concern

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 financial statements.

The directors, having taken into account the financial support from the ultimate parent undertaking, believe that no material uncertainties exist that cast significant doubt on the company's ability to continue in operation 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 tax

Deferred tax is recognised in respect of the future estimated tax consequences of transactions or events recognised in the financial statements 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

An investment is classed as a subsidiary undertaking if the company has controlling interest.

Investments are shown at cost less provision for permanent impairment. The value of investments is reviewed annually by 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.

Notes to the financial statements

for the year ended 31 December 2013

ABI Acquisition 1 Ltd
Registration number 03011781

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 financial statements 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 financial statements, on the grounds that this company is a wholly owned subsidiary of Honeywell International Inc, whose financial statements are publicly available.

3. Auditors' remuneration

	2013 £000	2012 £000
Fees payable for audit	1	3

4. Employees and directors

In 2013, all directors (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.

5. Interest receivable and similar income

	2013 £000	2012 £000
Interest receivable from group undertakings	77	76

6. Interest payable and similar charges

Interest payable to group undertakings	166	164
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7. Tax on loss on ordinary activities

Current tax

UK corporation tax on loss for the year

-	-
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Factors affecting tax charge for the year

The standard rate of corporation tax in the UK changed from 24% to 23% with effect from 1 April 2013. Accordingly, the company's results for this financial year are taxed at an effective rate of 23.25%.

The tax assessed for the year is different to the standard rate of UK corporation tax of 23.25% (2012 24.5%) and the differences are explained below.

	2013 £000	2012 £000
Loss on ordinary activities before taxation	(89)	(88)
Standard rate of UK corporation tax (%)	23.25	24.5
Loss on ordinary activities multiplied by the standard rate of UK corporation tax	(21)	(22)

Effects of

Tax losses carried forward

Total tax charge for the year

21	22
-	-

Factors that may affect future tax charges

Deferred tax provided at 21% on temporary differences reversing in 2014 and 20% on temporary differences reversing in 2015 and thereafter. Legislation to reduce UK Corporation Tax in stages to 20% by April 2015 was enacted on 17 July 2013.

Notes to the financial statements

for the year ended 31 December 2013

ABI Acquisition 1 Ltd

Registration number 03011781

8. Deferred tax

	2013	2012
	£000	£000
Unrecognised deferred tax asset (@20% (2012 23%))	623	716
Overseas interest not paid	54	42
Tax losses carried forward	677	758

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

9. Investments

	Shares in group undertakings £000	Loans £000	Total £000
<i>Cost</i>			
At 1 January 2013	28,896	5,099	33,995
Interest receivable	-	77	77
Transfer to debtors (note 10)	-	(5,176)	(5,176)
At 31 December 2013	28,896	-	28,896
<i>Provision for impairment</i>			
At 1 January and 31 December 2013	26,570	-	26,570
<i>Net book value</i>			
At 31 December 2013	2,326	-	2,326
At 31 December 2012	2,326	5,099	7,425

During the year loans to subsidiary undertakings have been reclassified as amounts owed by group undertakings to align with Honeywell group accounting policy

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

Shares in group undertakings are held in ordinary shares

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

<u>Name of company</u>	<u>Principal activity</u>	<u>Country of incorporation</u>
<i>Directly held subsidiaries</i>		
ABI Acquisition 2 Ltd	Intermediate holding company	England
ABI Corporation	Dormant	USA
<i>Indirectly held subsidiaries</i>		
Honeywell Specialty Wax & Additives Ltd	Intermediate holding company	England
Honeywell Specialty Wax & Additives SA	Dormant	Belgium

Notes to the financial statements

for the year ended 31 December 2013

ABI Acquisition 1 Ltd
Registration number 03011781

10. Debtors

Amounts falling due within one year
Amounts owed by group undertakings

2013	2012
<u>£000</u>	<u>£000</u>
5,176	-

11. Creditors: amounts falling due within one year

Amounts owed to group undertakings

6,632	6,533
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12. Creditors: amounts falling due after more than one year

Amounts owed to group undertakings

4,526	4,459
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Loans and other borrowings

Amounts owed to group undertakings include the following loans and other borrowings

<u>Repayable</u>	<u>Currency</u>	<u>Interest terms</u>		
On demand	GBP	UK base rate +1%	11,158	10,992

Included in loans and other borrowings is a loan of £4,526,000 (2012 £4,459,000) that is designated as a long term loan as repayment is not planned or anticipated for the foreseeable future

All amounts are unsecured

13. Called up share capital

Allotted, called up and fully paid

1,075,627 voting ordinary shares of £1 each
9,680,625 non-voting ordinary shares of £1 each

2013	2012
<u>£000</u>	<u>£000</u>
1,076	1,076
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

14. Reconciliation of shareholders' deficit and movements on reserves

	Called up share capital	Share premium	Capital redemption reserve	Profit and loss account	2013 Total	2012 Total
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
At 1 January	10,756	25	14,892	(29,240)	(3,567)	(3,479)
Loss for the financial year	-	-	-	(89)	(89)	(88)
At 31 December	10,756	25	14,892	(29,329)	(3,656)	(3,567)

15 Parent undertakings

The immediate and 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 financial statements. Copies of their financial statements 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