

# **ABI Acquisition 1 Ltd**

## **Report and Financial statements 2014**

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## Directors' report

for the year ended 31 December 2014

ABI Acquisition 1 Ltd

Registration number: 03011781

The directors present their report and financial statements of the company for the year ended 31 December 2014.

### Principal activities

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

### Business review and future developments

No business review is provided as this report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

### Results

The company's loss for the financial year was £89,000 (2013:£89,000 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  
Glen Davies  
John Tus

### Directors' indemnities

Pursuant of the Company's articles of association, the directors were throughout the year ended 31 December 2014 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 2014*

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

19 March 2015

# Independent auditors' report

to the members of ABI Acquisition 1 Ltd

Registration number: 03011781

## Report on the financial statements

### *Our opinion*

In our opinion, ABI Acquisition 1 Ltd's financial statements (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 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.

### *What we have audited*

ABI Acquisition 1 Ltd's financial statements comprise:

- the Balance sheet as at 31 December 2014;
- 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.

## **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.

### *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.

# Independent auditors' report

to the members of ABI Acquisition 1 Ltd

Registration number: 03011781

## 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.

### *What an audit of the financial statements involves*

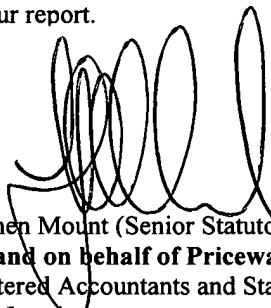
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



Stephen Mount (Senior Statutory Auditor)

**For and on behalf of PricewaterhouseCoopers LLP**

Chartered Accountants and Statutory Auditors

West London

19 March 2015

## Profit and loss account

for the year ended 31 December 2014

ABI Acquisition 1 Ltd

Registration number: 03011781

	<u>Note</u>	<u>2014</u> <u>£000</u>	<u>2013</u> <u>£000</u>
Interest receivable and similar income	5	79	77
Interest payable and similar charges	6	(168)	(166)
<b>Loss on ordinary activities before taxation</b>		<u>(89)</u>	<u>(89)</u>
Tax on loss on ordinary activities	7	-	-
<b>Loss for the financial year</b>	14	<u>(89)</u>	<u>(89)</u>

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 financial year stated above and their historical cost equivalents.

No separate statement of total recognised gains and losses has been presented because the company has no recognised gains and losses other than the loss for the year.

## Balance sheet

at 31 December 2014

ABI Acquisition 1 Ltd

Registration number: 03011781

	Note	2014 £000	2013 £000
<b>Fixed assets</b>			
Investments	9	2,326	2,326
		<u>2,326</u>	<u>2,326</u>
<b>Current assets</b>			
Debtors	10	5,255	5,176
Creditors: amounts falling due within one year	11	(6,731)	(6,632)
<b>Net current liabilities</b>		<u>(1,476)</u>	<u>(1,456)</u>
<b>Total assets less current liabilities</b>		850	870
<b>Creditors: amounts falling due after more than one year</b>	12	(4,595)	(4,526)
<b>Net liabilities</b>		<u>(3,745)</u>	<u>(3,656)</u>
<b>Capital and reserves</b>			
Called up share capital	13	10,757	10,757
Share premium account	14	25	25
Capital redemption reserve	14	14,892	14,892
Profit and loss account	14	(29,419)	(29,330)
<b>Total shareholders' deficit</b>	14	<u>(3,745)</u>	<u>(3,656)</u>

The financial statements on pages 5 to 10 were approved by the board of directors on  
on its behalf by:

March 2015 and signed



Andrew Lloyd  
Director

# Notes to the financial statements

for the year ended 31 December 2014

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 that 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 2014 that 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.

The company's subsidiaries are shown in note 16 of these financial statements.

### *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 2014

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

	2014	2013
	<u>£000</u>	<u>£000</u>
Fees payable for audit of these financial statements	1	1

### 4. Employees and directors

In 2014, all directors (2013: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

	2014	2013
	<u>£000</u>	<u>£000</u>
Interest receivable from group undertakings	79	77

### 6. Interest payable and similar charges

	2014	2013
	<u>£000</u>	<u>£000</u>
Interest payable to group undertakings	168	166

### 7. Tax on loss on ordinary activities

	2014	2013
	<u>£000</u>	<u>£000</u>
<i>Current tax</i>		
UK corporation tax on loss for the year	-	-

#### Factors affecting tax charge for the year:

The standard rate of corporation tax in the UK changed from 23% to 21% with effect from 1 April 2014. Accordingly, the company's results for this financial year are taxed at an effective rate of 21.5%.

The tax assessed for the year is different to the standard rate of UK corporation tax of 21.5% (2013:23.25%) and the differences are explained below:

	2014	2013
	<u>£000</u>	<u>£000</u>
Loss on ordinary activities before taxation	(89)	(89)
Standard rate of UK corporation tax (%)	21.5	23.25
Loss on ordinary activities multiplied by the standard rate of UK corporation tax	(19)	(21)

#### Effects of:

	2014	2013
	<u>£000</u>	<u>£000</u>
Tax losses carried forward	19	21
Total tax charge for the year	-	-

#### Factors that may affect future tax charges:

There are proposals to reduce UK Corporation Tax to 20% in April 2015. The effect of these proposals is not material. Deferred tax is provided at 20% on temporary differences reversing in 2015 and after.

# Notes to the financial statements

for the year ended 31 December 2014

ABI Acquisition 1 Ltd  
Registration number: 03011781

## 8. Deferred tax

	2014	2013
	<u>£000</u>	<u>£000</u>
Unrecognised deferred tax asset @20% (2013:20%)	623	623
Overseas interest not paid	73	54
Tax losses carried forward	<u>696</u>	<u>677</u>

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. Fixed asset investments

	Shares in subsidiary undertakings
	<u>£000</u>
<i>Cost</i>	
At 1 January and 31 December 2014	<u>28,896</u>
<i>Provision for impairment</i>	
At 1 January and 31 December 2014	<u>26,570</u>
<i>Net book value</i>	
At 1 January and 31 December 2014	<u>2,326</u>

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

Shares in the company's subsidiary undertakings are ordinary shares. The subsidiary undertakings are listed in note 16.

## 10. Debtors

	2014	2013
	<u>£000</u>	<u>£000</u>
Amounts falling due within one year	5,255	5,176
Amounts owed by group undertakings		

## 11. Creditors: amounts falling due within one year

Amounts owed to group undertakings	<u>6,731</u>	<u>6,632</u>
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## 12. Creditors: amounts falling due after more than one year

Amounts owed to group undertakings	<u>4,595</u>	<u>4,526</u>
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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 plus 1%	<u>11,326</u>	<u>11,158</u>

Included in loans and other borrowings is a loan of £4,595,000 (2013:£4,526,000) 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

	2014	2013
	<u>£000</u>	<u>£000</u>
<i>Allotted, called up and fully paid</i>		
At 1 January and 31 December: 1,075,627 voting ordinary shares of £1 each	1,076	1,076
At 1 January and 31 December: 9,680,625 non-voting shares of £1 each	9,681	9,681
	<u>10,757</u>	<u>10,757</u>

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.

## Notes to the financial statements

for the year ended 31 December 2014

ABI Acquisition 1 Ltd  
Registration number: 03011781

### 14. Reconciliation of movement in shareholders' deficit and reserves

	Called up share capital £000	Share premium £000	Other reserves £000	Profit and loss account £000	2014 Total £000	2013 Total £000
At 1 January	10,757	25	14,892	(29,330)	(3,656)	(3,567)
Loss for the financial year	-	-	-	(89)	(89)	(89)
At 31 December	10,757	25	14,892	(29,419)	(3,745)	(3,656)

### 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 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](http://www.honeywell.com).

### 16. Subsidiary undertakings

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

<u>Name of company</u>	<u>Principal activity</u>	<u>% holding if not 100%</u>	<u>Country of incorporation</u>
<i>Directly held subsidiaries</i>			
ABI Acquisition 2 Ltd	Holding company		England
ABI Corporation	Dormant		USA
<i>Indirectly held subsidiaries</i>			
Honeywell Specialty Wax & Additives Ltd	Holding company		England
Honeywell Specialty Wax & Additives SA	Dormant		Belgium