

Chubb Limited

(Registered number 04034666)

Directors' report and financial statements

for the year ended 31 December 2013



Chubb Limited

Directors' report and financial statements for the year ended 31 December 2013

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Directors' report

For the year ended 31 December 2013

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

Principal activities, review of business and future developments

The Company acts as an intermediate parent company with subsidiaries operating worldwide in the field of security services provision.

The directors expect the company to continue as a holding company for investments in and loans with companies within the United Technologies Corporation group of companies.

At 31 December 2013, the company had net current liabilities of £2,710,513,000 (2012: £3,252,821,000). The directors confirm that relevant support can be obtained, if required, from fellow group undertakings, for the Company to meet its liabilities as they fall due, for at least 12 months from the signing of these financial statements. On this basis the directors consider it appropriate that these financial statements have been prepared on a going concern basis.

Results and dividends

The directors did not recommend a payment of dividend (2012: £nil).

The Company's loss for the financial year is £14,628,000 (2012: £27,574,000) which will be deducted from reserves. The loss represents net interest payable to group undertakings, an investment impairment charge net of income from shares in group undertakings.

An assessment of the investment in Chubb International Holdings Limited found that the underlying assets of the subsidiary did not support the carrying value of Chubb Limited's investment. As a result an impairment of £556,936,000 has been recorded.

Directors

The directors of the Company during the year and up to the date of signing the financial statements were:

Chubb Management Services Limited
Robert Sloss
Robert Sadler

Key performance indicators (KPIs)

Given the nature of the business, the company's directors are of the opinion that analysis using KPIs is not appropriate in helping understand the development, performance or position of the business.

Financial risk management

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The Company's operations expose it to financial risks as set out below:

Liquidity risk

The Company actively maintains intercompany finance that is designed to ensure the company has sufficient available funds for operations.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually.

Interest rate cash flow risk

The Company has interest-bearing liabilities and interest-bearing assets that include intercompany balances. Rates of interest vary according to market conditions prevailing at the time.

Directors' report (continued)
For the year ended 31 December 2013

Statement of directors' responsibilities

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.

Disclosure of information to auditors

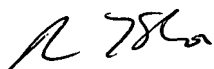
So far as the directors are aware at the time the report is approved:

- (a) there is no relevant audit information of which the company's auditors are unaware; and
- (b) the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

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

On behalf of the board



Robert Sloss
For and on behalf of
Chubb Management Services Limited
Director

Date: 30 JUNE 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHUBB LIMITED

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 Chubb Limited, comprise:

- the profit and loss account for the year then ended;
- the balance sheet as at 31 December 2013; and
- 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 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 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 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.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHUBB LIMITED (continued)

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 Statement of directors' responsibilities 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 ISAs (UK & 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.



Archie Wilson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge

Date: 30 JUNE 2014

Profit and loss account for the year ended 31 December 2013

	<i>Note</i>	2013 £'000	2012 £'000
Administrative income		107	-
Provision for impairment of investment	6	(556,936)	(10,059)
Operating loss		(556,829)	(10,059)
Income from shares in group undertakings	6	557,208	-
Interest receivable and similar income	3	52,625	64,216
Interest payable and similar charges	4	(67,807)	(81,731)
Loss on ordinary activities before taxation	2	(14,803)	(27,574)
Tax on loss on ordinary activities	5	175	-
Loss for the financial year	10	(14,628)	(27,574)

All amounts relate to continuing operations.

The Company has no recognised gains or losses other than the loss for the year, and hence no separate statement of total recognised gains and losses has been presented.

There are no material differences between the loss on ordinary activities before taxation and the loss for the years stated above and their historical cost equivalents.

Chubb Limited

Balance sheet as at 31 December 2013

	<i>Note</i>	2013 £'000	2012 £'000
Fixed assets			
Investments	6	2,772,259	3,329,195
Current assets			
Debtors	7	7,643,902	7,632,148
Cash at bank and in hand		-	-
		7,643,902	7,632,148
Creditors: amounts falling due within one year	8	(10,354,415)	(10,884,969)
Net current liabilities		(2,710,513)	(3,252,821)
Total assets less current liabilities		61,746	76,374
Net assets		61,746	76,374
Capital and reserves			
Called up share capital	9	298,445	298,445
Share premium account	10	511	511
Capital contribution reserve	10	8,290	8,290
Profit and loss account	10	(245,500)	(230,872)
Total shareholders' funds	11	61,746	76,374

The notes on pages 7 to 12 form part of these financial statements.

The financial statements on pages 5 to 12 were approved by the board of directors on
30 JUNE 2014 and were signed on its behalf by:



Robert Sloss
For and on behalf of
Chubb Management Services Limited
Director

Chubb Limited
Registered Number 04034666

**Notes to the financial statements
for the year ended 31 December 2013**

1 Principal accounting policies

These financial statements are prepared on the 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 principal accounting policies, which have been applied consistently throughout the year, are set out below.

Basis of accounting

The financial statements contain information about Chubb Limited as an individual company and do not contain consolidated financial information as the 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 consolidated financial statements of its parent, United Technologies Corporation, a company incorporated in the United States of America, and whose consolidated financial statements are drawn up in accordance with the 7th directive.

The Company is a wholly owned subsidiary of the ultimate parent undertaking, United Technologies Corporation incorporated in the United States of America. The Company is exempt under Financial Reporting Standard 8 from disclosure of transactions with entities that are part of the group headed by United Technologies Corporation on the grounds that more than 90% of voting rights are controlled within the group.

The directors expect the company to continue as a holding company for investments in and loans with companies within the United Technologies Corporation group of companies.

Going concern

At 31 December 2013, the company had net current liabilities of £2,710,513,000 (2012: £3,252,821,000). The directors confirm that relevant support can be obtained, if required, from fellow group undertakings, for the Company to meet its liabilities as they fall due, for at least 12 months from the signing of these financial statements. On this basis the directors consider it appropriate that these financial statements have been prepared on a going concern basis.

Cash flow statement

The Company is a wholly owned subsidiary of United Technologies Corporation and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement within Financial Reporting Standard 1 'Cash flow statements' (revised 1996).

Investments

Investments are held at cost less any provision for impairment in value. Impairment reviews are carried out by directors on an annual basis, or earlier when there is an indication that impairment may have occurred.

Foreign exchange

Monetary assets and liabilities denominated in overseas currencies are translated into sterling at the rates ruling at the balance sheet date. Individual transactions are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are included in the profit and loss account.

**Notes to the financial statements
for the year ended 31 December 2013 (continued)**

1 Principal accounting policies (continued)

Interest

Interest payable and receivable is recognised on an accruals basis.

Taxation

Current tax is provided as the amounts expected to be paid applying tax rates that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average 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 an undiscounted basis.

2 Loss on ordinary activities before taxation

Auditors' remuneration has been borne by Chubb Group Ltd, a subsidiary of Chubb Limited, in 2013 and 2012.

Chubb Limited has no employees for the year ended 31 December 2013 (2012: nil).

The directors received no emoluments in respect of their services to the Company (2012: £nil).

3 Interest receivable and similar income

	2013 £'000	2012 £'000
Interest receivable on bank deposits	-	4
Interest receivable from group companies	52,567	64,212
Foreign exchange gain	13	-
Other interest receivable	45	-
	52,625	64,216

**Notes to the financial statements
for the year ended 31 December 2013 (continued)**

4 Interest payable and similar charges

	2013 £'000	2012 £'000
Interest payable on overdrafts and bank loans	-	9
Interest payable to group companies	67,807	81,678
Foreign exchange losses	-	44
	67,807	81,731

5 Tax on loss on ordinary activities

	2013 £'000	2012 £'000
Current Tax		
UK corporation tax at 23.25% (2012: 24.5%)		
- Prior year adjustment	(175)	-
- Current	-	-
Total current tax (credit)/charge	(175)	-

Factors affecting current tax charge for the year:

The tax assessed for the year is higher (2012: higher) than the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

	2013 £'000	2012 £'000
Loss on ordinary activities before taxation	(14,803)	(27,574)
Tax at 23.25% (2012: 24.5%) thereon:	(3,442)	(6,756)
Effects of:		
Expenses not deductible for tax purposes	129,487	2,465
Utilisation of losses	(25)	-
Sch 28AA Transfer pricing adjustment	(1,761)	(4,709)
Adjustment in respect of prior years	(175)	-
Group relief surrendered for nil consideration	5,292	9,000
Non-taxable income	(129,551)	-
Current tax (credit)	(175)	-

At 31 December 2013 there is an unrecognised deferred tax asset of £948,000 (2012: £1,100,000) in respect of tax losses. The asset has not been recognised as there is uncertainty over whether the Company will make sufficient taxable profits in the foreseeable future against which the reversal of this asset could be utilised.

Factors that may affect future tax charges

The Corporate tax rate was reduced to 23% with effect from 1 April 2013, and further rate reductions to 21% 1 April 2014 and then 20% from 1 April 2015 were enacted during 2013. The current tax rate used in the accounts for the year ended 31 December 2013 is therefore 23.25% (2012: 24.5%) and the rate used for closing deferred tax balances is 20% (2012: 23%).

**Notes to the financial statements
for the year ended 31 December 2013 (continued)**

6 Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost	
At 1 January 2013	3,449,625
Additions	-
Disposals	-
At 31 December 2013	3,449,625
Provision for impairment	
At 1 January 2013	120,430
Additions	556,936
Disposals	-
At 31 December 2013	677,366
Net book value	
At 31 December 2013	2,772,259
At 31 December 2012	3,329,195

At 31 December 2013 the Company held 100% of the issued ordinary share capital of Chubb Group Limited, a holding company incorporated in the United Kingdom.

At 31 December 2013 except where indicated, the Company held 100% of the issued share capital of the following operating companies through intermediate holding companies. The country of both incorporation and principal operation is also shown below. A list of all subsidiaries is attached to the Company's annual return filed with the Registrar of Companies.

Chubb Group Limited	UK	Chubb Security Systems NV	Belgium
Chubb Fire & Security Ltd	UK	Chubb Singapore Pte Ltd (70%)	Singapore
Chubb Fire Ltd	UK	Security Monitoring Centres Ltd	UK
Chubb Flame Control BV	Netherlands	T G Products Ltd	UK
Chubb Parsi SL	Spain	Chubb Nord-Alarm GmbH & Co KG	Germany
Chubb Ireland Ltd	Ireland		

The directors believe that the net book value of the investments is supported by their underlying assets.

During the year the company received dividends of £557,208,000 (2012: £nil).

**Notes to the financial statements
for the year ended 31 December 2013 (continued)**

7 Debtors

	2013 £'000	2012 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	7,631,415	7,632,148
Other debtors	12,487	-
	7,643,902	7,632,148

Amounts owed by group undertakings include £7,001,769,000 (2012: £6,996,602,000) which is unsecured, interest bearing at a rate of 0.7394% to 0.9388% (2012: between 0.7444% to 0.9388%) and repayable on demand. The remainder is unsecured, interest free and repayable on demand.

8 Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Bank loans and overdrafts	26	175
Amounts owed to group undertakings	10,354,373	10,884,794
Other creditors	16	-
	10,354,415	10,884,969

Included in amounts owed to group undertakings is £9,035,551,000 (2012: £9,203,160,000) which is unsecured and repayable on demand with an interest rate of 0.7394% (2012: 0.7444%). The remainder is unsecured, interest free and repayable on demand.

9 Called up share capital

	2013 £'000	2012 £'000
Allotted and fully paid		
829,014,868 (2012: 829,014,868) ordinary shares of 36p each	298,445	298,445
	298,445	298,445

**Notes to the financial statements
for the year ended 31 December 2013 (continued)**

10 Reserves

	Share premium account £'000	Capital contribution reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2013	511	8,290	(230,872)	(222,071)
Loss for the financial year	-	-	(14,628)	(14,628)
At 31 December 2013	511	8,290	(245,500)	(236,699)

11 Reconciliation of movements in shareholders' funds

	2013 £'000	2012 £'000
Loss for the financial year	(14,628)	(27,574)
Opening shareholders' funds	76,374	103,948
Closing shareholders' funds	61,746	76,374

12 Contingent liabilities

Several UK group companies have entered into a composite accounting agreement whereby each company has provided a guarantee to the bank. This agreement permits the set-off of balances, on a group basis, for interest purposes. The maximum liability arising from this arrangement is the balance held in the company's own bank account. Positive cash balances held in the group exceeded the overdraft balances in 2013 and 2012.

13 Immediate and ultimate parent undertakings

The Company's immediate parent undertaking is Ceesail Limited, a company incorporated in England and Wales.

The Company's ultimate parent undertaking and controlling party is United Technologies Corporation, a company incorporated in the United States of America.

United Technologies Corporation is the smallest and largest group to consolidate these financial statements.

Copies of the United Technologies Corporation group financial statements are publicly available and can be obtained from:

United Technologies Corporation
One Financial Plaza
Hartford
Connecticut 06103
U.S.A.