

## **Rosemount Aerospace Properties Limited**

**Annual Report  
for the year ended 31 December 2022**

Registered number: 04614379

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## ROSEMOUNT AEROSPACE PROPERTIES LIMITED

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## ROSEMOUNT AEROSPACE PROPERTIES LIMITED

### Strategic report for the year ended 31 December 2022

The directors present their strategic report for the company for the year ended 31 December 2022.

The directors, in preparing this strategic report, have complied with s414C(11) of the Companies Act 2006.

At 31 December 2022 the company was a subsidiary of Raytheon Technologies Corporation (RTX).

#### Review of business and future developments

The directors are satisfied with the results for the year. The directors expect the company to continue as a property rental company for the foreseeable future.

#### Key performance indicators

The key financial and other performance indicators during the year were as follows:

	2022 \$	2021 \$	Change %
Turnover	<b>1,292,240</b>	1,292,240	-
Operating profit	<b>1,108,995</b>	1,111,695	(0.2)
Profit for the financial year	<b>1,074,249</b>	1,276,093	(15.8)
Total shareholders' funds	<b>18,475,878</b>	17,401,629	6.2

The company continues to rent out its properties to sister companies on long-term, arms-length terms.

The company's source of turnover is its rental income from its properties, which are let to sister companies under multi-year agreements. As a result of this, other than from the sale of any property, revenue is not subject to fluctuations, although costs may be impacted should impairment in the carrying value of any of the properties be identified.

#### 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.

##### *Foreign currency risk*

The functional currency of the company is US Dollars but the company buys some services denominated in sterling. As a result, the value of the business's non-dollar denominated purchases, financial assets and liabilities and cash flows can be affected significantly by movements in the exchange rate.

The company manages its exposure to currency movements by working with the Group's Treasury department to review the impact of exchange rate fluctuations.

## **ROSEMOUNT AEROSPACE PROPERTIES LIMITED**

### **Strategic report for the year ended 31 December 2022**

#### **Principal risks and uncertainties**

From the perspective of the company, the principal risks and uncertainties are integrated with the group undertakings of which the company leases its land and building to. Accordingly, the principal risks and uncertainties are discussed in the annual reports of Goodrich Control Systems and Goodrich Actuation Systems Limited.

#### **COVID-19**

After more than three years dealing with the global pandemic which led to extended shutdowns and lockdowns in order to prevent the spread of COVID-19, from January 2022 there has been a significant easing of restrictions, and laws used during the pandemic are no longer in place. The impact of the coronavirus on the Group's business still continues to be uncertain, as it will continue to be dependent on ongoing development, however companies are returning to a pre-pandemic work environment. At an individual company level COVID-19 has not impacted the results of the business.

#### **Russian invasion of Ukraine**

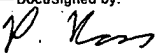
In February 2022, Russia invaded Ukraine. In response to this event, additional financial, trade, and travel sanctions were imposed on Russia and Belarus by some members of the International Community. The company does not trade or hold assets in Russia, Belarus or Ukraine and therefore is not directly affected. However, the economic knock-on effects of sanctions and the Black Sea blockade will inevitably have short to long term effects as we have seen the ramifications in increased energy prices, jump in inflation and interest rates. Given the global effects, the conditions are likely to remain fluid and complex. At an individual company level the conflict has not impacted the results of the business.

#### **Events after the balance sheet date**

Details of significant events since the balance sheet date are contained in note 16 to the financial statements.

#### **Approval**

Approved by the Board and signed on its behalf by:

DocuSigned by:  
  
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P Ross  
Director  
29 June 2023

Fore 1, Fore Business Park  
Huskisson Way, Stratford Road  
Shirley, Solihull  
West Midlands  
B90 4SS

## **ROSEMOUNT AEROSPACE PROPERTIES LIMITED**

### **Directors' Report for the year ended 31 December 2022**

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2022.

#### **Principal activities**

The company's principal activity during the year was the rental of property.

#### **Results and dividends**

The profit for the financial year is set out in the profit and loss account on page 8.

There were no interim dividends proposed, declared and paid in the year (2021: \$nil).

#### **Financial risk management and future developments**

Financial risk management and future developments are currently disclosed in the strategic report on pages 1-2.

#### **Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in the financial statements.

#### **Modern Slavery Act**

The company is committed to ensuring slavery and human trafficking are not taking place in its business or supply chains. To this end the company has published a statement for the reporting period at [www.rtx.com](http://www.rtx.com).

#### **Directors**

The directors who held office during the year and up to the date of signing the financial statements are given below:

P Ross  
L Powell  
R Sexton

#### **Directors' indemnity**

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

#### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

## ROSEMOUNT AEROSPACE PROPERTIES LIMITED

### Directors' Report for the year ended 31 December 2022

#### Statement of directors' responsibilities in respect of the financial statements (continued)

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, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

#### Directors' confirmations

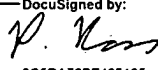
In the case of each director in office at the date the Directors' Report is approved:

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

#### Independent Auditors

PricewaterhouseCoopers LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:

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P Ross  
Director  
29 June 2023

Fore 1, Fore Business Park  
Huskisson Way, Stratford Road  
Shirley, Solihull  
West Midlands, B90 4SS

## **ROSEMOUNT AEROSPACE PROPERTIES LIMITED**

### **Independent auditors' report to the members of Rosemount Aerospace Properties Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, Rosemount Aerospace Properties Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance Sheet as at 31 December 2022; the Profit and Loss Account and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

##### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

##### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

## **ROSEMOUNT AEROSPACE PROPERTIES LIMITED**

### **Independent auditors' report to the members of Rosemount Aerospace Properties Limited**

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### **Strategic report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

#### **Responsibilities for the financial statements and the audit**

##### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

##### **Auditors' 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 auditors' 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.



## ROSEMOUNT AEROSPACE PROPERTIES LIMITED

### Independent auditors' report to the members of Rosemount Aerospace Properties Limited

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Generally Accepted Accounting Practice, tax compliance legislation and the UK Bribery Act, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to (1) posting inappropriate journal entries to manipulate financial results; (2) management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries, throughout the audit with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Challenging assumptions and judgements made by management in determining significant accounting estimates, in particular in relation to the impairment assessment of investment properties.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### Use of this report

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.

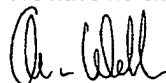
Other required reporting

#### Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Alan Walsh (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
East Midlands  
29 June 2023

**ROSEMOUNT AEROSPACE PROPERTIES LIMITED****Profit and loss account****For the year ended 31 December 2022**

	<b>Note</b>	<b>2022</b> <b>\$</b>	<b>2021</b> <b>\$</b>
<b>Turnover</b>	<b>3</b>	<b>1,292,240</b>	1,292,240
Administrative expenses		<b>(183,245)</b>	(180,545)
<b>Operating profit</b>	<b>4</b>	<b>1,108,995</b>	1,111,695
Interest receivable and similar income	<b>8</b>	<b>130,635</b>	698
<b>Profit before taxation</b>		<b>1,239,630</b>	1,112,393
Tax on profit	<b>9</b>	<b>(165,381)</b>	163,700
<b>Profit for the financial year</b>		<b>1,074,249</b>	1,276,093

All results are derived from continuing operations.

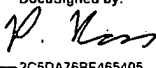
There is no other comprehensive income for the year (2021: \$nil)

**ROSEMOUNT AEROSPACE PROPERTIES LIMITED****Registered number: 04614379****Balance sheet****As at 31 December 2022**

	<b>Note</b>	<b>2022</b> \$	<b>2021</b> \$
<b>Fixed assets</b>			
Investment Properties	<b>10</b>	<b>10,007,334</b>	10,089,844
		<b>10,007,334</b>	10,089,844
<b>Current assets</b>			
Debtors	<b>11</b>	<b>8,922,283</b>	7,659,515
<b>Creditors: Amounts falling due within one year</b>	<b>12</b>	<b>(147,833)</b>	(29,679)
<b>Net current assets</b>		<b>8,774,450</b>	7,629,836
<b>Total assets less current liabilities</b>		<b>18,781,784</b>	17,719,680
Deferred tax liability	<b>13</b>	<b>(305,906)</b>	(318,051)
<b>Net assets</b>		<b>18,475,878</b>	17,401,629
<b>Equity</b>			
Called up share capital	<b>14</b>	<b>159</b>	159
Share premium account		<b>14,999,841</b>	14,999,841
Profit and loss account		<b>3,475,878</b>	2,401,629
<b>Total shareholders' funds</b>		<b>18,475,878</b>	17,401,629

The notes on pages 11 to 23 form part of these financial statements

The financial statements on pages 8 to 23 were approved by the board of directors on 29 June 2023 and were signed on its behalf by:

DocuSigned by:  
  
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 P Ross  
 Director

**ROSEMOUNT AEROSPACE PROPERTIES LIMITED****Statement of changes in equity  
For the year ended 31 December 2022**

	<b>Called up share capital (Note 14) \$</b>	<b>Share premium account \$</b>	<b>Profit and loss account \$</b>	<b>Total share- holders' funds \$</b>
<b>Balance at 1 January 2021</b>	<b>159</b>	<b>14,999,841</b>	<b>1,125,536</b>	<b>16,125,536</b>
Profit for the financial year	-	-	1,276,093	1,276,093
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>1,276,093</b>	<b>1,276,093</b>
<b>Balance at 31 December 2021</b>	<b>159</b>	<b>14,999,841</b>	<b>2,401,629</b>	<b>17,401,629</b>
Profit for the financial year	-	-	1,074,249	1,074,249
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>1,074,249</b>	<b>1,074,249</b>
<b>Balance at 31 December 2022</b>	<b>159</b>	<b>14,999,841</b>	<b>3,475,878</b>	<b>18,475,878</b>

## **ROSEMOUNT AEROSPACE PROPERTIES LIMITED**

### **Notes to the financial statements For the year ended 31 December 2022**

#### **1. Accounting policies**

Rosemount Aerospace Properties Limited's ('the company') principal activity during the year was the rental of property.

The company is a private company, limited by shares, and is incorporated and domiciled in England, United Kingdom. The address of its registered office is Fore 1, Fore Business Park, Huskisson Way, Stratford Road, Shirley, Solihull, West Midlands B90 4SS.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and all the years presented, unless otherwise stated.

#### **Basis of accounting**

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council.

These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). The financial statements are therefore prepared in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The financial statements have been prepared on a going concern basis and also under the historical cost convention.

Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

## **ROSEMOUNT AEROSPACE PROPERTIES LIMITED**

### **Notes to the financial statements For the year ended 31 December 2022**

#### **1. Accounting policies (continued)**

As permitted by FRS 101, the company has taken advantage of some of the disclosure exemptions available under that standard. The key exemptions taken are as follows:

IFRS 3 - not to restate business combinations before the date of transition  
IFRS 7 – financial instrument disclosures  
IFRS 13 - disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities  
IAS 1 – information on management of capital  
IAS 7 – statement of cash flows  
IAS 8 - disclosures in respect of new standards and interpretations that have been issued but are not yet effective  
IAS 24 - disclosure of key management compensation and for related party disclosures entered into between two or more members of a group  
IAS 1 - the requirement to present roll forward reconciliations in respect of share capital  
IAS 16 - the requirement to present roll forward reconciliations in respect of property, plant and equipment  
IAS 36 - impairment of assets - paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e)

The group financial statements of Raytheon Technologies Corporation are available to the public and can be obtained as set out in note 17.

#### **Adoption of new and revised Standards**

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2022 have had a material impact on the company.

#### **Going concern**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The strategic report also describes the financial position of the company; liquidity position; the company's objectives, policies and processes; its financial risk management; and its exposure to liquidity risk.

The company meets its day to day working capital requirements through a cash pooling arrangement which is centrally managed by its ultimate parent undertaking.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. 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.

## ROSEMOUNT AEROSPACE PROPERTIES LIMITED

### Notes to the financial statements For the year ended 31 December 2022

#### 1. Accounting policies (continued)

##### Taxation (continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

##### ***Current tax and deferred tax for the year***

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

##### **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The company recognises revenue when performance obligations have been satisfied and for the company this is when the goods or services have transferred to the customer and the customer has control of these. The company's activities are described in detail below. The company bases its estimate of the return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

##### **Rental income**

Turnover comprises of rental income from operating leases, excluding charges for service, and is recognised when the performance obligations have been satisfied over the period of the relevant lease.

## ROSEMOUNT AEROSPACE PROPERTIES LIMITED

### Notes to the financial statements For the year ended 31 December 2022

#### 1. Accounting policies (continued)

##### Foreign currency

The financial statements are presented in US Dollars, which is the currency of the primary economic environment in which the company operates (its functional currency).

Transactions in currencies other than the functional currency are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

##### Investment properties

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost. Depreciation on buildings is charged to profit and loss account.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Freehold land is not depreciated.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset, less any residual value, on a straight-line basis over its expected useful life, as follows:

##### Included within Investment Properties

- Land	No depreciation charged
- Buildings	40 years

Useful lives are reviewed, and adjusted if appropriate, at the end of every reporting period.

##### Financial assets

Financial assets are classified into the following specified categories: at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) and amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

##### *Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities which are not held for trading, and which the company has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the group considers this classification to be more relevant.
- Debt securities where contractual cash flows are solely principal and interest and the objective of the company's business model is achieved both by collecting contractual cash flows and selling financial assets.



## **ROSEMOUNT AEROSPACE PROPERTIES LIMITED**

### **Notes to the financial statements For the year ended 31 December 2022**

#### **1. Accounting policies (continued)**

##### **Financial assets (continued)**

###### ***Financial assets at amortised cost***

The company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

###### ***Financial assets at fair value through profit and loss***

The following financial assets are classified at fair value through profit or loss (FVTPL):

- debt investments that do not qualify for measurement at either amortised cost, or
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

Investments in subsidiaries are held at cost less accumulated impairment losses.

##### **Impairment of financial assets**

###### ***Assets carried at amortised cost***

The company assesses, at the end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets is impaired.

##### **Debtors and other receivables**

Debtors and other receivables are amounts due from services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer), they are classified as current assets. If not, they are presented as noncurrent assets.

Debtors and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all debtors and other receivables.

##### **Financial liabilities and equity**

Debt instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

###### ***Financial liabilities***

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

## ROSEMOUNT AEROSPACE PROPERTIES LIMITED

### Notes to the financial statements For the year ended 31 December 2022

#### 1. Accounting policies (continued)

##### *Other financial liabilities*

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

##### *Derecognition of financial liabilities*

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

#### 2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### *Critical judgements in applying the company's accounting policies*

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

##### *Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

##### *Useful economic lives of investment properties*

The annual depreciation charge for investment properties is sensitive to changes in estimated useful economic lives of the assets. The useful lives of the assets are assessed on an annual basis and are amended when necessary to reflect current estimates. See note 10 for the carrying amount for the investment properties, and note 1 for the useful economic lives for each class of assets.

## ROSEMOUNT AEROSPACE PROPERTIES LIMITED

### Notes to the financial statements For the year ended 31 December 2022

#### 3. Turnover

An analysis of turnover by class of business is as follows:

	2022 \$	2021 \$
Operating lease rental income	1,292,240	1,292,240

An analysis of the company's revenue by geographical market is set out below.

	2022 \$	2021 \$
<b>Revenue:</b>		
United Kingdom	1,292,240	1,292,240

#### 4. Operating profit

Operating profit is stated after charging:

	2022 \$	2021 \$
Net foreign exchange losses	3	167
Audit fees	11,157	12,324
Depreciation of investment properties:		
- owned	82,510	82,510

#### 5. Auditors' remuneration

Fees payable to PricewaterhouseCoopers LLP and their associates for the audit of the company's financial statements were \$11,157 (2021: \$12,324).

Fees payable to PricewaterhouseCoopers LLP and their associates for non-audit services to the company were \$nil (2021: \$nil).

#### 6. Staff costs

The company has no employees other than the directors.

## ROSEMOUNT AEROSPACE PROPERTIES LIMITED

### Notes to the financial statements For the year ended 31 December 2022

#### 7. Directors' remuneration and other transactions

The company paid no emoluments to the directors during the year (2021: £nil).

There was no (2021: £nil) compensation paid for loss of office.

The directors' roles within the company are deemed to be incidental to their roles as directors within the wider Group and therefore the company bears no (2021: £nil) cost in relation to these Directors.

The directors of the company are also directors of other group undertakings and their remuneration, including share-based payment charges, for the year was paid by other undertakings.

#### 8. Interest receivable and similar income

	2022 \$	2021 \$
Interest on loans to group undertakings	130,635	698

#### 9. Tax on profit

##### Tax expense included in profit or loss:

	2022 \$	2021 \$
<b>Current tax</b>		
UK Corporation tax charge on profits for the year	124,130	-
Adjustments in respect of prior periods	53,396	(231,449)
<b>Total current tax</b>	<b>177,526</b>	<b>(231,449)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(12,145)	(8,583)
Impact of tax rate change	-	76,332
<b>Total deferred tax (see note 13)</b>	<b>(12,145)</b>	<b>67,749</b>
<b>Total tax charge/(credit) on profit</b>	<b>165,381</b>	<b>(163,700)</b>

## ROSEMOUNT AEROSPACE PROPERTIES LIMITED

### Notes to the financial statements For the year ended 31 December 2022

#### 9. Tax on profit (continued)

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

The tax on the profit before tax for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The charge for the year can be reconciled to the profit in the profit and loss account as follows:

	2022 \$	2021 \$
<b>Profit before taxation</b>	<b>1,239,630</b>	<b>1,112,393</b>
Tax on profit at standard UK corporation tax rate of 19% (2021: 19%)	<b>235,530</b>	211,355
Effects of:		
Expenses not deductible for tax purposes	<b>3,500</b>	3,500
Group relief received for no payment	<b>(124,130)</b>	(223,438)
Adjustments in respect of prior periods	<b>53,396</b>	(231,449)
Impact of change in tax rate	-	76,332
Rate differential on temporary differences	<b>(2,915)</b>	-
<b>Total tax charge/(credit) for the year</b>	<b>165,381</b>	(163,700)

The tax rate for the current year is the same as the prior year.

##### Factors that may affect future tax charge

Capital allowances are running in advance of depreciation. Whether this continues to be the case depends on the level of capital allowance claims in the future and the level of future investment in fixed assets.

In the March 2021 Budget, the Government announced that from April 2023 the corporation tax rate would increase from 19% to 25%. The change had been substantively enacted by the balance sheet date and hence the impact of any resulting changes to the valuation of any deferred tax assets or liabilities is reflected within the financial statements.

# ROSEMOUNT AEROSPACE PROPERTIES LIMITED

## Notes to the financial statements For the year ended 31 December 2022

### 10. Investment Properties

	Total \$
<b>Cost</b>	
At 1 January 2021	16,153,000
Disposals	-
At 31 December 2021	16,153,000
At 31 December 2022	16,153,000
<b>Accumulated depreciation</b>	
At 1 January 2021	5,980,646
Depreciation	82,510
At 31 December 2021	6,063,156
Depreciation	82,510
At 31 December 2022	6,145,666
<b>Net book value</b>	
At 31 December 2022	10,007,334
At 31 December 2021	10,089,844

Included in investment properties is land with a cost of \$8,849,510 which is not depreciated (2021: \$8,849,510).

In relation to its Investment Properties, the entity has taken the decision to apply the cost model to such assets. The fair value was last determined in March 2023 by independent professional surveyors being members of the Royal Institute of Chartered Surveyors. The valuation of the investment properties at that date was \$20,981,934. The valuations have been undertaken having regard to comparable market transactions however due to there being few transactions of a similar nature the valuations involve judgement, and for this reason the valuations are classified as Level 3 as defined by IFRS 13. An exemption has been taken under IFRS13 from disclosing valuation techniques and inputs used for fair value measurements.

The amounts recognised in the profit or loss account concerning such properties were as follows:

	2022 \$	2021 \$
Lease rental income	1,292,240	1,292,240

There were no direct operating expenses (including repairs and maintenance) arising from investment property during the year (2021: \$nil).

**ROSEMOUNT AEROSPACE PROPERTIES LIMITED****Notes to the financial statements  
For the year ended 31 December 2022****11. Debtors****Amounts falling due within one year:**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Amounts owed by group undertakings	<b>8,922,283</b>	7,209,361
Corporation tax	-	450,154
	<b>8,922,283</b>	<b>7,659,515</b>

Loans to other group undertakings mature on a monthly basis and are renewable at a variable interest rate and repayable on demand.

**12. Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Amounts owed to group undertakings	<b>6,937</b>	8,742
Trade Payables	-	2,586
Accruals and deferred income	<b>16,766</b>	18,351
Corporation tax	<b>124,130</b>	-
	<b>147,833</b>	<b>29,679</b>

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

**13. Deferred tax liability**

The analysis of deferred tax liabilities is as follows:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Deferred tax liabilities due after more than 12 months	<b>(305,906)</b>	(318,051)
Net deferred tax liability	<b>(305,906)</b>	(318,051)

## ROSEMOUNT AEROSPACE PROPERTIES LIMITED

### Notes to the financial statements For the year ended 31 December 2022

#### 13. Deferred tax liability (continued)

The movement in deferred tax is as follows:

Deferred tax liabilities:

	Accelerated tax depreciation \$	Total \$
At 1 January 2021	(250,302)	(250,302)
Charged to profit and loss	(67,749)	(67,749)
At 31 December 2021	(318,051)	(318,051)
Credited to profit and loss	12,145	12,145
At 31 December 2022	(305,906)	(305,906)

#### 14. Called up share capital

	2022 \$	2021 \$
<b>Allotted, called up and fully-paid</b>		
101 (2021: 101) ordinary shares of £1 each	159	159

#### 15. Related parties

As 100% of the company's voting rights are controlled within the Raytheon Technologies Corporation group (RTX), the company is not required pursuant to FRS 101 paragraph 8(k) to disclose transactions with other group subsidiaries, joint venture or associated companies.

The company has not transacted with any other related parties during the year (2021: nil).

#### 16. Subsequent events

There have been no significant changes since the balance sheet date.



## **ROSEMOUNT AEROSPACE PROPERTIES LIMITED**

### **Notes to the financial statements For the year ended 31 December 2022**

#### **17. Controlling party**

The company's immediate parent undertaking is Rosemount Aerospace Limited.

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

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

The registered office of Raytheon Technologies Corporation is located at 1000 Wilson Blvd., Arlington, Virginia 22209, United States of America. Copies of their financial statements are publicly available and can be obtained from [www.rtx.com](http://www.rtx.com).