

Johnson Controls Sweden Holdings (UK) Ltd  
Annual report and financial statements  
for the year ended 30 September 2019

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# Johnson Control Systems Limited and subsidiaries

## Annual report and financial statements for the year ended 30 September 2019

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# Johnson Controls Sweden Holdings (UK) Ltd

## Strategic report for the year ended 30 September 2019

The directors present their Strategic report on Johnson Controls Sweden Holdings (UK) Ltd (the "company") for the year ended 30 September 2019.

### Results

The results for the financial year and the financial position of the company are shown in the accompanying financial statements.

The profit before taxation for the financial year ended 30 September 2019 was \$2,728,071 (2018: \$1,383,288). The bank interest received during the year on the company's cash held on deposit of \$2,736,846 (2018: \$1,388,018) is the driving factor behind the profit generated before taxation. As at the financial year end the company had net assets of \$70,946,684 (2018: \$177,218,613).

On 19 September 2019 the company resolved to perform a capital reduction by cancelling and extinguishing 109,000,000 ordinary shares of USD \$1 each. This resulted in the creation of an 'other distributable reserve' valued at \$109,000,000 (2018: \$nil).

On 23 September 2019 the company declared a dividend of USD \$1.631 per ordinary share at a total cost of \$109,000,000. This was paid in full to Johnson Controls Luxembourg India Holding S.a.r.l as the sole shareholder of the company on the date of declaration.

These two transactions during the year are the contributing factors to the reduction in net assets detailed above.

Ownership of the company was transferred on the 24 September 2019 due to the liquidation of Johnson Controls Luxembourg India Holding S.a.r.l and as at the year end the immediate controlling party Johnson Controls Hong Kong Limited.

In relation to the evolving COVID 19 situation, the company is working to identify any ongoing potential risks and define and implement risk mitigation plans. Currently, the impact on the company's operations has been minimal. Management have identified a potential risk is a reduction in the interest rate obtained on the cash balances. However, the cash is held with an external institution that forms part of the global banking facilities which is managed centrally mitigating this risk. A further potential future is that the performance of the investments may deteriorate during the global crisis due to market uncertainty and trading restrictions caused by country specific lock downs. Management continue to perform annual impairment assessments to mitigate the risk that the holding value of the investment is higher than the value in use of the investment. Management's top priority remains ensuring that their people and extended supplier partners are safe, and is continually assessing the situation and monitoring for any potential disruptions.

### Review of business and future developments

The activities of the company are those of a holding company, investing in companies in Sweden. The company engages in investment activities which are, by their nature, non-recurrent events. The company are not expecting any significant changes and will continue to monitor each investment it holds together with any potential opportunities as they arise.

### Key performance indicators (KPIs)

The investment activities of the company are managed as part of the global investment strategy of the Johnson Controls International plc group (the "group") and the company directors are of the opinion that analysis using KPIs is not necessary or appropriate for an understanding of the development, performance or position of the business.

# Johnson Controls Sweden Holdings (UK) Ltd

## Strategic report for the year ended 30 September 2019 (cont'd)

### Principal risk and uncertainties

The principal risks and uncertainties of the company relate to the performance of its investments and fellow subsidiary companies. Any reductions in performance of the company's direct subsidiaries, will have a direct impact on its valuation. Impairment reviews are carried out where it is assessed that an impairment trigger has been identified. This reduces the risk that the value of the investment disclosed in the financial statements is materially different from the recoverable value. The adoption of group policy which requires risk management and operational policies and procedures to be implemented in all areas of business, together with the robust supervision structure aids in the mitigation of this risk also.

On behalf of the Board



M Ayre

Director

Date: 29 September 2020

# Johnson Controls Sweden Holdings (UK) Ltd

## Directors' report for the year ended 30 September 2019

The directors present their report and the audited financial statements of the company for the year ended 30 September 2019.

### Future developments

The future developments of the company are noted in the Strategic report.

### Post balance sheet events

In March 2020 the United Kingdom was impacted by the Coronavirus pandemic and the country has been subject to lockdown arrangements for an undisclosed period of time by the government (see note 13).

### Dividends

On 23 September 2019 the company declared a dividend of USD \$1.631 per ordinary share at a total cost of \$109,000,000. This was paid in full to Johnson Controls Luxembourg India Holding S.a.r.l as the sole shareholder of the company on the date of declaration. The directors do not recommend a final dividend.

### Going Concern

In the extraordinary circumstances which have arisen post year end, surrounding the uncertainty in the global economy caused by the COVID 19 pandemic, the directors have received confirmation that the appropriate entity within the Johnson Controls group intends to support the company for at least one year after the financial statements are signed. The directors are therefore of the opinion that preparing the financial statements on the going concern basis is appropriate.

### Financial risk management

As part of this year's risk assessment we have considered the impact of the result of the United Kingdom EU referendum on our principal risks. An internal working group has been established to review all aspects of the company's operations along with those of fellow subsidiaries within the UK.

#### *Credit risk*

The company is not exposed to any credit risk. The company does not have an external customer base. The company uses financial institutions authorised by Johnson Controls International plc who actively manage the global banking facilities. All cash held on deposit is pooled at a European level to mitigate risk.

#### *Exchange rate risk*

Potential exposure to currency exchange rate fluctuations is managed internally within the group. The only risk the company is exposed to is in relation to their investment in foreign companies and the companies values fluctuating with changing exchange rates.

#### *Price risk*

The directors do not consider that the company's operations expose it to any price risk.

#### *Liquidity and interest rate risk*

Cash balances held with external institutions form part of the Johnson Controls International plc group global cash pool arrangement which minimises any interest rate exposure. If funding is required then this is achieved by either an internal loan from a Johnson Controls International plc group company or through cash pooling arrangements. As a result there is no interest rate risk as there is no external funding requirement.

### Directors

The following served as directors during the period and up to the date of this report, unless otherwise stated:

M Ayre  
P Schieser

# Johnson Controls Sweden Holdings (UK) Ltd

## Directors' report for the year ended 30 September 2019 (cont'd)

### Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity policy, held by the group, was in force throughout the last financial year and is currently in force. The group also purchased and maintained throughout the financial year directors and officers' liability insurance in respect of itself and its directors.

### Statement of directors' responsibilities

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 102, 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

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next Directors Board Meeting.

On behalf of the Board



M Ayre  
Director

Date: 29 September 2020

# Johnson Controls Sweden Holdings (UK) Ltd

## Independent auditors' report to the members of Johnson Controls Sweden Holdings (UK) Ltd

### Report on the audit of the financial statements

#### Opinion

In our opinion, Johnson Controls Sweden Holdings (UK) Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2019 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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 and financial statements (the "Annual Report"), which comprise: the Statement of financial position as at 30 September 2019; the Statement of comprehensive income, and the 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)") 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

#### 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.

# Johnson Controls Sweden Holdings (UK) Ltd

## Independent auditors' report to the members of Johnson Controls Sweden Holdings (UK) Ltd (cont'd)

### Reporting on other information (cont'd)

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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 30 September 2019 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 set out on page 4, 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.

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.



# Johnson Controls Sweden Holdings (UK) Ltd

## Independent auditors' report to the members of Johnson Controls Sweden Holdings (UK) Ltd (cont'd)

### 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 received 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.



Nicholas Smith (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Southampton  
29 September 2020

# Johnson Controls Sweden Holdings (UK) Ltd

## Statement of comprehensive income for the year ended 30 September 2019

	Note	2019 \$	Period ended 30 September 2018 \$
Administrative expenses		(8,775)	(4,730)
<b>Operating loss</b>		<b>(8,775)</b>	<b>(4,730)</b>
Interest receivable and similar income	5	2,736,846	1,388,018
<b>Profit before taxation</b>	6	<b>2,728,071</b>	<b>1,383,288</b>
Tax on profit	8	-	-
<b>Profit for the financial year / period</b>		<b>2,728,071</b>	<b>1,383,288</b>
<b>Total comprehensive income for the year / period</b>		<b>2,728,071</b>	<b>1,383,288</b>

All results derive from continuing operations.

# Johnson Controls Sweden Holdings (UK) Ltd

## Statement of financial position as at 30 September 2019

	Note	2019 \$	2018 \$
<b>Fixed assets</b>			
Investments	9	69,586,915	69,586,915
<b>Current assets</b>			
Cash at bank and in hand		1,373,125	107,636,399
<b>Creditors – amounts falling due within one year</b>	10	(13,356)	(4,701)
<b>Net current assets</b>		1,359,769	107,631,698
<b>Net assets</b>		70,946,684	177,218,613
<b>Capital and reserves</b>			
Called up share capital	11	66,835,325	175,835,325
Other distributable reserves		-	-
Retained earnings		4,111,359	1,383,288
<b>Total equity</b>		70,946,684	177,218,613

The notes on pages 11 to 17 form an integral part of these financial statements.

The financial statements on pages 8 to 17 were approved by the Board of directors on 29 September 2020 and were signed on its behalf by:



M Ayre  
Director

Johnson Controls Sweden Holdings (UK) Ltd  
Registered number: 10838584

# Johnson Controls Sweden Holdings (UK) Ltd

## Statement of changes in equity for the year ended 30 September 2019

	Note	Called up share capital \$	Other distributable reserves \$	Retained earnings \$	Total equity \$
Shares issued on incorporation		69,586,944	-	-	69,586,944
Issue of ordinary share capital		106,248,381	-	-	106,248,381
Profit for the financial period		-	-	1,383,288	1,383,288
Balance as at 30 September 2018		<b>175,835,325</b>	-	<b>1,383,288</b>	<b>177,218,613</b>
Capital reduction	11	(109,000,000)	109,000,000	-	-
Dividends declared	11	-	(109,000,000)	-	(109,000,000)
Profit for the financial year		-	-	2,728,071	2,728,071
<b>Balance as at 30 September 2019</b>		<b>66,835,325</b>	-	<b>4,111,359</b>	<b>70,946,684</b>

Retained earnings represent accumulated comprehensive income for the current year and prior period.

# Johnson Controls Sweden Holdings (UK) Ltd

## Notes to the financial statements for the year ended 30 September 2019

### 1 General information

Johnson Controls Sweden Holdings (UK) Ltd ("the company") is a private company limited by shares, domiciled and incorporated in England, United Kingdom. The address of the company's registered office and principal place of business is 9/10 The Briars, Waterberry Drive, Waterlooville, Hampshire, England, PO7 7YH. The company's principal activities are that of an investment holding company.

### 2 Statement of compliance

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and in accordance with the Companies Act 2006.

### 3 Summary of significant accounting policies

The principal accounting policies, which have been applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the year / period unless otherwise stated. The company has applied FRS 102 in these financial statements.

#### Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention. In light of the impact of Coronavirus on the company, the directors have taken a number of steps to protect and support the business. However, if the company needs additional liquidity, the directors have received confirmation that the appropriate entity within the Johnson Controls group intends to support the company for at least one year after the financial statements are signed.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Other than those stated in note 4, there are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant in these financial statements.

#### Reduced disclosures

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements on the basis that the information is provided in the consolidated financial statements of Johnson Controls International plc, which is registered in Cork, Ireland. Johnson Controls International plc prepares consolidated financial statements which are publicly available and can be obtained from the address given in note 12.

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in the statement of comprehensive income.
- Section 33 'Related Party Disclosures' - Paragraphs 33.7 and 33.1A, Disclosure of compensation for key management personnel and related party transactions

#### Group financial statements

The company is exempt from the requirement to prepare and deliver consolidated financial statements under the provisions of Section 400 of the Companies Act 2006 as it is a wholly owned subsidiary undertaking of Johnson Controls International plc, which is registered in Cork, Ireland and which itself prepares consolidated financial statements which are publicly available and can be obtained from the address given in note 12. Accordingly consolidated financial statements have not been prepared and the financial information presented for the current period is for the company as an individual undertaking.

# Johnson Controls Sweden Holdings (UK) Ltd

## Notes to the financial statements for the year ended 30 September 2019 (cont'd)

### 3 Summary of significant accounting policies (cont'd)

#### **Functional and presentational currency**

The directors are of the view that the main exposures and risks to the company are those denominated in US dollars as any funding requirements are received in USD, and hence US dollars is the appropriate functional currency. The directors have also selected US dollars as the presentational currency for the financial statements.

#### **Foreign currencies**

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

#### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense.

#### *Current tax*

Current tax is the amount of income tax payable in respect of the taxable profits for the period at the standard effective rate of corporation tax in the UK.

#### *Deferred tax*

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

#### **Fixed asset investments**

Investments are stated at cost plus incidental expenses less provisions for impairment in value. The company reviews the carrying value of investments when there has been an indication of potential impairment. If it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the Statement of comprehensive income.

#### **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

# Johnson Controls Sweden Holdings (UK) Ltd

## Notes to the financial statements for the year ended 30 September 2019 (cont'd)

### 3 Summary of significant accounting policies (cont'd)

#### **Financial instruments**

##### *Financial assets*

Basic financial assets, including amounts owed by fellow group companies, other receivables and cash and bank balances are initially measured at the transaction price. Where the arrangement with another debtor constitutes a financing transaction, the debtor is initially measured at the present value of future receipts discounted at a market rate of interest for a similar debt instrument.

##### *Financial assets (cont'd)*

Such assets are subsequently carried at amortised cost using the effective interest rate method and are assessed annually for evidence of impairment. Any impairment loss or reversal or an impairment loss is recognised in the Statement of comprehensive income.

##### *Financial liabilities*

Basic financial liabilities, including trade and other payables, bank overdrafts, loans from fellow group companies, are initially recognised at transaction price. Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument. Other creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled. Such debt instruments are subsequently carried at amortised cost using the effective interest rate method.

#### **Interest receivable and similar income**

Interest income is recognised in the period to which it relates regardless of when it is received.

#### **Related party transactions**

The company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

# Johnson Controls Sweden Holdings (UK) Ltd

## Notes to the financial statements for the year ended 30 September 2019 (cont'd)

### 4 Critical accounting judgements and estimated uncertainty

#### Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying value of assets and liabilities with the next financial year are addressed below.

#### *Impairment review of investments*

As per the accounting policy fixed asset investments are reviewed for indicators of impairment. For trading investments, the value-in-use (VIU) of relevant groups of income generating units (IGUs) for impairment testing purposes is determined using calculations of cash flow projections from the financial plans approved by the Board. These calculations involve the use of estimates including projected future cash flows and other future events. For the non-trading investments, the net asset value has been used, as the recoverable amount, in place of the VIU. This involves an element of judgement when determining the recoverability and computation of items included in the net assets.

### 5 Interest receivable and similar income

	2019 \$	Period ended 30 September 2018 \$
Bank interest receivable	2,736,846	1,388,018

### 6 Profit before taxation

	2019 \$	Period ended 30 September 2018 \$
<b>Profit before taxation is stated after charging / (crediting):</b>		
Auditors' remuneration for audit services	6,687	4,701
Foreign exchange (gains) / losses	(1)	29

### 7 Directors and employees

The directors received no remuneration (2018: £Nil) in respect of their services to the company during the year as their services as directors of the company were incidental to the other services within the Johnson Controls International plc group of companies. Directors' remuneration costs are borne by other members of the Johnson Controls International plc group of companies. It is not possible to determine an allocation of costs to this company. The average monthly number of employees (excluding directors) is nil (2018: Nil).



# Johnson Controls Sweden Holdings (UK) Ltd

## Notes to the financial statements for the year ended 30 September 2019 (cont'd)

### 8 Tax on profit

There is no tax charge for the current year.

#### Reconciliation of tax charge

The tax assessed for the period is lower (2018: lower) than the standard rate of corporation tax in the United Kingdom of 19% for the period ended 30 September 2019. The differences are explained below:

	2019 \$	Period ended 30 September 2018 \$
<b>Profit before taxation</b>	<b>2,728,071</b>	<b>1,383,288</b>
Profit multiplied by standard rate of corporation tax 19% (2018: 19%)	<b>518,333</b>	262,825
Effects of:		
Expenses not deducted for tax	<b>24</b>	-
Share of subsidiary partnership income	<b>463,662</b>	-
Group relief received for nil consideration	<b>(982,019)</b>	(262,825)
<b>Total tax charge for the period</b>	<b>-</b>	<b>-</b>

The rate of UK corporation tax is currently 19%. Finance Act 2016, which was substantively enacted on 6 September 2016, included changes to reduce the main rate to 17% from 1 April 2020. Temporary differences at the Statement of financial position date have been measured using the enacted tax rates and reflected in these financial statements.

In the 2020 Budget, the UK Government announced its intention to reverse the planned rate reduction and to maintain the current rate of 19%. This announcement does not constitute substantive enactment, and therefore temporary differences at the Statement of financial position date continue to be measured at the enacted rate of 17%.

### 9 Investments

	Total \$
<b>Shares in subsidiary undertakings</b>	
<b>Cost and net book value</b>	
At 1 October 2018 and <b>as at 30 September 2019</b>	<b>69,586,915</b>

Analysed as:	2019 \$	2018 \$
Johnson Controls Battery Sweden Kommanditbolag	<b>69,586,915</b>	69,586,915

In the directors' opinion, the carrying value of the investments, net of impairment provisions, is supported by the value of the underlying business.

# Johnson Controls Sweden Holdings (UK) Ltd

## Notes to the financial statements for the year ended 30 September 2019 (cont'd)

### 9 Investments (cont'd)

At 30 September 2019 the company held the following investments in subsidiary undertakings:

Company and principal activity	Class of shares	Proportion of nominal value of shares issued held by:		Registered office
		The company	Other group companies	
Johnson Controls Battery Sweden Kommanditbolag	Ordinary	90%	10%	Nils Ericssonsgatan 17 Box 11025, Goteborg, Västra Götalands län, 40421, Sweden

### 10 Creditors – amounts falling due within one year

	2019	2018
	\$	\$
Accruals	13,356	4,701

### 11 Called up share capital

	2019	2018
	\$	\$
<b>Allotted and fully paid</b>		
66,835,325 (2018: 175,835,325) Ordinary shares of \$1 each	66,835,325	175,835,325

On 19 September 2019 the company resolved to perform a capital reduction by cancelling and extinguishing 109,000,000 ordinary shares of USD \$1 each. This resulted in the creation of an 'other distributable reserve' valued at \$109,000,000 (2018: \$nil).

On 23 September 2019 the company declared a dividend of USD \$1.631 per ordinary share at a total cost of \$109,000,000. This was paid in full to Johnson Controls Luxembourg India Holding S.a.r.l as the sole shareholder of the company at the date of declaration.

#### Ordinary share rights

Each share has full rights in the company with respect to voting and dividends. The shares do not carry any rights in respect to capital to participate in a distribution (including on a winding up) other than those that exist as a matter of law.

# **Johnson Controls Sweden Holdings (UK) Ltd**

## **Notes to the financial statements for the year ended 30 September 2019 (cont'd)**

### **12 Ultimate parent undertaking and controlling party**

From 24 September 2019 the immediate parent undertaking is Johnson Controls Hong Kong Limited, a company incorporated in Hong Kong. Prior to 24 September 2019 the immediate parent undertaking was Johnson Controls Luxembourg India Holding S.a.r.l, a company incorporated in Luxembourg. Ownership was transferred on the 24 September 2019 due to the liquidation of Johnson Controls Luxembourg India Holding S.a.r.l

The ultimate parent undertaking and controlling party is Johnson Controls International plc, a company incorporated in Cork, Ireland. This entity is also the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 30 September 2019. The consolidated financial statements of Johnson Controls International plc are available from:

Johnson Controls International plc  
1 Albert Quay  
Cork  
Ireland

### **13 Post balance sheet events**

In March 2020 the United Kingdom was impacted by the Coronavirus pandemic and the country has been subject to lockdown arrangements for an undisclosed period of time by the government. Whilst not an adjusting event the impact of this on the company from a going concern perspective has been assessed and is explained in the Basis of preparation section of note 3 on page 10.