
Autronica Fire and Security A/S

Industriholmen 17-19, DK-Hvidovre

Annual Report for 1 January - 31 December 2015

CVR No 15 20 25 13

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
23/5 2016



Michael Keldsen
Chairman



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Autronica Fire and Security A/S for the financial year 1 January - 31 December 2015.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Company and of the results of the Company operations for 2015.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

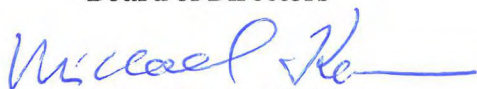
Hvidovre, 23 May 2016

Executive Board



Frode Lund

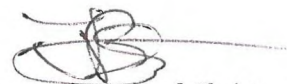
Board of Directors



Advokat Michael Keldsen
Chairman



Frode Lund



Jesper Bjerregaard Christensen

Lars-Erik Tietze
Staff Representative



Henrik Strunge
Staff Representative



Independent Auditor's Report on the Financial Statements

To the Shareholder of Autronica Fire and Security A/S

Report on the Financial Statements

We have audited the Financial Statements of Autronica Fire and Security A/S for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report on the Financial Statements

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Hellerup, 23 May 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Jan Wright

State Authorised Public Accountant



Thomas Lauritsen

State Authorised Public Accountant

Company Information

The Company

Autronica Fire and Security A/S
Industriholmen 17-19
DK-Hvidovre

Telephone: + 45 36 86 96 00
E-mail: info@autronicafire.dk
Website: www.autronicafire.dk

CVR No: 15 20 25 13
Financial period: 1 January - 31 December
Municipality of reg. office: Hvidovre

Board of Directors

Michael Keldsen, Chairman
Frode Lund
Jesper Bjerregaard Christensen
Lars-Erik Tietze
Henrik Strunge

Executive Board

Frode Lund

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Lawyers

Kromann Reumert
Sundkrogsgade 5
DK-2100 København Ø

Bankers

Danske Bank
Holmens Kanal 2-12
1092 København K

Nordea
Vesterbrogade 8
0900 København C

Financial Highlights

Seen over a five-year period, the development of the Company is described by the following financial highlights:

	2015 TDKK	2014 TDKK	2013 TDKK	2012 TDKK	2011 TDKK
Key figures					
Profit/loss					
Gross profit/loss	34.220	34.354	35.315	34.596	33.680
Profit/loss before financial income and expenses	6.146	5.647	6.217	6.608	6.568
Net financials	51	-10	84	-226	-27
Net profit/loss for the year	4.677	4.237	4.679	4.774	4.900
Balance sheet					
Balance sheet total	59.512	58.324	66.168	60.126	58.622
Equity	37.088	34.111	34.473	34.094	34.320
Number of employees	62	64	62	61	59
Ratios					
Return on assets	10,3%	9,7%	9,4%	11,0%	11,2%
Solvency ratio	62,3%	58,5%	52,1%	56,7%	58,5%
Return on equity	13,1%	12,4%	13,6%	14,0%	14,1%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's Review

Main activity

Autronica Fire and Security A/S is a trading and engineering company undertaking sales, installation, service and administration within the areas of Fire Detection and Fire Suppression Systems as well as care and Internal Communication systems.

Development in the year

The income statement of the Company for 2015 shows a profit of DKK 4,677,031, and at 31 December 2015 the balance sheet of the Company shows equity of DKK 37,087,687.

During 2015 Autronica Fire and Security A/S experienced a satisfying development of the Company's activities. In the Management's opinion the expectations for 2015 were fulfilled.

Capital resources

The Supervisory board considers the capital base of the Company to be fully sufficient. The Company has no interest-bearing debt.

Targets and expectations for the year ahead

The management expects a result for the financial year 2016, similar to 2015.

External environment

Autronica Fire and Security A/S operates as a Company that in every respect is aware of and pays attention to the environment. The Company naturally complies with all acts and provisions that apply to the external as well the working environment.

Intellectual capital resources

Our philosophy is simple: Autronica Fire and Security A/S does not compromise its quality objective. Autronica Fire and Security A/S represents innovation, quality and service; not only in respect of the Company's products, but also in respect of project processing. Autronica Fire and Security A/S works together with the customers as partners and endeavours to deliver the best and cheapest solution, which corresponds to the customer's needs. This philosophy places heavy demands on the intellectual capital resources in respect to employees, business processes and distributors.

Autronica Fire and Security A/S' quality system (ACE) and the ISO 9001:2008 certification must document the Company's business processes and ensure that these work in the most optimal way - and continuously are improved.

Management's Review

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2015 DKK	2014 DKK
Gross profit/loss		34.220.051	34.353.814
Distribution expenses	1	-10.735.303	-12.227.439
Administrative expenses	1	-17.339.090	-16.479.713
Operating profit/loss		6.145.658	5.646.662
Financial income	2	100.211	22.133
Financial expenses		-49.094	-31.753
Profit/loss before tax		6.196.775	5.637.042
Tax on profit/loss for the year	3	-1.519.744	-1.399.553
Net profit/loss for the year		4.677.031	4.237.489

Distribution of profit

Proposed distribution of profit

Extraordinary dividend paid	0	4.600.000
Proposed dividend for the year	0	1.700.000
Retained earnings	4.677.031	-2.062.511
	4.677.031	4.237.489

Balance Sheet 31 December

Assets

	Note	2015 DKK	2014 DKK
Land and buildings		1.210.181	1.249.265
Plant and machinery		58.587	87.022
Other fixtures and fittings, tools and equipment		0	0
Leasehold improvements		198.571	365.741
Property, plant and equipment	4	1.467.339	1.702.028
Other receivables		512.044	508.996
Fixed asset investments	5	512.044	508.996
Fixed assets		1.979.383	2.211.024
Inventories		9.041.904	8.314.044
Trade receivables		13.561.522	14.686.880
Contract work in progress	6	2.440.048	3.718.500
Receivables from group enterprises		23.514.869	18.326.176
Other receivables		12.793	20.622
Deferred tax asset	8	794.846	977.632
Prepayments		747.665	693.334
Receivables		41.071.743	38.423.144
Cash at bank and in hand		7.418.923	9.375.697
Currents assets		57.532.570	56.112.885
Assets		59.511.953	58.323.909

Balance Sheet 31 December

Liabilities and equity

	Note	2015 DKK	2014 DKK
Share capital		8.308.000	8.308.000
Retained earnings		28.779.687	24.102.656
Proposed dividend for the year		0	1.700.000
Equity	12	37.087.687	34.110.656
Provisions for guarantee	7	1.461.000	2.642.500
Provisions		1.461.000	2.642.500
Trade payables		4.618.536	5.783.084
Prepayments received recognised in debt	6	889.917	1.216.394
Payables to group enterprises		2.516.767	1.950.721
Corporation tax		167.788	307.119
Other payables		11.631.653	11.169.417
Deferred income	11	1.138.605	1.144.018
Short-term debt		20.963.266	21.570.753
Debt		20.963.266	21.570.753
Liabilities and equity		59.511.953	58.323.909
Staff	1		
Contingent assets, liabilities and other financial obligations	9		
Related parties	10		

Statement of Changes in Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	8.308.000	24.102.656	1.700.000	34.110.656
Ordinary dividend paid	0	0	-1.700.000	-1.700.000
Net profit/loss for the year	0	4.677.031	0	4.677.031
Equity at 31 December	8.308.000	28.779.687	0	37.087.687

Notes to the Financial Statements

	2015 DKK	2014 DKK
1 Staff		
Wages and Salaries	32.004.457	32.545.033
Pensions	2.677.221	2.750.919
Other social security expenses	858.727	887.862
	35.540.405	36.183.814
Average number of employees	62	64
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.		
2 Financial income		
Interest received from group enterprises	2.006	1.646
Exchange adjustments	98.205	20.487
	100.211	22.133
3 Tax on profit/loss for the year		
Current tax for the year	1.336.958	2.057.119
Deferred tax for the year	182.786	-657.566
	1.519.744	1.399.553

Notes to the Financial Statements

4 Property, plant and equipment

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK	DKK	DKK
Cost at 1 January	2.079.236	717.443	149.305	1.671.707
Disposals for the year	0	-34.471	0	0
Cost at 31 December	<u>2.079.236</u>	<u>682.972</u>	<u>149.305</u>	<u>1.671.707</u>
Impairment losses and depreciation at 1 January	829.971	630.421	149.305	1.305.966
Depreciation for the year	39.084	14.646	0	167.170
Impairment and depreciation of sold assets for the year	0	-20.682	0	0
Impairment losses and depreciation at 31 December	<u>869.055</u>	<u>624.385</u>	<u>149.305</u>	<u>1.473.136</u>
Carrying amount at 31 December	<u>1.210.181</u>	<u>58.587</u>	<u>0</u>	<u>198.571</u>
Depreciated over	<u>50 years</u>	<u>3-5 years</u>	<u>5 years</u>	<u>10 years</u>

5 Fixed asset investments

	Other receiv- ables
	DKK
Cost at 1 January	508.996
Additions for the year	3.048
Cost at 31 December	<u>512.044</u>
Carrying amount at 31 December	<u>512.044</u>

Notes to the Financial Statements

	2015 DKK	2014 DKK
6 Contract work in progress		
Selling price of production for the period	7.135.624	14.717.367
Payments received on account	-5.585.493	-12.215.261
	1.550.131	2.502.106
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	2.440.048	3.718.500
Prepayments received recognised in debt	-889.917	-1.216.394
	1.550.131	2.502.106
7 Provision for guarantee		
Provision for guarantee	1.461.000	2.642.500
	1.461.000	2.642.500
Provision comprises expected warranty claims. The calculation is based on actual costs of repairs under warranty		
8 Provision for deferred tax		
Property, plant and equipment	237.831	237.892
Current assets	-345.100	-341.967
Hensatte forpligtelser	-687.577	-946.263
Other	0	72.706
Transferred to deferred tax asset	794.846	977.632
	0	0
Deferred tax asset		
Calculated tax asset	794.846	977.632
Carrying amount	794.846	977.632

Notes to the Financial Statements

	2015 DKK	2014 DKK
9 Contingent assets, liabilities and other financial obligations		
Contractual obligations		
Within 1 year	2.227.745	2.944.101
Between 1 and 5 years	2.522.144	3.153.072
The company's commitments in the period of irrevocability in respect of leasing agreements for premises, motor vehicles and office equipment at the balance sheet date total:	4.749.889	6.097.172

Contingent liabilities

The company's bankers have as at 31 December 2015 issued bank guarantees totalling DKK 2.409.626 to suppliers and customers (DKK 2.706.218 as at 31 December 2014).

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group, with Otis A/S as administration company. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income.

Notes to the Financial Statements

10 Related parties

Basis

Controlling interest

UTC FS Denmark Holding A/S, Hvidovre

Controlling shareholder

Other related parties

The Company's other related parties with significant influence include the Board of Directors. Related parties also include companies in which the above persons have significant interests.

Consolidated Financial Statements

The Company is included in the Group Annual Report of United Technologies Corporation.

The Group Annual Report of United Technologies Corporation may be obtained at the following address:

United Technologies Corporation
United Technologies Building
Hartford, CT 06101
USA

11 Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

12 Equity

The share capital consists of 83,080 shares of a nominal value of DKK 100. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

Accounting Policies

Basis of Preparation

The Annual Report of Autronica Fire and Security A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2015 are presented in DKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of United Technologies Corporation, the Company has not prepared a cash flow statement.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, herunder afskrivninger, nedskrivninger og hensatte forpligtelser samt tilbageførsler som følge af ændrede regnskabsmæssige skøn af beløb, der tidligere har været indregnet i resultatopgørelsen.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Accounting Policies

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Income Statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Accounting Policies

Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation. Finally, provisions for losses on contract work are recognised.

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments, as well as extra payments and repayment under the onaccount taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with its parents company, UTC FS Denmark Holding A/S as well as the other subsidiaries and other Danish group companies. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme. Otis A/S acts as the administration company.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Accounting Policies

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	50 years
Equipment	5 years
Plant and machinery	5 years
IT	3 years
Leasehold improvements	10 years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 12,800 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of fixed assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Fixed asset investments

Fixed asset investments consist of rental deposits which are recognised and measured at amortised cost. Depreciation are not depreciated.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

The cost of goods for resale, raw materials and consumables equals landed cost.

Accounting Policies

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Contract work in progress

Contract work in progress regarding service is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Warranty commitments include liabilities for improvement of work within the warranty period of 1-5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

Accounting Policies

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Financial Highlights

Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$