

# **Johnson Controls Holding Denmark ApS**

**CVR-nr. 19 75 51 93  
Christian X's Vej 201  
DK-8270 Høbjerg**

## ***Annual Report 2017/18***

*The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 25 /2 2019.*

***Chairman***

***Benthe Klokkeholm***

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## **Management's Statement**

The Executive Board has today considered and adopted the Annual Report of Johnson Controls Holding Denmark ApS for the financial year 1 October 2017 - 30 September 2018.

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 30 September 2018 of the Company and of the results of the Company's operations for the financial year 1 October 2017 – 30 September 2018.

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

Højbjerg, 25 February 2019

### **Executive Board**

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Peter Schieser

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Benthe Klokkeholm

## **Independent Auditors' Report**

To the Shareholder of Johnson Controls Holding Denmark ApS

### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2018, and of the results of the Company's operations for the financial year 1 October 2017 - 30 September 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Johnson Controls Holding Denmark ApS for the financial year 1 October 2017 - 30 September 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Management's Responsibilities 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.

In preparing the financial statements, Management is 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 in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's 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 auditor's 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 and the additional requirements applicable in Denmark 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.

## **Independent Auditors' Report**

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aarhus, 25 February 2019

### **PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab  
CVR-nr. 33 77 12 31

Michael Nielsson  
State Authorised Public Accountant  
mne15151

Henrik Trangeled Kristensen  
State Authorised Public Accountant  
mne23333

## **Management's Review**

### **Company Information**

<b>The Company</b>	Johnson Controls Holding Denmark ApS Christian X's Vej 201 DK-8270 Høbjerg
Telephone	+45 87367000
Facsimile	+45 87367005
Websites	<a href="http://www.jci.com">www.jci.com</a>
Reg. No	19 75 51 93
Financial period	1 October - 30 September
Established	1 December 1996
Municipality of reg. office	Aarhus Kommune
<b>Executive Board</b>	Peter Schieser Benthe Klokkeholm
<b>Auditors</b>	PwC Statsautoriseret Revisionspartnerselskab Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C
<b>Annual General Meeting</b>	The Annual General Meeting is held 25 February 2019, at the Company's address.

## **Financial Statements 1 October – 30 September**

### **Accounting Policies**

#### **Basis of preparation**

The Annual Report of Johnson Controls Holding Denmark ApS for 2017/18 has been prepared in accordance with the provisions applying to enterprises of reporting class B with the option of reporting class C under the Danish Financial Statements Act.

As the Company's ultimate parent company Johnson Controls International plc. is listed in the USA and prepares consolidated financial statements according to US GAAP, in which Johnson Controls Holding Denmark ApS is included as a subsidiary, it has been decided, under reference to Section 112 of the Danish Financial Statements Act, not to prepare separate consolidated statements for Johnson Controls Holding Denmark ApS.

The accounting policies applied remain unchanged from previous years.

The Annual Report for 2017/18 is presented in DKK thousands.

#### **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, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

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.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

### **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**

### **Administrative costs**

Administrative costs comprise costs regarding administrative staff, management, office premises and office expenses etc. including depreciation.

### **Other operating income and expenses**

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the Company, including gains and losses on the sale of fixed assets.

### **Financial income and expenses**

Financial income and expenses comprise interest income and expenses, realised and unrealised exchange rate gains and losses regarding receivables and payables de-nominated in foreign currencies.

### **Tax on profit/(loss) for the year**

Johnson Controls Holding Denmark ApS is jointly taxed with its parent company, Johnson Controls Denmark ApS, which is also the administrative company. The company is taxed under the on-account tax scheme.

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/(loss) for the year is recognised in the income statement, and the tax expense relating to changes directly recognised in equity is recognised directly in equity.

## **Balance Sheet**

### **Fixed asset investments**

Subsidiaries are enterprises that are controlled by the Parent Company. The Parent Company is considered to be in control when the Company directly or indirectly holds more than 50% of the votes or otherwise is able to exercise or actually exercise control.

Enterprises that are not subsidiaries, but in which Johnson Controls Holding Denmark ApS directly or indirectly holds 20% or more of the voting rights or exercises a significant influence are considered associates.

Investments in subsidiaries and associated companies are measured at cost. If the cost exceeds the recoverable amount, the investment is written down to its lower recoverable amount. The cost is reduced to the extent that dividend received exceeds accumulated earnings after the date of acquisition.

Other investments are valued at cost less any write-downs.

### **Impairment of fixed assets**

The carrying amounts of property, plant and equipment and fixed asset investments 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.

Head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

### **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.

### **Equity – Proposed dividend**

Proposed dividends are recognised as a liability at the date when they are adopted at the Annual General Meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

### **Deferred tax assets and liabilities**

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit/(loss) for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and at tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

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

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.

Deferred tax assets and liabilities are set off within the same legal tax entity.

### **Current tax receivables and liabilities**

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are set off if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

### **Liabilities**

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

**Income Statement 1 October – 30 September**

<b>DKK '000</b>	<b>Note</b>	<b>2017/18</b>	<b>2016/17</b>
Administrative costs		-153	-483
<b>Profit/(loss) before financial income and expenses</b>		<b>-153</b>	<b>-483</b>
Results from investment in subsidiaries	4	-6,750	0
Other operating income		372	1,022
Financial income and expenses	2	-217	368
<b>Profit/(loss) before tax</b>		<b>--6,748</b>	<b>907</b>
Tax on profit/(loss) for the year	3	0	-183
<b>Net profit/(loss) for the year</b>		<b>-6,748</b>	<b>724</b>
 <b>Proposed distribution of net profit/(loss)</b>			
Transferred to/from retained earnings		<b>-6,748</b>	<b>724</b>

**Balance Sheet at 30 September**

<b>DKK '000</b>	<b>Note</b>	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>			
Investments in subsidiaries	4	21,505	28,255
Investments in associates	5	0	0
<b>Fixed assets investments</b>		<b>21,505</b>	<b>28,255</b>
<b>Fixed assets</b>		<b>21,505</b>	<b>28,255</b>
Receivables from group companies		87,831	87,812
<b>Receivables</b>		<b>87,831</b>	<b>87,812</b>
<b>Current assets</b>		<b>87,831</b>	<b>87,812</b>
<b>ASSETS</b>		<b>109,336</b>	<b>116,067</b>

**Balance sheet at 30 September**

<b>DKK '000</b>	<b>Note</b>	<b>2018</b>	<b>2017</b>
<b>Equity and Liabilities</b>			
Share capital		50	50
Retained earnings		109,256	115,807
<b>Equity</b>	<b>6</b>	<b>109,306</b>	<b>115,857</b>
Corporate tax payable		0	197
Other payables		30	13
<b>Short-term liabilities</b>		<b>30</b>	<b>210</b>
<b>Liabilities</b>		<b>30</b>	<b>210</b>
<b>Equity and liabilities</b>		<b>109,336</b>	<b>116,067</b>
Contingent liabilities	7		
Related parties and ownership	8		

## Notes to the Annual Report

### 1 Principal activities

Johnson Controls Holding Denmark ApS is a part of Johnson Controls International plc, which has its headquarters in Cork, Ireland. Johnson Controls International plc. is a global market leader in interior experience for the automotive industry, batteries and facility management and controls. The last two areas are combined in the Building Efficiency business to which also the activities of the Johnson Controls Holding Denmark ApS belong.

On 1 September 2015 the Company sold its principal activities to an external party. Hereafter the principal activity in Johnson Controls Holding Denmark ApS is administration of buildings and capital investment.

The entire share capital of the Company is held by Johnson Controls Denmark ApS which again is owned by Johnson Controls International plc. Johnson Controls International plc. is listed on the New York Stock Exchange. The consolidated financial statements are prepared according to US GAAP and include Johnson Controls Holding Denmark ApS as a subsidiary.

### 2 Financial income and expenses

DKK '000	2017/2018	2016/2017
Interest received from group companies	0	468
	<b>0</b>	<b>468</b>
Interest paid to group companies	-164	0
Other financial expenses	-53	-100
	<b>-217</b>	<b>-100</b>
Net exchange rate adjustment	0	0
	<b>-217</b>	<b>368</b>

### 3 Tax on profit/(loss) for the year

DKK '000	2017/2018	2016/2017
Current tax for the year	0	-197
Deferred tax for the year	0	14
	<b>0</b>	<b>-183</b>

#### 4 Investments in subsidiaries

DKK '000	2017/2018	2016/2017
Cost at 1 October	50,587	50,587
<b>Cost at 30 September</b>	<b>50,587</b>	<b>50,587</b>
Value adjustments at 1 October	-22,332	-22,332
Write down	-6,750	0
<b>Value adjustments at 30 September</b>	<b>-29,082</b>	<b>-22,332</b>
<b>Carrying amount at 30 September</b>	<b>21,505</b>	<b>28,255</b>

#### Overview of subsidiaries

Name	Place of registered office	Ownership	Equity 1)	Result for the year
Johnson Controls Finland OY	Vantaa, Finland	100%	8,090	-1,579
York Refrigeration Philippines Inc. 2)	Makati, Philippines	100%		

1) Equity and result for the year according to the latest published Annual Report.

2) Equity and result for the year has not been stated since the company is not obliged to publish an Annual Report.

#### 5 Investments in associates

DKK '000	2017/2018	2016/2017
Cost at 1 October	-115	-115
<b>Cost at 30 September</b>	<b>-115</b>	<b>-115</b>
Value adjustments at 1 October	115	115
<b>Value adjustments at 30 September</b>	<b>115</b>	<b>115</b>
<b>Carrying amount at 30 September</b>	<b>0</b>	<b>0</b>

#### Overview of associates

Name	Place of registered office	Ownership	Equity 1)	Result for the year
York Nissin Corporation Ltd.	Osaka, Japan	50%	830	-85

1) Equity and result for the year according to the latest published Annual Report.

## 6 Equity

DKK '000	Share capital	Retained earnings	Total
Equity at 1 October	50	115,807	115,857
Contribution		197	197
Net profit/(loss) for the year		-6,748	-6,748
<b>Equity at 30 September</b>	<b>50</b>	<b>109,256</b>	<b>109,306</b>

The share capital consists of an A-share capital of DKK 50,000. A-shares are attributed with specific rights.

DKK '000	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014
Share capital at 1 October	50	50	50	36,301	36,301
Reduction of share capital	-	-	-	-36,251	-
<b>Share capital at 30 September</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>36,301</b>

## 7 Contingent liabilities

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income.

## 8 Related parties and ownership

The company's related parties comprise:

### Controlling interest

The company's related parties with controlling interest:

Johnson Controls International plc.  
 One Albert Quay  
 Cork  
 Ireland

Johnson Controls International plc. owns through Johnson Controls Luxembourg European Finance S.a.r.l. which owns Johnson Controls Denmark ApS the company's share capital. There are no other related parties with controlling interest.

Johnson Controls Holding Denmark ApS is recognised as a subsidiary in the consolidated financial statements for the ultimate parent company Johnson Controls International plc., Cork, Ireland. The consolidated financial statements for the foreign parent company can be requested on the above mentioned address.

### Other related parties

Other related parties comprise the company's subsidiaries, associates, other group companies, Board of Directors and Executive Boards and executive employees. Further, related parties comprise companies in which the above persons have substantial interests.

### Related party transactions

All transactions with related parties are carried through on normal market terms.