

Johnson Controls Holding Denmark ApS

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

Annual Report 2016/17

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 1/3 2018.

Chairman



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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 2016 - 30 September 2017.


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 2017 of the Company and of the results of the Company's operations for the financial year 1 October 2016 – 30 September 2017.


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

Højbjerg, 1 March 2018

Executive Board



Peter Schieser



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 2017, and of the results of the Company's operations for the financial year 1 October 2016 - 30 September 2017 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 2016 - 30 September 2017, 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, 1 March 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33 77 12 31



Michael Nielsson

State Authorised Public Accountant



Henrik Trangeled Kristensen

State Authorised Public Accountant

Management's Review

Company Information

The Company	Johnson Controls Holding Denmark ApS Christian X's Vej 201 DK-8270 Højbjerg
Telephone	+45 87367000
Facsimile	+45 87367005
Websites	www.jci.com
Reg. No	19 75 51 93
Financial period	1 October - 30 September
Established	1 December 1996
Municipality of reg. office	Aarhus Kommune
Executive Board	Peter Schieser Benthe Klokkeholm
Auditors	PwC Statsautoriseret Revisionspartnerselskab Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C
Annual General Meeting	The Annual General Meeting is held 1 March 2018, 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 2016/17 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 2016/17 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

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.

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 in years:

Buildings	30
Plant and machinery	3-12

Land is not depreciated.

Assets costing less than approx. DKK 25,000 are expensed in the year of acquisition.

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

DKK '000	Note	2016/17	2015/16
Administrative costs		-483	-5,075
Profit/(loss) before financial income and expenses		-483	-5,075
Other operating income		1,022	1,934
Financial income and expenses	2	368	-12,904
Profit/(loss) before tax		907	-16,044
Tax on profit/(loss) for the year	3	-183	3,140
Net profit/(loss) for the year		724	-12,904
 Proposed distribution of net profit/(loss)			
Transferred to/from retained earnings		724	-12,904

Balance Sheet at 30 September

DKK '000	Note	2017	2016
ASSETS			
Land and buildings		0	0
Plant and machinery		0	255
Property, plant and equipment	4	0	255
Investments in subsidiaries	5	28,255	28,255
Investments in associates	6	0	0
Fixed assets investments		28,255	28,255
Fixed assets		28,255	28,510
Trade receivables		0	226
Receivables from group companies		87,812	89,775
Deferred tax assets		0	2,537
Receivables		87,812	92,538
Current assets		87,812	92,538
ASSETS		116,067	121,048

Balance sheet at 30 September

DKK '000	Note	2017	2016
Equity and Liabilities			
Share capital		50	50
Retained earnings		115,807	117,634
Equity	7	115,857	117,684
Trade payables		0	102
Payables to group companies		0	2,273
Corporate tax payable		197	0
Other payables		13	989
Short-term liabilities		210	3,364
Liabilities		210	3,364
Equity and liabilities		116,067	121,048
Contingent liabilities	8		
Related parties and ownership	9		

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	2016/2017	2015/2016
Interest received from group companies	468	0
	468	0
Interest paid to group companies	0	-2,861
Other financial expenses	-100	-10,043
	-100	-12,904
Net exchange rate adjustment	0	0
	368	-12,904

3 Tax on profit/(loss) for the year

DKK '000	2016/2017	2015/2016
Current tax for the year	-197	2,551
Deferred tax for the year	14	590
	-183	3,141

4 Property, plant and equipment

DKK '000	Land and buildings	Plant and machinery	Total
Cost at 1 October	17,553	534	18,087
Additions	0	0	0
Divestiture	-17,533	-534	-18,087
Cost at 30 September	0	0	0
Depreciation and impairment at 1 October	17,553	279	17,832
Depreciation for the year	0	54	54
Divestiture	-17,533	-333	-17,866
Impairment	0	0	0
Depreciation and impairment at 30 September	0	0	0
Carrying amount at 30 September	0	0	0
Depreciated over	30 years	3-12 years	

5 Investments in subsidiaries

DKK '000	2016/2017	2015/2016
Cost at 1 October	50,587	50,587
Cost at 30 September	50,587	50,587
Value adjustments at 1 October	-22,332	-22,332
Value adjustments at 30 September	-22,332	-22,332
Carrying amount at 30 September	28,255	28,255

Overview of subsidiaries

Name	Place of registered office	Ownership	Equity 1)	Result for the year
Johnson Controls Finland OY	Vantaa, Finland	100%	9,662	21
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.

6 Investments in associates

DKK '000	2016/2017	2015/2016
Cost at 1 October	-115	-115
Cost at 30 September	-115	-115
Value adjustments at 1 October	115	115
Value adjustments at 30 September	115	115
Carrying amount at 30 September	0	0

Overview of associates

Name	Place of registered office	Ownership	Equity 1)	Result for the year
York Nissin Corporation Ltd.	Osaka, Japan	50%	938	156

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

7 Equity

DKK '000	Share capital	Retained earnings	Total
Equity at 1 October	50	117,634	117,684
Dividend		-2,551	-2,551
Net profit/(loss) for the year		724	724
Equity at 30 September	50	115,807	115,857

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

DKK '000	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013
Share capital at 1 October	50	50	36,301	36,301	36,301
Reduction of share capital	-	-	-36,251	-	-
Share capital at 30 September	50	50	50	36,301	36,301

8 Contingent liabilities

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

9 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 YORK International Corporation 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.