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# ***UTC FS Denmark Holding A/S***

Industriholmen 17-19, DK-Hvidovre

## **Annual Report for 1 January - 31 December 2015**

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CVR No 21 70 04 44

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
23/05 2016

*Michael Keldsen*

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 UTC FS Denmark Holding 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

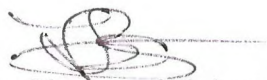


Frode Lund  
CEO

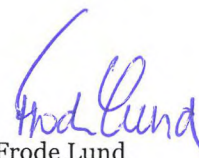
### Board of Directors



Michael Keldsen  
Chairman



Jesper Bjerregaard Christensen



Frode Lund

# Independent Auditor's Report on the Financial Statements

To the Shareholder of UTC FS Denmark Holding A/S

## Report on the Financial Statements

We have audited the Financial Statements of UTC FS Denmark Holding 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.

# Independent Auditor's Report on the Financial Statements

## 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.

## 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.

København, 23 May 2016

**PricewaterhouseCoopers**

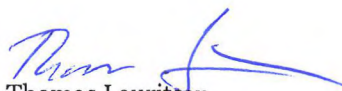
Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Jan Wright

Stats Authorized Public Accountant



Thomas Lauritsen

Stats Authorized Public Accountant

## Company Information

### **The Company**

UTC FS Denmark Holding A/S  
Industriholmen 17-19  
DK-Hvidovre

Telephone: + 45 36 86 96 00

CVR No: 21 70 04 44

Financial period: 1 January - 31 December

Municipality of reg. office: Hvidovre

### **Board of Directors**

Michael Keldsen, Chairman  
Jesper Bjerregaard Christensen  
Frode Lund

### **Executive Board**

Frode Lund

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

### **Lawyers**

Kromann Reumert  
Sundkrogsgade 5  
2100 København Ø

### **Bankers**

Danske Bank  
Holmens Kanal 2-12  
1092 København K

Nordea  
Commercial Banking Sjælland  
Vesterbrogade 8  
0900 København C

## **Management's Review**

### **Main activity**

The object of the Company is to act as a holding company, to acquire and own shares and other securities and to carry out other related activities.

### **Development in the year**

The income statement of the Company for 2015 shows a profit of DKK 6,451,781, and at 31 December 2015 the balance sheet of the Company shows equity of DKK 117,143,891.

The Company's result is significant influenced by the result in the subsidiaries Autronica Fire and Security A/S and GW Sprinkler A/S.

Autronica Fire and Security A/S shows result after tax for 2015 of DKK 4.7m, which is a increase of app. DKK 0.5m compared to last year.

GW Sprinkler shows a result after tax for 2015 of DKK 1.9m, which is a decrease of app. DKK 2.0m compared to last year.

Management expect a result for the financial year 2016 similar to that for 2015.

### **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
Income from investments in subsidiaries	1	6.623.199	8.107.850
Other external expenses		<u>-226.563</u>	<u>-308.938</u>
<b>Gross profit/loss</b>		<b>6.396.636</b>	<b>7.798.912</b>
Financial income	2	6.123	4.881
Financial expenses		<u>-1.350</u>	<u>-1.350</u>
<b>Profit/loss before tax</b>		<b>6.401.409</b>	<b>7.802.443</b>
Tax on profit/loss for the year	3	<u>50.372</u>	<u>32.268</u>
<b>Net profit/loss for the year</b>		<b><u>6.451.781</u></b>	<b><u>7.834.711</u></b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings	<u>6.451.781</u>	<u>7.834.711</u>
	<b><u>6.451.781</u></b>	<b><u>7.834.711</u></b>



## Balance Sheet 31 December

### Assets

	Note	2015 DKK	2014 DKK
Investments in subsidiaries	4	52.216.294	55.293.095
<b>Fixed asset investments</b>		<b>52.216.294</b>	<b>55.293.095</b>
<b>Fixed assets</b>		<b>52.216.294</b>	<b>55.293.095</b>
Receivables from group enterprises		64.800.198	55.400.154
Corporation tax		93.216	74.825
<b>Receivables</b>		<b>64.893.414</b>	<b>55.474.979</b>
<b>Cash at bank and in hand</b>		<b>146.683</b>	<b>63.411</b>
<b>Currents assets</b>		<b>65.040.097</b>	<b>55.538.390</b>
<b>Assets</b>		<b>117.256.391</b>	<b>110.831.485</b>

## Balance Sheet 31 December

### Liabilities and equity

	Note	2015 DKK	2014 DKK
Share capital		80.800.000	80.800.000
Retained earnings		<u>36.343.891</u>	<u>29.892.110</u>
<b>Equity</b>	<b>5</b>	<b><u>117.143.891</u></b>	<b><u>110.692.110</u></b>
Trade payables		<u>112.500</u>	<u>139.375</u>
<b>Short-term debt</b>		<b><u>112.500</u></b>	<b><u>139.375</u></b>
<b>Debt</b>		<b><u>112.500</u></b>	<b><u>139.375</u></b>
<b>Liabilities and equity</b>		<b><u>117.256.391</u></b>	<b><u>110.831.485</u></b>
Contingent assets, liabilities and other financial obligations	6		
Related parties and ownership	7		

## Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	80.800.000	29.892.110	110.692.110
Net profit/loss for the year	0	6.451.781	6.451.781
<b>Equity at 31 December</b>	<b>80.800.000</b>	<b>36.343.891</b>	<b>117.143.891</b>

## Notes to the Financial Statements

	2015 DKK	2014 DKK
<b>1 Income from investments in subsidiaries</b>		
Share of profits of subsidiaries after tax	6.623.199	8.107.850
	<b>6.623.199</b>	<b>8.107.850</b>
<b>2 Financial income</b>		
Interest received from group enterprises	6.123	4.881
	<b>6.123</b>	<b>4.881</b>
<b>3 Tax on profit/loss for the year</b>		
Current tax for the year	-52.121	-74.825
Adjustment of tax concerning previous years	1.749	42.557
	<b>-50.372</b>	<b>-32.268</b>
<b>4 Investments in subsidiaries</b>		
Cost at 1 January	106.809.085	106.809.085
Cost at 31 December	106.809.085	106.809.085
Value adjustments at 1 January	-51.515.990	-45.023.840
Net profit/loss for the year	6.623.199	8.107.850
Dividend to the Parent Company	-9.700.000	-14.600.000
Value adjustments at 31 December	-54.592.791	-51.515.990
<b>Carrying amount at 31 December</b>	<b>52.216.294</b>	<b>55.293.095</b>

## Notes to the Financial Statements

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Autronica Fire and Security A/S	Hvidovre, Denmark	8.308.000	100%
GW Sprinkler A/S	Glamsbjerg, Denmark	9.700.000	100%

### 5 Equity

The share capital consists of 808,000 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.

### 6 Contingent assets, liabilities and other financial obligations

#### Contingent liabilities

The Danish group companies are jointly and severally liable for the tax in 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, on royalty payments and tax on unearned income.

# Notes to the Financial Statements

## 7 Related parties and ownership

### Basis

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#### **Controlling interest**

UTC Fire & Security Luxembourg S.a.r.l. (Luxembourg)      Controlling shareholder

#### **Transactions**

Transactions with related parties solely comprise loans as well as management fee.

#### ***Consolidated Financial Statements***

The company is included in the consolidated report of the Parent Company United Technologies Corporation.

The consolidated report for United Technologies Corporation can be obtained at the following address:

United Technologies Corporation  
United Technologies Building  
Hartford, CT 06101  
USA

## **Accounting Policies**

### **Basis of Preparation**

The Annual Report of UTC FS Denmark Holding A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The order of the items of the income statement differs from the format prescribed by the Danish Financial Statements Act as the order has been adjusted to the nature of the Company's activities.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2015 are presented in DKK.

### **Consolidated financial statements**

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of United Technologies Corporation, the Company has not prepared consolidated financial statements.

### **Recognition and measurement**

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.

## Accounting Policies

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences 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 rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

## Income Statement

### Other external expenses

Other external expenses comprise administration costs, audit fees etc.

### Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in 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.

The Company is jointly taxed with its wholly owned Danish subsidiaries G W Sprinkler A/S and Autronica Fire and Security A/S as well as the other Danish companies in the United Technologies Corporation Group. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

## Balance Sheet

### Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at



## **Accounting Policies**

the time of acquisition with deduction or addition of unrealised intercompany profits or losses.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

### **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.

### ***Dividend***

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

### **Financial debts**

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