ITT

Company Registration No. 07618421

ITT INDUSTRIES HOLDINGS LIMITED

Report and Financial Statements

31 December 2012

MONDAY

A2I0702B

A27 30/09/2013 #291

COMPANIES HOUSE

ITT INDUSTRIES HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

CONTENTS

	Page
Officers and professional advisers	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7

ITT INDUSTRIES HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P Davies
R F Wearn

SECRETARY

R F Wearn

REGISTERED OFFICE

Jays Close
Viables Estate
Basingstoke
Hampshire
RG22 4BA

BANKERS

National Westminster Bank Plc
PO Box 34
15 Bishopsgate
London
EC2P 2AP

SOLICITORS

Freshfields Bruckhaus Deringer
65 Fleet Street
London
EC4Y 1HS

INDEPENDENT AUDITOR

Deloitte LLP
Chartered Accountants and Registered Auditor
Southampton
United Kingdom

ITT INDUSTRIES HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report for the year ended 31 December 2012

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The company's principal activity is to act as a holding company for a subsidiary undertaking which is involved in the development, manufacture and sale of a range of products in the field of industrial technology

The directors are not aware, at the date of the report, of any likely changes in the company's activities in the next year

GOING CONCERN

The company made a loss in the period, which included an impairment of its investment in ITT Industries Ltd As such, the net liabilities of the company have increased to £9,634k (2011 £994k) Consequently, the Directors considered it necessary to obtain a letter from ITT Industries Luxembourg Sarl undertaking that ITT Industries Luxembourg Sarl would continue to provide financial support in order that the company can meet its financial obligations for a minimum of twelve months from the date of these accounts being signed From review of the forecasts and budgets of ITT Industries Luxembourg Sarl the directors are satisfied that ITT Industries Luxembourg Sarl has the ability to provide this support Thus they continue to adopt the going concern basis in preparing the annual report and accounts

RESULTS AND DIVIDENDS

The directors are satisfied with the results for the year which are set out on page 5 The loss before tax for the financial period was £8 7m which included an impairment of the investment in ITT Industries Limited of £7 2m The directors expect the results in the coming year to be comparable with this year after excluding the impairment charge

An interim dividend of £nil was paid in 2012 (2011 £nil) The directors do not recommend the payment of a final dividend (2011 £nil)

DIRECTORS AND THEIR INTERESTS

The directors who served during and up to the date of this report are set out on page 1

PROVISION OF INFORMATION TO AUDITOR

In the case of each of the persons who are directors of the company at the date when this report is approved

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditor is unaware, and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

AUDITOR

Pursuant to section 487(2) of the Companies Act 2006, the auditor will be deemed to be re-appointed and Deloitte LLP will therefore continue in office

Approved by the Board of Directors on 30 September 2013 and signed on behalf of the Board by

R F Wearn
Director

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 responsible for keeping proper accounting records that 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 They 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ITT INDUSTRIES HOLDINGS LIMITED

We have audited the financial statements of ITT Industries Holdings Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 14 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit,

Paul Williamson Bsc FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading, United Kingdom
Date 30 September 2013

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2012

	Notes	Year ended 31 December 2012 £'000	3 May 2011 to 31 December 2011 £'000
Administration expenses	3	(7,267)	(66,580
Loss on ordinary activities before interest and taxation		(7,267)	(66,580)
Interest payable	2	(1,449)	(1,655)
Loss on ordinary activities before taxation		(8,716)	(68,235)
Tax on loss on ordinary activities	5	76	241
Loss on ordinary activities after taxation	12	(8,640)	(67,994)

There are no recognised gains or losses in the year/period other than the result for the year/period, and accordingly a Statement of Total Recognised Gains and Losses has not been presented

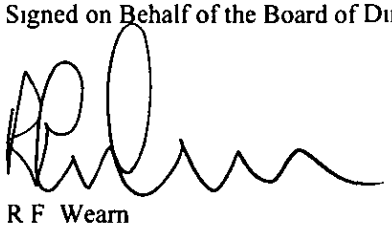
All results arise from continuing operations

BALANCE SHEET
31 December 2012

	Notes	2012 £'000	2011 £'000
Fixed assets			
Investments	6	17,418	24,629
Current assets			
Debtors	7	317	241
Creditors: Amounts falling due within one year	8	(3,174)	(25,864)
Net current liabilities		(2,857)	(25,623)
Total assets less current liabilities		14,561	(994)
Creditors: Amounts falling due after more than one year	9	(24,195)	-
Net Liabilities		(9,634)	(994)
Capital and reserves			
Called-up share capital	10	1	1
Share premium account	11	66,999	66,999
Profit and loss account deficit	11	(76,634)	(67,994)
Equity shareholders' deficit	12	(9,634)	(994)

The financial statements of ITT Industries Holdings Limited, registered number 07618421, were approved by the Board of Directors and authorised for issue on 30 September 2013

Signed on Behalf of the Board of Directors by



R F Wearn
Director

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2012

1. STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies are summarised below They have all been applied consistently throughout the year

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards

The company is not required to prepare consolidated financial statements under the Companies Act 2006 because ITT Corporation which is the smallest and largest group to consolidate these financial statements includes the results of the company, and are available to the public The financial statements therefore present information about the company as an individual undertaking not as a group Copies of the consolidated financial statements of ITT Corporation are available from the following address

ITT Corporation
1133 Westchester Avenue
White Plains
NY 10604
United States of America

Going concern

As detailed in the Directors' Report the directors continue to adopt the going concern basis in preparing the accounts A letter of support has been obtained from the ITT Industries Luxembourg Sarl

Investments

In the company's financial statements, investments in subsidiary undertakings are stated at cost less provision for impairment

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in future have occurred at the balance sheet date Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date Deferred tax is measured on a non-discounted basis

Foreign currency

Transactions denominated in foreign currencies are recorded in sterling at actual exchange rates as of the date of the transaction or, where appropriate, at the rate of exchange in a related forward contract Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at that date, or where appropriate, at the rate of exchange in a related forward contract Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account

Cash flow statement

The directors have taken advantage of the exemptions in Financial Reporting Standard No 1 "Cash flow statements" not to produce a cash flow statement because the publicly available financial statements of its ultimate parent undertaking, into which the company's results are consolidated, include a cash flow statement

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

1. STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Related parties

As at 31 December 2012 the company is a wholly owned subsidiary of ITT Industries Luxembourg Sarl The ultimate holding company is ITT Corporation

The largest and smallest group in which these financial statements are consolidated is that of the ultimate holding company, ITT Corporation The financial statements of that company are available from 1133 Westchester Avenue, White Plains, NY 10604, USA

In accordance with the exemption in Financial Reporting Standard 8 par 3(c), related party transactions with other group companies are not disclosed since the consolidated financial statements of the ultimate parent undertaking are available to the public

2. NET INTEREST PAYABLE AND INVESTMENT INCOME

	Year ended 31 December 2012 £'000	3 May 2011 to 31 December 2011 £'000
Interest payable to fellow group companies	1,449	1,655

Interest is calculated at a fixed rate of 5 97% per annum and relates to amounts owed to group undertakings as specified in notes 8 & 9

3. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging

	Year ended 31 December 2012 £'000	3 May 2011 to 31 December 2011 £'000
Impairment of investment	7,211	66,580
Auditors' remuneration		
- audit services	56	-
- non-audit services	-	-
Fees payable to the Company's auditors for the audit of the Company's annual accounts	56	-

4. STAFF COSTS AND DIRECTORS' REMUNERATION

There were no employees of the company in the year (2011 None)

Remuneration

In 2012 or 2011 the directors received remuneration from ITT Industries Limited Subsequently no remuneration in respect of services to the company was charged to the profit and loss account in the year (2011 Nil) and it is not practicable to split out the remuneration relating to the company The remuneration of the directors can be found in the financial statements of ITT Industries Limited

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

5. TAX ON LOSS ON ORDINARY ACTIVITIES

The tax credit comprises

	Year ended 31 December 2012 £'000	3 May 2011 to 31 December 2011 £'000
Current tax		
UK corporation tax credit	76	241
Adjustment in respect of prior years	-	-
Total current tax credit	76	241
Deferred tax		
Origination and reversal of timing differences – current year	-	-
Origination and reversal of timing differences – prior year	-	-
Deferred tax charge	-	-
Tax credit on loss on ordinary activities	76	241

	Year ended 31 December 2012 £'000	3 May 2011 to 31 December 2011 £'000
Loss on ordinary activities before tax	(8,716)	(68,235)
Corporation tax credit at standard UK corporation tax rate of 24 5 % (2011 26 5%)	2,135	18,082
Effects of		
Expenses not deductible for tax purposes	-	(198)
Impairment of investments	(1,766)	(17,643)
Unrelieved tax losses carried forward	(293)	-
Current tax credit for the year	76	241

The Finance Act 2012, which provides for a reduction in the main rate of corporation tax from 24% to 23% effective from 1 April 2013, was substantively enacted on 3 July 2012 This rate reduction has been reflected in the calculation of deferred tax at the balance sheet date

The Government intends to enact future reductions in the main tax rate down to 21% effective from 1 April 2014 and to 20% by 1 April 2015 As these tax rates were not substantively enacted at the balance sheet date, the rate reduction is not yet reflected in these financial statements in accordance with FRS 21, as it is a non-adjusting event occurring after the reporting period

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

6. INVESTMENTS IN SUBSIDIARIES

	£'000
Cost	
Investment in ITT Industries Limited	60,641
Further investment in ITT Industries Limited	30,568
At 31 December 2012	91,209
Provision for Impairment	
At 31 December 2011	66,580
Impairment charge	7,211
At 31 December 2012	73,791
Net book value	
At 31 December 2012	17,418

Details of principal investments held by the company at 31 December 2012 are listed below

Name of Company	Class of share	Percentage owned	Country of Incorporation	Nature of Business	Aggregate Capital and reserves £'000	Profit and (loss) for the period £'000
ITT Industries Ltd	Ordinary	100 %	England	Manufacturing	67,393	2,703

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £'000	2011 £'000
Group Relief debtor	317	241
Corporation tax	-	-
	317	241

8. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £'000	2011 £'000
Amounts owed to subsidiary undertakings	3,118	-
Amounts owed to group undertakings	-	25,864
Accruals and deferred income	56	-
	3,174	25,864

Interest on the amounts owed to group undertakings is calculated at the rate of 5 97% per annum No interest is charged on the amounts owed to subsidiary undertakings

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

9. CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £'000	2011 £'000
Amounts owed to group undertakings	24,195	-

The amount owed to group undertakings is due after more than five years Interest is charged at s rate of 5 97% per annum

10 CALLED-UP SHARE CAPITAL

	2012 £'000	2011 £'000
Allotted, called-up and fully-paid 1,001 shares of £1 each	1	1

11. RESERVES

	Share premium account £'000	Profit and loss account £'000
Balance as at 1 January 2012	66,999	(67,994)
Retained profit/(loss) for the year	-	(8,640)
At 31 December 2012	66,999	(76,634)

12. RECONCILIATION OF EQUITY SHAREHOLDERS DEFICIT

	2012 £'000	2011 £'000
Profit/(loss) for the financial year	(8,640)	(67,994)
Shares issued	-	67,000
Net decrease in shareholder's funds	(8,640)	(994)
Opening shareholder's deficit	(994)	-
Closing shareholder's deficit	(9,634)	(994)

13. RELATED PARTY TRANSACTIONS

As a wholly-owned subsidiary undertaking of ITT Corporation, the company has taken advantage of the exemption in Financial Reporting Standard 8 "Related Party Transactions" from disclosing transactions with other members of the group headed by ITT Corporation

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

14. PARENT AND ULTIMATE HOLDING COMPANY

The directors regard ITT Corporation Inc , a company incorporated in the USA, as the ultimate parent company and the ultimate controlling party

ITT Corporation is the parent company of the largest group of which the company is a member and for which group financial statements are drawn up Copies of the financial statements are available from, 1133 Westchester Avenue White Plains, New York, NY 10604, USA

ITT Corporation is the smallest and largest group to consolidate these financial statements

Copies of the financial statements of the Company are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ