

Registered Number: 09187607

Johnson Controls Commercial UK Ltd
Annual report and financial statements
for the year ended 30 September 2018



Johnson Controls Commercial UK Ltd

Annual report and financial statements for the year ended 30 September 2018

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Johnson Controls Commercial UK Ltd

Strategic report

The directors present their strategic report on the company for the year ended 30 September 2018.

Results

The results for the financial year and the financial position of the company are shown in the accompanying financial statements.

The results for the prior year have been restated. Please see note 18 for more details and the effect of the restatements.

The loss for the financial year ended 30 September 2018 was \$1.5 million (2017: profit of \$6.5 million as restated) due to an impairment being recognised in one of the investments held. As at the financial year end the company had net assets of \$51.5 million (2017: \$53.0 million as restated).

Review of business and future developments

The activities of the company are those of a holding company, investing in companies around the world. The company engages in investment activities which are, by their nature, non-recurrent events. The company will continue to monitor each investment it holds together with any potential investment opportunities as they arise.

In April 2019 the company sold all its interest in Enertec Venezuela, S.R.L. to Panther Germany GmbH for \$1.

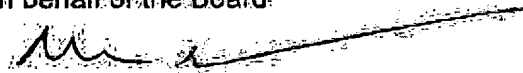
Key performance indicators (KPIs)

The investment activities of the company are managed as part of the global investment strategy of the Johnson Controls International plc group and the company's directors are of the opinion that analysis using KPIs is not necessary or appropriate for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The principal risks and uncertainties of the company relate to the performance of its subsidiary companies. The director has assessed this risk to be minimal due to group policy which requires risk management and operational policies and procedures to be implemented in all areas of business.

On behalf of the Board:



M Ayre

Director

Date: 31 July 2019

Johnson Controls Commercial UK Ltd

Directors' report

The directors presents their report and the audited financial statements of the company for the year ended 30 September 2018.

Future developments

The future developments of the company are noted in the strategic report.

Dividends

The directors do not recommend the payment of a dividend (2017: \$nil).

Financial risk management

Credit risk

The company is not exposed to any credit risk other than in respect of inter-company balances within the Johnson Controls International plc group. The company does not have an external customer base. The company uses financial institutions authorised by Johnson Controls International plc who actively manage the global banking facilities. All cash held on deposit is pooled at a European level to mitigate risk.

Exchange rate risk

Potential exposure to currency exchange rate fluctuations is managed internally within the group. The only risk the company is exposed to is in relation to their investments in foreign companies and the companies' values fluctuating with changing exchange rates.

Price risk

The directors do not consider that the company's operations expose it to any price risk.

Liquidity and interest rate risk

Cash balances held with external institutions form part of the Johnson Controls International plc group global cash pool arrangement which minimises any interest rate exposure. If funding is required then this is achieved by either an internal loan from a Johnson Controls International plc group company or through cash pooling arrangements.

Directors

The following served as directors during the year and up to the date of this report, unless otherwise stated:

M Ayre

P Schieser

Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity policy, held by the group, was in force throughout the last financial year and is currently in force. The group also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Johnson Controls Commercial UK Ltd

Directors' report (cont'd)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next Directors' Board Meeting.

On behalf of the Board



M Ayre
Director

Date: 31 July 2019

Johnson Controls Commercial UK Ltd

Independent auditors' report to the members of Johnson Controls Commercial UK Ltd

Report on the audit of the financial statements

Opinion

In our opinion, Johnson Controls Commercial UK Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Statement of financial position as at 30 September 2018; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customs, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Johnson Controls Commercial UK Ltd

Independent auditors' report to the members of Johnson Controls Commercial UK Ltd (cont'd)

Reporting on other information (cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 September 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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, the directors are 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 unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Johnson Controls Commercial UK Ltd

Independent auditors' report to the members of Johnson Controls Commercial UK Ltd (cont'd)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Claire Turner

Claire Turner (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton
31 July 2019

Johnson Controls Commercial UK Ltd

Statement of comprehensive income for the year ended 30 September 2018

		2018	As restated 2017
	Note	\$'000	\$'000
Administrative expenses		(1)	(29)
Operating loss		(1)	(29)
Income from Investments	5	-	14,305
Impairment of Investments	11	(1,710)	(7,795)
Interest receivable and similar income	6	242	11
Interest payable and similar expenses	7	(29)	(11)
(Loss)/profit before taxation	8	(1,498)	6,481
Tax on (loss)/profit	10	-	-
(Loss)/profit for the financial year		(1,498)	6,481
Total comprehensive (expense)/income for the year		(1,498)	6,481

All results derive from continuing operations.

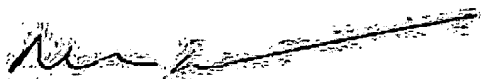
Johnson Controls Commercial UK Ltd

Statement of financial position as at 30 September 2018

	Note	2018 \$'000	As restated 2017 \$'000
Fixed assets			
Investments	11	39,177	40,887
Current assets			
Debtors	12	14,061	-
Cash at bank		-	12,116
		14,061	12,116
Creditors – amounts falling due within one year	13	(1,740)	(7)
Net current assets		12,321	12,109
Total assets less current liabilities		51,498	52,996
Capital and reserves			
Called up share capital	15	46,296	46,296
Accumulated reserves		5,202	6,700
Total equity		51,498	52,996

The notes on pages 10 to 18 form an integral part of these financial statements.

The financial statements on pages 7 to 18 were approved by the Board of directors on 31 July 2019 and were signed on its behalf by:



M Ayre
Director
 Johnson Controls Commercial UK Ltd
 Registered number: 09187607

Johnson Controls Commercial UK Ltd

Statement of changes in equity for the year ended 30 September 2018

	Note	Called up share capital \$'000	As restated Accumulated (Losses)/profit \$'000	Total equity \$'000
Balance as at 1 October 2016		1,710	(23)	1,687
Cancellation of share capital	15	(1,710)	242	(1,468)
Issue of share capital	15	46,296	-	46,296
Loss for the financial year		-	(14)	(14)
Balance as at 1 October 2017		46,296	205	46,501
Prior year adjustment	18	-	6,495	6,495
Balance as at 1 October 2017 as restated		46,296	6,700	52,996
Loss for the financial year		-	(1,498)	(1,498)
Balance as at 30 September 2018		46,296	5,202	51,498

Retained earnings and accumulated losses represents accumulated comprehensive income and expense for the year and prior years.

Johnson Controls Commercial UK Ltd

Notes to the financial statements for the year ended 30 September 2018

1 General information

Johnson Controls Commercial UK Ltd ("the company") is a private company limited by shares, domiciled and incorporated in England. The address of the company's registered office is 9/10 The Briars, Waterberry Drive, Waterlooville, Hampshire, PO7 7YH.

The company's principal activities are that of a holding company.

2 Statement of compliance

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and in accordance with the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies, which have been applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has applied FRS 102 in these financial statements.

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant in these financial statements are disclosed in note 4.

Reduced disclosures

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements on the basis that the information is provided in the consolidated financial statements of Johnson Controls International plc, which is registered in Cork Ireland. Johnson Controls International plc prepares consolidated financial statements which are publicly available and can be obtained from the address given in note 17.

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges and hedging fair value changes recognised in the statement of comprehensive income;
- Section 33 'Related Party Disclosures' – Paragraphs 33.7 and 33.1A, Disclosure of compensation for key management personnel and related party transactions.

Johnson Controls Commercial UK Ltd

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

3 Summary of significant accounting policies (cont'd)

Investments

Investments are stated at cost plus incidental expenses less provisions for impairment in value. The company reviews the carrying value of investments when there has been an indication of potential impairment. If it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the statement of comprehensive income.

The calculations for determining the carrying value of investments involves the use of estimates including projected future cash flows and other future events as well as reviewing the investments' net assets.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Financial instruments

Financial assets

Basic financial assets, including amounts owed by fellow group undertakings, other receivables and cash and bank balances are initially measured at the transaction price. Where the arrangement with another debtor constitutes a financing transaction, the debtor is initially measured at the present value of future receipts discounted at a market rate of interest for a similar debt instrument.

Such assets are subsequently carried at amortised cost using the effective interest rate method and are assessed annually for evidence of impairment. Any impairment loss or reversal of an impairment loss is recognised in the statement of comprehensive income.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank overdrafts and loans from fellow group undertakings, are initially recognised at transaction price. Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument. Other creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Such debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Foreign exchange contracts

Foreign exchange contracts are not basic financial instruments. They are initially recognised at fair value on the date the contract is entered into and are then subsequently re-measured at their fair value. Changes in the fair value of the contracts are recognised in the statement of comprehensive income in administrative expense.

Related party transactions

The company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

4 Critical accounting judgements and estimated uncertainty

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The results accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are addressed in the note.

Johnson Controls Commercial UK Ltd

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

4 Critical accounting judgements and estimated uncertainty (cont'd)

Impairment review of investments

Investments are reviewed for indicators of impairment. In the cases where the net asset value of the investment does not support the carrying value, the value-in-use (VIU) of relevant groups of income generating units (IGUs) for impairment testing purposes is determined using calculations of cash flow projections from the financial plans approved by the Board. These calculations involve the use of estimates including projected future cashflows and other future events.

5 Income from investments

	2018 \$'000	2017 \$'000
Dividend received from Beta Naco Limited	-	8,000
Dividend received from Air System Components Investments China Limited	-	6,305
	-	14,305

6 Interest receivable and similar income

	2018 \$'000	2017 \$'000
Bank interest receivable	210	11
Loan interest receivable	32	-
	242	11

7 Interest payable and similar expenses

	2018 \$'000	2017 \$'000
Bank interest payable	29	11

8 (Loss)/profit before taxation

	2018 \$'000	2017 \$'000
(Loss) before taxation is stated after charging/(crediting):		
Foreign exchange difference on forward exchange contracts	90	37
Foreign exchange difference	(94)	(11)
Auditors' remuneration		
- audit services	6	7

Johnson Controls Commercial UK Ltd

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

3 Summary of significant accounting policies (cont'd)

Group financial statements

The company is exempt from the requirement to prepare and deliver consolidated financial statements under the provisions of Section 400 of the Companies Act 2006 as it is a wholly owned subsidiary undertaking of Johnson Controls International plc, which is registered in Cork, Ireland and which itself prepares consolidated financial statements which are publicly available and can be obtained from the address given in note 17. Accordingly consolidated financial statements have not been prepared and the financial information presented for the current year and prior period is for the company as an individual undertaking.

Functional and presentational currency

The directors are of the view that the main exposures and risks to the company are those denominated in US dollars, and hence US dollars is the appropriate functional currency. The directors have also selected US dollars as the presentational currency for the financial statements. Due to the size of the value of the transactions, the directors have taken the decision to present the financial statements in thousands of US dollars.

Foreign currencies

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Taxation

The tax charge represents the sum of the current tax charge and deferred tax charge.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profits for the year at the standard effective rate of corporation tax in the UK.

Deferred tax

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the Company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Johnson Controls Commercial UK Ltd

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

9 Directors and employees

The directors received no remuneration (2017: £nil) in respect of their services to the company during the year as their services as directors of the company were incidental to the other services within the Johnson Controls group of companies. Directors' remuneration costs are borne by other members of the Johnson Controls group of companies. The average monthly number of employees (excluding directors) was nil (2017: nil).

10 Tax on (Loss)/profit

There is no tax charge for the current or the prior financial year.

Reconciliation of tax charge

The tax assessed for the year is lower (2017: higher) than the standard rate of corporation tax in the United Kingdom of 19% for the year ended 30 September 2018 (2017: 19.5%). The differences are explained below:

	2018 \$'000	As restated 2017 \$'000
(Loss)/profit before taxation	(1,498)	6,481
(Loss)/profit before taxation multiplied by standard rate of corporation tax of 19% (2017: 19.5%)	(284)	1,264
Effects of:		
Income not subject to tax	-	(2,789)
Expenses not deductible for tax purposes	324	1,519
Group relief (received)/surrendered for nil consideration	(40)	6
Total tax charge for the year	-	-

Finance (No. 2) Act 2015 was substantively enacted on the 26 October 2015. It reduced the standard rate of corporation tax in the UK from 20% to 19% from 1 April 2017. Finance Act 2016 was substantively enacted on 6 September 2016 and further reduced the rate to 17% from 1 April 2020.

Johnson Controls Commercial UK Ltd

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

11 Investments

	As restated Total \$'000
Shares in subsidiary undertakings	
Cost	
At 1 October 2017 and 30 September 2018	48,682
Provision for Impairment	
At 1 October 2017 as restated	7,795
Additions	1,710
At 30 September 2018	9,505
Net book amount	
At 30 September 2018	39,177
At 30 September 2017 as restated	40,887

Analysed as:	2018 \$'000	As restated 2017 \$'000
Enertec, Venezuela S.R.L	-	1,710
Beta Naco Limited	33,532	33,532
Air System Components Investments China Limited	3,306	3,306
JC Malaysia Holding Sdn Bhd	2,339	2,339
At 30 September 2018	39,177	40,887

As at 30 September 2018, an impairment charge of \$1.7 million (2017: \$7.8 million as restated) has been recognised in relation to subsidiary investments. The \$1.7 million is in relation to Enertec Venezuela, S.R.L. as a result of the decline in the value of the underlying assets of the investment undertaking reflected by the disposal proceeds of the investment after the year end, see note 16.

At 30 September 2018 the company had the following investments in subsidiary undertakings:

Company	Class of shares	Proportion of nominal value of shares issued held by:		Registered Office
		The company	Other group companies	
Enertec, Venezuela S.R.L	Ordinary	100%	-	Zona Industrial Carabobo Parcelas 1 y2 1era., Transversal, Edificio Fulgo, Venezuela
Beta Naco Limited	Ordinary	100%	-	9/10 The Briars, Waterberry Drive, Waterlooville, UK
Air System Components Investments China Limited	Ordinary	100%	-	9/10 The Briars, Waterberry Drive, Waterlooville, UK

Johnson Controls Commercial UK Ltd

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

11 Investments (Cont'd)

Company	Class of shares	Proportion of nominal value of shares issued held by:		Registered Office
		The company	Other group companies	
JC Malaysia Holding Sdn Bhd		100% beneficial interest	100% Legal title	Level 21, suite 21.01, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, KL
York (Malaysia) Manufacturing Sdn. Bhd.	Ordinary	-	100%	Long Kawat (Phase III) Jalan Pengapit 15/19 P.O. Box 7196, Shah Alam, Selangor, KL
York (Malaysia) Sales & Serv Sdb Bhd.	Ordinary	-	100%	Level 21, Suite 21.01, The Gardens South Tower Mid Valley City, Lingkaran Syed Putra, KL
Johnson Controls (M) Sdn. Bhd	Ordinary	-	30%	Level 21, Suite 21.01, The Gardens South Tower Mid Valley City, Lingkaran Syed Putra, KL

In the directors' opinion, the carrying value of the investments, net of impairment provisions, is supported by the value of the underlying assets of each of the businesses or the projected earnings of the investment together with its subsidiaries.

12 Debtors

	2018 \$'000	2017 \$'000
Amounts owed by group undertakings	13,966	-
Forward exchange contracts (note 14)	95	-
	14,061	-

Amounts owed by group undertakings includes an unsecured loan of €12 million (2017: €nil), which bears interest at 0.88% and has a maturity date of December 2018. Subsequent to the year end, the loan has been rolled over until June 2019 at a revised rate of 1.69%.

13 Creditors – amounts falling due within one year

	2018 \$'000	2017 \$'000
Bank overdraft	1,734	-
Accruals and deferred income	6	7
	1,740	7

Bank overdrafts are unsecured annual facilities, subject to review at various dates during 2018 and are repayable on demand. The average interest rate on GBP bank overdrafts was 1.0% plus the Bank of England base rate of 0.335% and for USD overdrafts was 1.2% plus the base rate of 2.3%.

Johnson Controls Commercial UK Ltd

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

14 Forward exchange contracts

The company enters into forward exchange currency contracts to mitigate the exchange rate risk on loans receivable. The foreign exchange contracts are measured at fair value with any changes charged or credited to comprehensive income. The contracts matured in October 2018.

The company is committed to sell €12 million (2017: €nil) for a fixed USD price at exchange rate of 0.8557 as at 1 October 2018.

15 Called up share capital

	2018 \$'000	2017 \$'000
Authorised, allotted and fully paid		
46,296,298 (2017: 46,296,298) ordinary A shares of \$1 each	46,296	46,296

Ordinary shares

Each ordinary A share has full rights in the company with respect to voting, dividends and distributions.

On 28 August 2017 the company issued 46,296,298 ordinary A \$1 shares at par in return for the contribution of equitable interest in Air Systems Components Investment China Limited and Beta Naco Limited.

On 27 September 2017 the company cancelled 1,709,788 ordinary shares of \$1 each by a return to the shareholder of \$1,468,257 and an addition to distributable reserves of \$241,531.

16 Subsequent events

On 30 April 2019, the company sold its interest in Enertec Venezuela, S.R.L. to Panther Germany GmbH for \$1.

17 Ultimate parent undertaking and controlling party

The immediate parent undertaking and controlling party is QS0004 SARL, a company registered in Luxembourg.

The ultimate parent undertaking and controlling party is Johnson Controls International plc, a company incorporated in Cork, Ireland.

Johnson Controls International plc is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 30 September 2018. The consolidated financial statements of Johnson Controls International plc are available from:

Johnson Controls International plc
1 Albert Quay
Cork
Ireland

Johnson Controls Commercial UK Ltd

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

18 Prior period adjustment

	2017 \$'000
Total comprehensive expense for the year as reported previously	(14)
Prior period adjustment – Impairment of Investments	6,495
Restated total comprehensive income for the year	6,481

	2017 \$'000
Accumulated income as reported previously	205
Prior period adjustment	6,495
Restated accumulated income	6,700

	2017 \$'000
Investments previously reported	34,392
Prior period adjustment	6,495
Restated Investments	40,887

The impairment recognised in 2017 in relation to the investment in Beta Naco Limited should have been recognised in USD but was in fact recognised in GBP. Consequently the results for the prior year have been restated, the result being an increase in the value of investments and comprehensive income reported of \$6.5 million.