

**Chubb Group (International) Limited**

**(Registered Number 2289879)**

**Annual report and financial statements**

**for the year ended 31 December 2009**



# **Chubb Group (International) Limited**

## **Annual report and financial statements for the year ended 31 December 2009**

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# **Chubb Group (International) Limited**

## **Directors' report for the year ended 31 December 2009**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2009

### **Principal activities**

The company acts as an intermediate parent company for overseas subsidiaries

### **Review of business and future developments**

The directors are satisfied with the results for the year. During the year the company disposed of a number of its subsidiary undertakings. It continues to hold investments in other group undertakings.

### **Results and Dividends**

The loss for the financial year was £1,381,000 (2008: loss of £440,000)

At 31 December 2009 the company had net current liabilities of £707,246,000 (2008: £1,068,635,000). The ultimate parent company, United Technologies Corporation, has provided confirmation that it intends to provide such financial support to the Company as is necessary to enable it to continue in operation and to meet its liabilities as they fall due for the foreseeable future and in any event for a period of at least 12 months from the date of signing of the financial statements.

During the year, a dividend of £150,000 (2008: £nil) was declared and paid.

### **Directors**

The directors of the company during the year and up to the date of signing the financial statements are listed below:

Chubb Management Services Limited  
Robert Sloss  
Robert Sadler

### **Key performance indicators**

Given the nature of the business, the company's directors are of the opinion that analysis using KPIs is not appropriate in helping understand the development, performance or position of the business.

### **Fixed assets**

The details of fixed asset investments are shown in note 6 to the financial statements.

### **Financial risk management**

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The company's operations expose it to financial risks as set out below:

#### **Liquidity risk**

The company actively maintains intercompany finance that is designed to ensure the company has sufficient available funds for operations.

#### **Interest rate cash flow risk**

The company has interest-bearing liabilities and interest-bearing assets that include intercompany balances. Rates of interest vary according to market conditions prevailing at the time.

# Chubb Group (International) Limited

## Directors' report for the year ended 31 December 2009 (continued)

### Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 prepared 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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,
- 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 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. 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.

So far as the directors are aware at the time the report is approved

(a) there is no relevant audit information of which the company's auditors are unaware, and

(b) the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

By order of the board



Robert Sloss  
For and on behalf of  
Chubb Management Services Ltd  
Director

24 June 2010

**Independent auditors' report to the members of Chubb Group (International) Limited**

We have audited the financial statements of Chubb Group (International) Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 and 2 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 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.

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.

**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.

**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 2009 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 matter prescribed by the 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.

Alison Cashmore (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
West London  
June 2010

## Chubb Group (International) Limited

### Profit and Loss Account for the year ended 31 December 2009

	<i>Note</i>	2009 £'000	2008 £'000
Administrative expenses		(1)	(1)
<b>Operating loss</b>	<b>2</b>	<b>(1)</b>	<b>(1)</b>
Profit on sale of fixed asset investments	6	65,530	530
Income from shares in group undertakings	6	5,034	150
Interest receivable and similar income	3	1,833	-
Provision for impairment of investments	6	(73,000)	-
Interest payable and similar charges	4	(777)	(1,119)
<b>Loss on ordinary activities before taxation</b>		<b>(1,381)</b>	<b>(440)</b>
Tax credit on loss on ordinary activities	5	-	-
<b>Loss for the financial year</b>		<b>(1,381)</b>	<b>(440)</b>

All amounts relate to continuing operations

There is no difference between the loss on ordinary activities before taxation and the loss for the financial year stated above, and their historical cost equivalents

The company has no recognised gains or losses, other than the loss for the financial year, and therefore no separate statement of total recognised gains and losses has been presented

The notes on pages 6 to 11 form part of the financial statements

# Chubb Group (International) Limited

## Balance sheet as at 31 December 2009

	<i>Note</i>	2009 £'000	2008 £'000
<b>Fixed assets</b>			
Investments	6	1,787,366	2,150,286
<b>Current assets</b>			
Debtors	7	417,342	39,633
Cash at bank and in hand		4,281	1,051
		421,623	40,684
<b>Creditors amounts falling due within one year</b>	8	(1,128,869)	(1,109,319)
<b>Net current liabilities</b>		(707,246)	(1,068,635)
<b>Net assets</b>		1,080,120	1,081,651
<b>Capital and reserves</b>			
Called up share capital	9	309,182	309,182
Share premium	10	461,691	461,691
Profit and loss account	10	309,247	310,778
<b>Shareholders' funds</b>	11	1,080,120	1,081,651

The financial statements on pages 4 to 10 were approved by the board of directors on *24 June* 2010 and were signed on its behalf by



Robert Sloss  
For and on behalf of  
Chubb Management Services Ltd  
**Director**

Chubb Group (International) Limited  
Registered no 2289879

The notes on pages 6 to 10 form part of the financial statements

# **Chubb Group (International) Limited**

## **Notes to the financial statements for the year ended 31 December 2009**

### **1 Principal accounting policies**

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards. The principal accounting policies are set out below.

#### **Basis of accounting**

The financial statements are prepared on the going concern basis and under the historical cost convention.

The financial statements contain information about Chubb Group (International) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the publicly available consolidated financial statements of its parent, United Technologies Corporation, a company incorporated in the United States of America.

The company is a wholly owned subsidiary of the ultimate parent undertaking, United Technologies Corporation incorporated in the United States of America. The company is exempt under Financial Reporting Standard 8 from disclosure of transactions with entities that are part of the group headed by United Technologies Corporation on the grounds that more than 90% of voting rights are controlled within the group.

At 31 December 2009 the company had net current liabilities of £707,246,000 (2008 £1,068,635,000). The ultimate parent company, United Technologies Corporation, has provided confirmation that it intends to provide such financial support to the Company as is necessary to enable it to continue in operation and to meet its liabilities as they fall due for the foreseeable future and in any event for a period of at least 12 months from the date of signing of the financial statements. Accordingly, the directors consider it is appropriate to prepare the financial statements on a going concern basis.

#### **Cash flow statement**

The company is a wholly owned subsidiary of United Technologies Corporation and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

#### **Fixed asset investments**

Fixed asset investments are held at cost less any provision for impairment. Impairment reviews are carried out by the directors on an annual basis, or earlier when there is indication that impairment may have occurred.

#### **Foreign exchange**

Monetary assets and liabilities denominated in overseas currencies are translated into sterling at the rates ruling at the balance sheet date. Individual transactions are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are included in the profit and loss account.



# Chubb Group (International) Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 1 Principal accounting policies (continued)

#### Deferred taxation

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 the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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 substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis

### 2 Operating loss

No director received any emoluments during the year (2008 £nil)

Auditors' remuneration has been borne by Chubb Group Limited, an intermediate holding company, in 2009 and 2008

Chubb Group (International) Limited has no employees for the year ended 31 December 2009 (2008 none)

### 3 Interest receivable and similar income

	2009 £'000	2008 £'000
Interest receivable from group undertakings	1,818	
Foreign exchange gains on loans	15	-
	<u>1,833</u>	<u>-</u>

### 4 Interest payable and similar charges

	2009 £'000	2008 £'000
Interest payable to group undertakings	777	1,059
Foreign exchange loss on loans	-	60
	<u>777</u>	<u>1,119</u>

# Chubb Group (International) Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 5 Tax on loss on ordinary activities

	2009 £'000	2008 £'000
Current tax – UK corporation tax at 28%	-	-

There is no provision for UK corporation tax in the current year because of the availability of group relief for which the company will not be required to make a reimbursement

#### Factors affecting current tax charge for the year

The tax assessed for the period is lower (2008 higher) than that resulting from applying the standard rate of corporation tax in the UK 28% (2008 28.5%). The differences are explained below

	2009 £'000	2008 £'000
Retained loss on ordinary activities before tax	(1,381)	(440)
Tax at 28% (2008 28.5%) thereon	(387)	(125)
Effects of		
Expenses not deductible for tax purposes	20,440	-
Non taxable income	(19,758)	(194)
Sch28AA transfer pricing adjustment	(3,285)	(10,351)
Group relief surrendered for nil consideration	2,990	10,670
Current tax charge for period	-	-

### 6 Fixed asset investments

	Shares in group Undertakings £'000
<b>Cost</b>	
At 1 January 2009	2,261,227
Additions	23,747
Disposals	(339,316)
At 31 December 2009	1,945,658
<b>Provisions</b>	
At 1 January 2009	110,941
Additions	73,000
Disposals	(25,649)
At 31 December 2009	158,292
<b>Net book value</b>	
At 31 December 2009	1,787,366
At 31 December 2008	2,150,286

## Chubb Group (International) Limited

### Notes to the financial statements for the year ended 31 December 2009 (continued)

#### 6 Fixed asset investments (continued)

During the year the company disposed of its investments in a number of subsidiaries with a carrying value of £313,667,000. The total proceeds were £379,197,000 and the total profit was £65,530,000.

At 31 December 2009 the company held directly and indirectly the entire issued share capital, unless otherwise stated, of the following principal subsidiary undertakings, incorporated as detailed below:

##### Intermediate Holding Companies

Chubb Overseas Investments Ltd

UK

The company holds investments in several undertakings, which, in the opinion of the directors, do not require disclosure as permitted by s 409 of the Companies Act 2006. A full list of subsidiaries will be annexed to the next annual return to be filed with the Registrar of Companies.

The directors believe that the book value of investments is supported by their underlying net assets.

During the year the company received dividends of £110,971 from Onity Commercial S A de C V, £680,086 from Security Monitoring Centre BVBA and £4,244,040 from Chubb Ireland.

#### 7 Debtors

	2009 £'000	2008 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	417,342	39,633

Included in amounts owed by group undertakings is £377.8m (2008: £0m), which is unsecured, interest bearing at a rate of 0.77% (2008: 0%) and repayable on demand. The remaining amounts are unsecured, interest free and repayable on demand.

#### 8 Creditors

	2009 £'000	2008 £'000
Amounts falling due within one year		
Amounts owed to group undertakings	1,128,869	1,109,319

Included in amounts owed to group undertakings is £38.3m (2008: £18.7m) which is unsecured, interest bearing at a rate of 1.08% (2008: 4.66%) and repayable on demand. The remainder is unsecured, interest free and repayable on demand.

# Chubb Group (International) Limited

## Notes to the financial statements for the year ended 31 December 2009 (continued)

### 9 Share capital

	2009 £'000	2008 £'000
<b>Authorised</b>		
310,000,000 Ordinary shares of £1 each	310,000	310,000
<b>Allotted, called up and fully paid</b>		
309,181,940 Ordinary shares of £1 each	309,182	309,182

### 10 Reserves

	Profit and loss Account £'000	Share Premium £'000
At 1 January 2009	310,778	461,691
Retained loss for the financial year	(1,381)	-
Dividend Paid	(150)	-
At 31 December 2009	309,247	461,691

Included in the above reserve is £277,529,309 (2008: £277,529,309) of unrealised gains which are not available for distribution

### 11 Reconciliation of movements in shareholders' funds

	2009 £'000	2008 £'000
Loss for the financial year	(1,381)	(440)
Dividend paid	(150)	-
Net movement in shareholders' funds	(1,531)	(440)
Opening shareholders' funds	1,082,651	1,082,091
Closing shareholders' funds	1,080,120	1,082,651

### 12 Contingent liabilities

Several UK group companies have entered into a composite accounting agreement whereby each company has provided a guarantee to the bank. This agreement permits the set-off of balances, on a group basis, for interest purposes. The maximum liability arising from this arrangement is the balance held in the company's own bank account. Positive cash balances held in the group exceeded the overdraft balances in 2009 and 2008.

## **Chubb Group (International) Limited**

### **Notes to the financial statements for the year ended 31 December 2009 (continued)**

#### **13 Immediate and ultimate parent undertakings**

The company's immediate parent undertaking is Chubb Group Limited

The company's ultimate parent undertaking and controlling party is United Technologies Corporation, a company incorporated in the United States of America

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

Copies of the United Technologies group financial statements are publicly available and can be obtained from

United Technologies Corporation  
One Financial Plaza  
Hartford  
Connecticut 06103  
U S A