Goodrich (Great Britain) Limited.

Annual Report
for the year ended 31 December 2018

Registered number: 03116373

Goodrich (Great Britain) Limited.

Contents

Goodrich (Great Britain) Limited.

Strategic report for the year ended 31 December 2018

The directors present their strategic report for the company for the year ended 31 December 2018.

The directors, in preparing this strategic report, have complied with s414C(11) of the Companies Act 2006.

Review of business and future developments

The Company is a holding company for its wholly owned subsidiary, Delavan Limited. The operating expenses in each year relate to audit and other professional fees, whilst the interest payable arises on a dollar intercompany borrowing, at commercial rates. The directors expect the company to continue as a holding company for the foreseeable future.

Key performance indicators

The key financial and other performance indicators during the year were as follows:

	2018	2017	Change
	£	£	%
Operating loss	**(2,923)**	(46,512)	94
Profit / (Loss) for the financial year	**2,788,959**	(69,304)	4,124
Total shareholders' funds	**4,221,681**	1,432,722	195

The company monitors the value of its investments to prevent unexpected impairments and to ensure the value of investments recorded in the financial statements is appropriate.

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. The principal risks of the company are liquidity risk and the risk of impairment of investments held in subsidiaries.

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 that include intercompany balances. The loan matures on a monthly basis and is renewable at a variable interest rate.

Future developments

On November 26, 2018 the ultimate parent undertaking and controlling party, United Technologies Corporation, announced its intention to separate into three independent companies: (1) UTC, an aerospace company comprised of the Collins Aerospace Systems and Pratt & Whitney businesses, (2) Otis, and (3) Carrier.

The proposed separations are expected to be effected through spin-offs by UTC of Otis and Carrier that are intended to be tax-free for the Company's shareowners for U.S. federal income tax purposes.

The Company expects to complete the separation transaction by mid-year 2020.

Goodrich (Great Britain) Limited.

Strategic report for the year ended 31 December 2018

Events after the balance sheet date

Details of significant events since the balance sheet date are contained in note 12 to the financial statements.

Approval

Approved by the Board and signed on its behalf by:

Michelle Williams

M Williams
Director
Date 25/6/19

Fore 1, Fore Business Park
Huskisson Way, Stratford Road
Shirley, Solihull,
West Midlands
B90 4SS

Goodrich (Great Britain) Limited.

Directors' Report for the year ended 31 December 2018

The directors present their report and the audited financial statements of the company for the year ended 31 December 2018.

Principal activities

The company is an investment holding company. The subsidiary companies' activities comprise the manufacture of spray nozzles, systems and associated equipment including the maintenance of gas turbine fuel nozzles.

Results and dividends

The profit for the financial year is set out in the profit and loss account on page 8.

There were no dividends proposed, declared or paid in the year (2017: £nil).

Financial risk management and future developments

Financial risk management and future developments are currently disclosed in the strategic report on page 1.

Going concern

The company has received a letter of support from United Technologies Corporation and, therefore, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern bases in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in the financial statements.

Modern Slavery Act

The Company is committed to ensuring slavery and human trafficking are not taking place in its business or supply chains. To this end the Company has published a statement for the Reporting Period at www.utcaerospacesystems.com.

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

D Middleton
M Williams

Directors' indemnity

The directors have the benefit of an indemnity (provided on a group wide basis via United Technologies Corporation) which is a qualifying third party indemnity provision. The indemnity was in force throughout the financial year and also at the date of approval of the financial statements.

Statement of directors' responsibilities in respect of the financial statements

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

Goodrich (Great Britain) Limited.

Directors' Report for the year ended 31 December 2018

Statement of directors' responsibilities in respect of the financial statements

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 101 "Reduced Disclosure Framework", 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 101, 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 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.

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.

Statement of disclosure of information to auditors

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

PricewaterhouseCoopers LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:

Michelle Williams

M Williams
Director
Date 25/6/19

Fore 1, Fore Business Park
Huskisson Way, Stratford Road
Shirley, Solihull
West Midlands
B90 4SS

Independent auditors' report to the members of Goodrich (Great Britain) Limited.

Report on the audit of the financial statements

Opinion

In our opinion, Goodrich (Great Britain) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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, which comprise: the balance sheet as at 31 December 2018; the profit and loss account, 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, customers, suppliers and the wider economy.

Independent auditors' report to the members of Goodrich (Great Britain) Limited.

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.

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 31 December 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 in respect of the financial statements set out on pages 3 and 4, 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.

Independent auditors' report to the members of Goodrich (Great Britain) Limited.

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.

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.

Alan Walsh (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
17 June 2019

Goodrich (Great Britain) Limited.

Profit and Loss Account
For the year ended 31 December 2018

	Note	2018 £	2017 £
Administrative expenses		**(2,923)**	(46,512)
Operating loss		**(2,923)**	(46,512)
Income from shares in group undertakings	*3*	**2,823,000**	-
Interest payable and similar expenses	*4*	**(31,118)**	(22,792)
Profit / (Loss) before taxation	*5*	**2,788,959**	(69,304)
Tax on Profit / (Loss)	*8*	**-**	-
Profit / (Loss) for the financial year		**2,788,959**	(69,304)

All results are derived from continuing operations.

The company has no recognised other comprehensive income/ (expense) other than its profit / (loss) for the financial years ended 31 December 2018 and 2017, and hence no separate statement of comprehensive income has been presented.

Goodrich (Great Britain) Limited.
Registered number: 03116373

Balance sheet
As at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	*9*	**4,388,000**	4,388,000
		4,388,000	4,388,000
Creditors: Amounts falling due within one year	*10*	**(166,319)**	(2,955,278)
Net current liabilities		**(166,319)**	(2,955,278)
Total assets less current liabilities		**4,221,681**	1,432,722
Net assets		**4,221,681**	1,432,722
Equity			
Called up share capital	*11*	**1,431**	1,431
Share premium account		**2,822,023**	2,822,023
Profit and loss account		**1,398,227**	(1,390,732)
Total Shareholders' funds		**4,221,681**	1,432,722

The notes on pages 11 to 19 form part of these financial statements

The financial statements on pages 8 to 19 were approved by the board of directors on 25 June 2019 and were signed on its behalf by:

M Williams
Director

Goodrich (Great Britain) Limited.

Statement of changes in equity
For the year ended 31 December 2018

	Called up share capital (Note 11) £	Share premium account £	Profit and loss account £	Total share-holders' funds £
Balance at 1 January 2017	**1,431**	**2,822,023**	**(1,321,428)**	**1,502,026**
Loss for the financial year	-	-	(69,304)	(69,304)
Total comprehensive expense for the year	**-**	**-**	**(69,304)**	**(69,304)**
Balance at 31 December 2017	**1,431**	**2,822,023**	**(1,390,732)**	**1,432,722**
Profit for the financial year	-	-	2,788,959	2,788,959
Total comprehensive income for the year	**-**	**-**	**2,788,959**	**2,788,959**
Balance at 31 December 2018	**1,431**	**2,822,023**	**1,398,227**	**4,221,681**

Notes to the financial statements
For the year ended 31 December 2018

1. Accounting policies

Goodrich (Great Britain) Limited. ('the company') is a holding company for a subsidiary within the United Technologies Corporation group.

The company is a private company, limited by shares, and is incorporated and domiciled in England, United Kingdom. The address of its registered office is Fore 1, Fore Business Park, Huskisson Way, Shirley, Solihull, West Midlands, B90 4SS.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and all the years presented, unless otherwise stated.

Basis of accounting

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council.

These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework (FRS101)'. The financial statements are therefore prepared in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The financial statements have been prepared on a going concern basis and also under the historical cost convention.

Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The financial statements contain information about Goodrich (Great Britain) 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 consolidated financial statements of its ultimate parent, United Technologies Corporation, a company incorporated in the United States of America.

As permitted by FRS 101, the company has taken advantage of some of the disclosure exemptions available under that standard. The key exemptions taken are as follows:

IFRS 3 - not to restate business combinations before the date of transition
IFRS 7 – financial instrument disclosures
IFRS 13 - disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities
IAS 1 – Information on management of capital
IAS 7 – statement of cash flows
IAS 8 - disclosures in respect of new standards and interpretations that have been issued but are not yet effective
IAS 24 - disclosure of key management compensation and for related party disclosures entered into between two or more members of a group;
IAS 1 - the requirement to present roll forward reconciliations in respect of share capital and
IAS 16 - the requirement to present roll forward reconciliations in respect of property, plant and equipment

The group financial statements of United Technologies Corporation are available to the public and can be obtained as set out in note 13.

1. Accounting policies (continued)

Adoption of new and revised Standards

The Company has applied IFRS 15 "Revenue from Contracts with Customer" (which replaces IAS 18 "Revenue") and IFRS 9 "Financial Instruments" (which replaces IAS 39 "Financial Instruments") for the first time for the reporting period commencing 1 January 2018. There is no material impact to the company's opening retained earnings balance as a result of applying these standards.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The strategic report also describes the financial position of the Company; its liquidity position and borrowing facilities; the Company's objectives; its financial risk management objectives; and its exposure to interest rate cash flow risk and liquidity risk.

At 31 December 2018 the company had net current liabilities of £166,319 (2017: £2,955,278). The Company is dependent upon the continued support of its parent, United Technologies Corporation, which has expressed its willingness to support the Company for at least 12 months from the signing of these financial statements. On this basis the directors consider it appropriate that these financial statements have been prepared on a going concern basis.

Investments

Except as stated below, fixed asset investments, including investments in subsidiaries and associates, are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

Impairment reviews are carried out by the directors when there is indication that impairment may have occurred.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

1. Accounting policies (continued)

Taxation (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Foreign currency

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the company operates (its functional currency).

Transactions in currencies other than the functional currency are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit and loss account in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments).

Interest Payable and similar expenses

As explained below, where financial liabilities are measured at amortised cost using the effective interest method. Interest expense is recognised on an effective yield basis in profit and loss account within interest payable and similar expenses.

1. Accounting policies (continued)

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Financial Assets

Financial assets are classified into the following specified categories: at fair value through profit or loss (FVTPL); and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss or at fair value through other comprehensive Income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities which are not held for trading, and which the company has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the company considers this classification to be more relevant.

- Debt securities where contractual cash flows are solely principal and interest and the objective of the company's business model is achieved both by collecting contractual cash flows and selling financial assets.

Financial assets at amortised cost

The company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and

- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at fair value through profit and loss

The following financial assets are classified at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost

- equity investments that are held for trading, and

- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

Investments in subsidiaries are held at cost less accumulated impairment losses.

1. Accounting policies (continued)

Impairment of financial assets

Assets carried at amortised cost

The company assesses, at the end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets is impaired.

Debtors and other receivables

Debtors and other receivables are amounts due from services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer), they are classified as current assets. If not, they are presented as noncurrent assets.

Debtors and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all debtors and other receivables.

Reserves

The Share premium account was created in 1996 when the company allotted 1,430 ordinary shares with a nominal value of £1,430 at a premium of £3,748,570 in consideration for the acquisition of the whole of the issued share capital of Delavan Limited, Garlock (Great Britain) Limited and Holley Automotive Group Limited. The excess of the fair value over the nominal value of the shares issued was credited to a Share premium account. The element of the Share premium account relating to Garlock (Great Britain) Limited was transferred to the profit and loss account on its disposal in 2002.

2. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1 above, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

2. Critical accounting judgments and key sources of estimation uncertainty (continued)

Impairment of investments in subsidiaries

Determining whether the company's investments in subsidiaries have been impaired requires estimations of the investments' values in use. The value in use calculations require the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values. The carrying amount of investments in subsidiaries at the balance sheet date was £4,388,000 (2017: 4,388,000) with no impairment loss recognised in 2018 or 2017.

3. Income from shares in group undertakings

	2018 £	2017 £
Dividends receivable from group companies	**2,823,000**	-

4. Interest payable and similar expenses

	2018 £	2017 £
Interest payable to group companies	**31,118**	22,792

5. Profit / (Loss) before taxation

Profit / (Loss) before taxation is stated after charging:

	2018 £	2017 £
Audit fees	**6,350**	6,350

6. *Auditors' remuneration*

Fees payable to PricewaterhouseCoopers LLP and their associates for the audit of the company's annual financial statements were £6,350 (2017: £6,350).

Fees payable to PricewaterhouseCoopers LLP and their associates for non-audit services to the company were £nil (2017: £nil).

7. Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2017: £nil). The directors' roles within the company are deemed to be incidental to their roles as directors within the Goodrich (Great Britain) Limited. Group and therefore the company bears no cost in relation to these directors.

Notes to the financial statements
For the year ended 31 December 2018

8. Tax on profit / (loss)

Tax expense included in profit and loss account:

	2018	2017
	£	£
Total tax on profit / (loss)	**-**	-

The charge for the year can be reconciled to the profit in the profit and loss account as follows:

	2018	2017
	£	£
Profit / (Loss) before tax	**2,788,959**	(69,304)
Profit / (Loss) multiplied by standard rate of corporation tax of 19% (2017: 19.25%)	**529,902**	(13,341)
Effects of:		
Group relief (receivable)/ surrendered for nil payment	**6,468**	13,341
Income not taxable	**(536,370)**	-
Total tax charge for the year	**-**	-

There is no provided or un-provided deferred tax at 31 December 2018 (2017: £nil).

The tax rate for the current year is lower than the prior year, due to changes in the UK corporation tax rate, which decreased from 20% to 19% from 1 April 2017.

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020.

9. Investments

	£
Cost	
At 1 January 2017	4,388,000
At 31 December 2017	4,388,000
At 31 December 2018	4,388,000
Provisions for impairment	
At 1 January 2017	-
At 31 December 2017	-
At 31 December 2018	-
Net book value at 31 December 2017 and 31 December 2018	4,388,000

Details of the Company's subsidiaries at 31 December 2018 are as below. Unless otherwise indicated, all ownership interests are in the ordinary share capital of the investee.

Name & Registered Address	Principal Activity	Proportion of ownership interest %	Proportion of voting power held %
Delavan Limited Fore 1, Fore Business Park, Huskisson Way, Shirley, Solihull, West Midlands, B90 4SS, England.	Manufacture of spray nozzles, systems and associated equipment	100	100

The investments in subsidiaries are all stated at cost less provision for impairment.

Notes to the financial statements
For the year ended 31 December 2018

10. Creditors: amounts falling due within one year

	2018	2017
	£	£
Amounts owed to group undertakings	**145,819**	2,934,778
Accruals and deferred income	**20,500**	20,500
	166,319	2,955,278

A loan from the ultimate parent company matures on a monthly basis and is renewable at a variable interest rate. There is no security provided on this loan.

11. Called up share capital

	2018	2017
	£	£
Allotted, called-up and fully-paid		
1,431 (2017: 1,431) ordinary shares of £1 each	**1,431**	1,431

12. Subsequent events

On 10 June 2019, United Technologies Corporation announced its intention to merge with Raytheon. This is expected to be complete by mid-year 2020.

13. Controlling party

The company's immediate parent undertaking is Goodrich Pump & Engine Control Systems Inc., incorporated in the state of Delaware, USA.

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 www.utc.com.