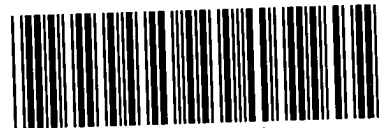


Parkview Treasury Services (UK) Limited
Annual Report
for the year ended 30 November 2018

Registered number: **06405459**

WEDNESDAY



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Parkview Treasury Services (UK) Limited

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Parkview Treasury Services (UK) Limited

Strategic Report

The directors present their Strategic Report for the company for the year ended 30 November 2018.

Review of business and future activities

The directors are satisfied with the results for the year. The directors expect the company to continue as a holding company for the foreseeable future.

On November 26, 2018, the ultimate Parent Company, 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 ultimate Parent Company's shareowners for U.S. federal income tax purposes.

The ultimate Parent Company expects to complete the separation transactions by mid-year 2020.

Separation of Otis and Carrier from UTC via spin-off transactions will be subject to the satisfaction of customary conditions, including, among others, final approval by the ultimate Parent Company's Board of Directors, receipt of tax rulings in certain jurisdictions and/or a tax opinion from external counsel (as applicable), the filing with the Securities and Exchange Commission (SEC) and effectiveness of Form 10 registration statements, and satisfactory completion of financing.

Key performance indicators (KPIs)

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.

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.

Credit Risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually.

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.

Foreign exchange risks

The majority of the company's transactions are denominated in sterling and the directors do not believe that there is a significant foreign exchange risk.

Parkview Treasury Services (UK) Limited

Strategic Report

Events after the balance sheet date

Details of significant events since the balance sheet date are contained in note 13 to the financial statements.

Approval

Approved by the Board and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'P Moran', written over a horizontal line.

P Moran
Director
30 July 2019

Ash House
Littleton Road
Ashford
TW15 1TZ

Parkview Treasury Services (UK) Limited

Directors' Report

The directors present their annual report and the audited financial statements of the company for the year ended 30 November 2018.

Principal activities

The company is an investment holding and financing company.

Results and dividends

The profit for the financial year is set out in the statement of comprehensive income on page 8.

The directors do not propose to pay a final dividend and no other dividend has been paid in the year ended 30 November 2018 (2017: £nil).

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

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

Directors

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

P Moran	(appointed 21 May 2018)
J Laurence	
L Thomson	(appointed 15 January 2018) (resigned 15 May 2019)
P Ross	(appointed 15 January 2018)
C Idczak	(appointed 15 January 2018)
S Bottomley	(resigned 15 January 2018)
C Witzky	(resigned 10 January 2018)

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 last financial year and also at the date of approval of the financial statements.

Future developments

These are included in the strategic report.

Financial risk management

These are included in the strategic report.

Parkview Treasury Services (UK) Limited

Directors' Report

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 these 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.

Directors' confirmations

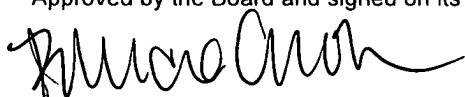
In the case of each director in office at the date the Directors' Report is approved:

- 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

PricewaterhouseCoopers LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:



P Moran

Director

30 July 2019

Ash House
Littleton Road
Ashford
TW15 1TZ

Independent auditors' report to the members of Parkview Treasury Services (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Parkview Treasury Services (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 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 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 at 30 November 2018; the statement of comprehensive income, 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.

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.

Independent auditors' report to the members of Parkview Treasury Services (UK) Limited (continued)

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 November 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 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.

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.

Independent auditors' report to the members of Parkview Treasury Services (UK) Limited (continued)

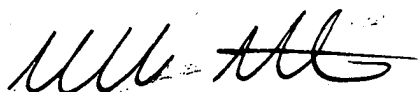
Other required reporting

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.



Mark Foster (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Milton Keynes
31 July 2019

Parkview Treasury Services (UK) Limited

Statement of Comprehensive Income

For the year ended 30 November 2018

	Note	2018 £'000	2017 £'000
Administrative expenses		(97)	(107)
Provision for impairment of investments		(61,337)	—
Operating loss		(61,434)	(107)
Income from shares in group undertakings		4,000	—
Loss before finance charges		(57,434)	(107)
Finance income	3	14,032	11,715
Finance costs	4	(9,022)	(5,169)
(Loss)/Profit before taxation		(52,424)	6,439
Tax on (loss)/profit	8	(1,172)	—
(Loss)/profit for the financial year		(53,596)	6,439
Other comprehensive income		—	—
Total comprehensive (loss)/income for the year		(53,596)	6,439

All results are derived from continuing operations.

Parkview Treasury Services (UK) Limited

Balance Sheet

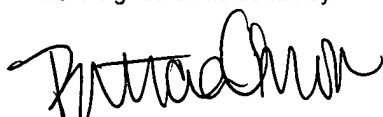
At 30 November 2018

Registered number: 06405459

	Note	2018 £'000	2017 £'000
Fixed assets			
Investments	9	152,762	214,099
		152,762	214,099
Current assets			
Debtors			
- due within one year	10	1,653,701	1,620,582
Creditors: Amounts falling due within one year	11	(1,618,399)	(1,593,021)
Net current assets		35,302	27,561
Total assets less current liabilities		188,064	241,660
Net assets		188,064	241,660
Equity			
Called up share capital	12	—	—
Share premium account		214,099	214,099
Retained earnings		(26,035)	27,561
Total shareholders' funds		188,064	241,660

The notes on pages 11 to 21 form part of these financial statements.

The financial statements on pages 8 to 21 were approved by the board of directors on 30 July 2019 and were signed on its behalf by:



P Moran
Director

Parkview Treasury Services (UK) Limited

Statement of changes in equity

For the year ended 30 November 2018

	Called up share capital £'000	Share Premium £'000	Retained earnings £'000	Total share- holders' funds £'000
Balance at 1 December 2016	—	214,099	21,122	235,221
Profit for the financial year	—	—	6,439	6,439
Total comprehensive income for the year	—	—	6,439	6,439
Balance at 30 November 2017	—	214,099	27,561	241,660
Profit for the financial year	—	—	(53,596)	(53,596)
Total comprehensive income for the year	—	—	(53,596)	(53,596)
Balance at 30 November 2018	—	214,099	(26,035)	188,064

Parkview Treasury Services (UK) Limited

Notes to the financial statements

For the year ended 30 November 2018

1. Accounting Policies

Parkview Treasury Services (UK) Limited ('the company') holds an investment in a UK holding company. The subsidiary company's activities comprise the manufacture, installation and servicing of lifts and escalators.

The company is a private limited company, limited by shares, and is incorporated and domiciled in England. The address of its registered office is Ash House, Littleton Road, Ashford, TW15 1TZ.

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

The financial statements have been prepared on a going concern basis, and also on the historical cost basis, as explained in the accounting policies below.

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 Parkview Treasury Services (UK) 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 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 wholly owned members of a group

Where required, equivalent disclosures are given in the group financial statements of United Technologies Corporation. The group financial statements of United Technologies Corporation are available to the public and can be obtained as set out in note 14.

Parkview Treasury Services (UK) Limited

Notes to the financial statements

For the year ended 30 November 2018

1. Accounting Policies (continued)

Adoption of new and revised Standards

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 30 November 2018 have had a material impact on the company.

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 company's principal activity is to hold investments in other entities. Activity and future development of the company depends on performance of the subsidiaries.

The company meets its day to day working capital requirements through a cash pooling arrangement which is centrally managed by its ultimate parent undertaking.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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 on an annual basis, or when there is indication that impairment may have occurred.

Share capital

Ordinary shares are classified as equity.

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 statement of comprehensive income 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.

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.

Parkview Treasury Services (UK) Limited

Notes to the financial statements

For the year ended 30 November 2018

1. Accounting Policies (continued)

Taxation (continued)

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 statement of comprehensive income, 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 income statement, 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.

Dividend and interest income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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 the income statement 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.

Parkview Treasury Services (UK) Limited

Notes to the financial statements

For the year ended 30 November 2018

1. Accounting Policies (continued)

Finance costs

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 the profit or loss within finance costs.

Financial instruments

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

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Parkview Treasury Services (UK) Limited

Notes to the financial statements

For the year ended 30 November 2018

1. Accounting Policies (continued)

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Parkview Treasury Services (UK) Limited

Notes to the financial statements

For the year ended 30 November 2018

1. Accounting Policies (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are discounted where the impact of discounting is material.

Parkview Treasury Services (UK) Limited

Notes to the financial statements

For the year ended 30 November 2018

2. Critical Accounting Judgements 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 judgements, 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.

Critical judgements in applying the company's accounting policies

The directors do not believe there are any critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies.

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.

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 £152,761,676 with an impairment loss recognised in 2018 of £61,337,324 (2017: £nil).

3. Finance Income

	2018 £'000	2017 £'000
Interest receivable:		
Interest receivable from group companies	14,024	11,712
Other loans and receivables	8	3
	14,032	11,715

4. Finance Costs

	2018 £'000	2017 £'000
Interest payable to group companies	(8,965)	(5,142)
Interest payable other	(57)	(27)
	(9,022)	(5,169)

Parkview Treasury Services (UK) Limited

Notes to the financial statements

For the year ended 30 November 2018

5. Auditors' Remuneration

Fees payable to PricewaterhouseCoopers LLP for the audit of the company's annual financial statements were borne by Goodrich Aftermarket Services Limited on behalf of the company £2,770 (2017: £2,770).

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

6. Staff Costs

The company had no employees during the year (2017: none).

7. Directors' Remuneration and Transactions

None of the Directors received remuneration in respect of their services to the company during the year (2017: none).

8. Tax on Profit

Tax expense included in the statement of comprehensive income:

	2018 £'000	2017 £'000
Current tax		
UK corporation tax on profits for the year		—
Adjustments in respect of prior years		
UK corporation tax	1,172	—
Total current tax	1,172	—
Total tax on profit	1,172	—

The charge for the year can be reconciled to the profit in the statement of comprehensive income as follows:

	2018 £'000	2017 £'000
Profit before taxation	(52,424)	6,439
Tax on profit at standard UK corporation tax rate of 19.0% (2017: 19.33%)	(9,961)	1,245
Effects of:		
Group relief received for nil consideration	(933)	(1,245)
Income not subject to tax	(760)	—
Adjustments in respect of prior years	1,172	—
Total tax charge for year	1,172	—

The reduction in the UK corporation tax rate from 20% to 19% (effective 1 April 2017) was substantively enacted on 26 October 2015. A further reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The current tax rate used in the year ended 30 November 2018 is therefore 19% and the rate used for closing deferred tax balances is 17%.

Parkview Treasury Services (UK) Limited

Notes to the financial statements

For the year ended 30 November 2018

9. Investments

	£'000
Cost	
At 1 December 2017	214,099
At 30 November 2018	214,099
Provisions for impairment	
At 1 December 2017	—
Written off	61,337
At 30 November 2018	61,337
Net book value at 30 November 2018	152,762
Net book value at 30 November 2017	214,099

During the year the directors made an assessment of the valuation of investments and the provision for impairment of the investment in United Technologies Finance Limited was increased by £61,337,000.

Details of the Company's directly owned subsidiary at 30 November 2018 are as follows:

Name & Registered Address	Principal Activity	Class of share	Proportion of ownership interest
United Technologies Finance (U.K.) Limited Ash House, Littleton Road, Ashford, TW15 1TZ	Investment holding company	Ordinary	100%

The company owns the following indirectly through intermediate holding companies:

Name & Registered Address	Principal Activity	Class of share	Proportion of ownership interest
Otis Limited Chiswick Park, Building 5, 566 Chiswick High Road, London, W4 5YF	Installation, maintenance & repair of lift equipment	Ordinary	52%
Axis Holdco Limited Unit G1, 65 Glasshill Street, London, SE1 0QR	Installation, maintenance & repair of lift equipment	Ordinary	52%
Elevation Lift Services Limited Chiswick Park, Building 5, 566 Chiswick High Road, London, W4 5YF	Installation, maintenance & repair of lift equipment	Ordinary	52%
Glebe Investment Limited in January 2018 the company's name changed to The Express Lift Company Limited 121 Brooker Road, Waltham Abbey, Essex, CN9 1JH	Lift maintenance & modernisation	Ordinary	52%

Parkview Treasury Services (UK) Limited

Notes to the financial statements

For the year ended 30 November 2018

9. Investments (continued)

The company owns the following indirectly through intermediate holding companies (continued):

Name & Registered Address	Principal Activity	Class of share	Proportion of ownership interest
OTIS (ISLE OF MAN) LIMITED Jubilee Buildings, Victoria Street, Douglas, IM1 2SH, Isle of Man	Installation, maintenance & repair of lift equipment	Ordinary	52%
Otis Elevator Ireland Limited Unit 2 Stillorgan Industrial Park, Blackrock, County Dublin, Ireland	Installation, maintenance & repair of lift equipment	Ordinary	52%
Triangle Lift Services Limited 8 Windmill Business Park, Windmill Road, Kenn, Clevedon, BS21 6SR	Installation, maintenance & repair of lift equipment	Ordinary	52%
Blickglen Lifts Limited Unit G1, 65 Glasshill Street, London, SE1 0QR	Dormant company	Ordinary	52%
Axis Elevators Limited Unit G1, 65 Glasshill Street, London, SE1 0QR	Investment holding company	Ordinary	52%
Abbey Liftcare Limited 121 Brooker Road, Waltham Abbey, Essex, CN9 1JH	Lift maintenance & modernisation	Ordinary	52%
Liffey Lifts and Escalators Limited 13 Upper Baggot Street, Dublin, Ireland	Installation, maintenance & repair of lift equipment	Ordinary	52%
West of Ireland Lifts Limited Unit 12 Gfd, N5 Business Park, Moneen Road, Castlebar, Co Mayo, Ireland	Installation, maintenance & repair of lift equipment	Ordinary	52%

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

10. Debtors

Amounts falling due within one year:

	2018 £'000	2017 £'000
Amounts owed by group undertakings	1,653,701	1,620,582
	1,653,701	1,620,582

Amounts owed by group undertakings are unsecured, bear interest based on Base Rate and LIBOR, have no fixed date of repayment and are repayable on demand.

Parkview Treasury Services (UK) Limited

Notes to the financial statements

For the year ended 30 November 2018

11. Creditors: Amounts Falling due Within One Year

	2018 £'000	2017 £'000
Bank loans and overdrafts	22,284	14,342
Amounts owed to group undertakings	1,596,115	1,578,666
Accruals and deferred income	—	13
	1,618,399	1,593,021

Included in amounts owed to group undertakings is £981,000 (2017: £nil) which is unsecured, non-interest bearing and repayable on demand. Remaining amounts owed to group undertakings are unsecured, bear interest based on Base Rate and LIBOR/GBP (deposit rate), have no fixed date of repayment and are repayable on demand.

12. Called Up Share Capital

Ordinary shares

	2018 £'000	2017 £'000
Allotted, called-up and fully-paid		
2 (2017: 2) ordinary shares of £1 (2017: £1) each	—	—

13. Subsequent Events

In December 2018, the company declared and paid an interim dividend of £31m.

On 7th May 2019 the company's immediate parent undertaking changed from United Technologies Holdings Limited to Matlock Holdings Limited.

14. Controlling Party

The company's immediate parent undertaking throughout the year and as at 30 November 2018 was United Technologies Holdings Limited.

On 7th May 2019 the company's immediate parent undertaking became Matlock Holdings 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 Corporation group financial statements are publicly available and can be obtained from www.utc.com