Company registration No. 00543016

ROCKWELL COLLINS UK LIMITED

Revised Annual Report and Financial Statements

66 weeks ended 31st December 2019

ROCKWELL COLLINS UK LIMITED

REVISION BY REPLACEMENT

These revised financial statements replace the original financial statements for the 66 weeks ended 31 December 2019 which were approved by the board on 24 September 2019. They are now the statutory financial statements of the company for the period ending 31 December 2019. In accordance with the Companies Act 2006 ('the Act'), the financial statements have been revised as at the date of the original financial statements and not as at the date of this revision. Accordingly they do not deal with events between those dates.

The original financial statements did not comply with the Act in the following respect. A rounding error within creditors caused an imbalance between Net Assets and Shareholder's Funds of £2k in the Balance Sheet. There was no impact to the profit for the year.

ROCKWELL COLLINS UK LIMITED

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ROCKWELL COLLINS UK LIMITED

STRATEGIC REPORT

BUSINESS REVIEW

The financial report represents the 66 weeks ended 31 December 2019.

Rockwell Collins UK Limited provides a comprehensive range of aviation electronics and communications solutions to Ministries of Defense, integrators, aircraft manufacturers and airlines. The Rockwell Collins UK Limited portfolio includes: targeting systems; network enabled capability and communication infrastructures; global navigation satellite systems; electronic warfare; simulation and training and Information Management Services. Rockwell Collins UK Limited is a subsidiary of the wider United Technologies Corporation (Group).

The Company changed year end to align with the Group resulting in a 66 week period ending 31st December 2019 against a comparable of 52 weeks for the year ended 30th September 2018. The profit and loss on page 10 reflects revenue growth when comparing these two periods, even when adjusting for the impact of the long accounting period. This strong revenue performance was anticipated for the year given contracts that had previously been awarded. Margins have reduced due to the mix of programs between the two comparable periods.

The directors anticipate a reduction in revenue for the year ended 31st December 2020 due to the COVID-19 pandemic and the impact this has had on the ability of the business to execute its contractual obligations on existing deliverables and finalise new contracts in a climate of uncertainty. A significant reduction in business overall is not expected, but it is anticipated that revenues will slip to later years.

The balance sheet on page 12 of the financial statements shows a movement in the net current asset position from £5,333k in FY18 to £6,366k for the 66 weeks ended 31st December 2019. Behind this were larger movements in balances such as stock, trade debtors and accrued income. The movement between these corresponds with the stage of completion of the underlying programs at both period ends. Another large movement was an increase in pension assets between the two period ends. This was predominantly due to higher than expected gains to the funds invested by the scheme.

During the period ended 31st December 2019 the Company entered a cash pooling facility with the wider Group. The cash on hand balances are now capped and any cash in excess of the cap, or overdraft required are paid into or drawn from the pool. This has moved a balance which would otherwise have been held in cash on hand to intercompany debtors.

Rockwell Collins UK Limited is actively engaged in research and development projects to keep it at the forefront of technology in its field and the five year startegic plan reflects a compound annual growth rate of 27% when comparing revenue. Rockwell Collins UK Ltd is a subsidiary of the wider United Technologies Corporation (UTC) group ("the Group") and retains full support from the group.

As Rockwell Collins UK Limited trades with customers and suppliers across Europe a working group has been formed to analyse the impact of the decision for the UK to leave the European Union. Whilst the Company does not foresee any material impact it will be looking to minimise any potential risks involved with this transition. Rockwell Collins UK Ltd will also look to capitalise on potential new trade deals that will be made possible as a result of leaving the European Union.

On 9 June 2019, UTC entered into a merger agreement with the Raytheon Company to combine its aerospace businesses with Raytheon to form a merged company Raytheon Technologies Corporation. The merger was completed on 3 April 2020, shortly after the completion of the separation of Otis and Carrier. As a result of this merger, the Company is now a member of Raytheon Technologies Corporation.

ROCKWELL COLLINS UK LIMITED

STRATEGIC REPORT (CONTINUED)

KEY PERFORMANCE INDICATORS

Rockwell Collins Inc. manages its operations on a business segment basis, of which Rockwell Collins UK Limited is part. For this reason, the Company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the various business segments, which include the Company, are discussed in the United Technologies Corporation group Annual Report which does not form part of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's activities expose it to a number of financial risks including price risk, credit risk, cash flow risk and liquidity risk. The Directors consider that the group has sufficient financial strength to support the Company if so required.

Cash flow risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Company uses foreign exchange forward contracts to hedge these exposures.

Credit risk

The Company's principal financial assets are bank balances and cash, trade and other receivables and investments.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity and ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of long term and short term debt finance. During the period ended 31 December 2019 Rockwell Collins UK Ltd joined a United Technologies Corporation cash pooling facility and as such has immediate access to funding from the group.

FUTURE DEVELOPMENTS

Rockwell Collins UK limited, as a global holding company, is impacted by public health crises such as the global pandemic associated with COVID-19. The COVID-19 pandemic has significantly increased global economic and demand uncertainty. Public and private sector policies and initiatives in the U.S. and worldwide to reduce the transmission of COVID-19, such as the imposition of travel restrictions and the adoption of remote working, have impacted Rockwell Collins UK Limited business, operations and the aerospace sector as a whole.

Rockwell Collins UK Limited, and its ultimate parent company, Raytheon Technologies (formerly United Technologies Corporation) are working to protect its employees, maintain business continuity and sustain its operations, including ensuring the safety and protection of its employees working in our offices, manufacturing and service facilities worldwide. The COVID-19 pandemic may also impact Raytheon Technologies supply chains, including the ability of suppliers and vendors to provide their products and services to Raytheon Technologies. COVID-19 has impacted and may further impact the broader economies of affected countries, including negatively impacting economic growth, and creating volatility and unpredictability in financial and capital markets, foreign currency exchange rates, and interest rates. The financial impact of the COVID-19 pandemic cannot be reasonably estimated at this time but may materially affect Rockwell Collins UK Limited, financial position, results of operations and cash flows.

The extent of such impact depends on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the scope, severity and duration of the COVID-19 pandemic and actions to contain its spread or treat its impact, among others.

During this period Rockwell Collins UK Ltd has taken advantage of the Coronavirus job retention scheme. At the peak the Company claimed for 83 employees who were in field service engineer roles who were unable to travel and some associated support functions.

Approved by the Board of directors on 8th February 2021 and signed on its behalf by:

DocuSigned by:
H. P. Barton
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H P Barton
Secretary

Unit 730 Wharfedale Road
Winnersh, Wokingham
Berkshire
RG41 5TP

ROCKWELL COLLINS UK LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the 66 week period ended 31st December 2019 (prior financial period 52 week period ended 28 September 2018).

FUTURE DEVELOPMENTS

Full details of the Company's future developments are discussed in the Strategic Report.

EVENTS AFTER THE BALANCE SHEET DATE

On 9 June 2019, United Technologies Corporation (UTC) entered into a merger agreement with the Raytheon Company to combine its aerospace businesses with Raytheon to form a merged company Raytheon Technologies Corporation (RTX). The merger was completed 3 April 2020, shortly after the completion of the separation of Otis and Carrier. As a result of this merger, the Company is now a member of Raytheon Technologies Corporation.

Rockwell Collins UK limited, as a global holding company, is impacted by public health crises such as the global pandemic associated with COVID-19. The COVID-19 pandemic has significantly increased global economic and demand uncertainty. Public and private sector policies and initiatives in the U.S. and worldwide to reduce the transmission of COVID-19, such as the imposition of travel restrictions and the adoption of remote working, have impacted Rockwell Collins UK Limited business, operations and the aerospace sector as a whole.

Rockwell Collins UK Limited, and its ultimate parent company, Raytheon Technologies (formerly United Technologies Corporation) are working to protect its employees, maintain business continuity and sustain its operations, including ensuring the safety and protection of its employees working in our offices, manufacturing and service facilities worldwide. The COVID-19 pandemic may also impact Raytheon Technologies supply chains, including the ability of suppliers and vendors to provide their products and services to Raytheon Technologies. COVID-19 has impacted and may further impact the broader economies of affected countries, including negatively impacting economic growth, and creating volatility and unpredictability in financial and capital markets, foreign currency exchange rates, and interest rates. The financial impact of the COVID-19 pandemic cannot be reasonably estimated at this time but may materially affect Rockwell Collins UK Limited, financial position, results of operations and cash flows.

The extent of such impact depends on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the scope, severity and duration of the COVID-19 pandemic and actions to

RESEARCH AND DEVELOPMENT

During 2019 the Company's projects to develop solutions and products for the simulation and training market proceeded as expected. During the year the Company spent £2,972,051 (2017: £1,828,872) on this development.

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 directors perform monthly forecast reviews with particular consideration given to how COVID-19 will effect future business. The directors have concluded that the impact in future years will primarily be around the timing of contract performance due to travel restrictions. RCUK predominately operates in the defence market which the directors consider to be relatively stable despite the current economic uncertainty. Through the reviews that have taken place the directors retain a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In addition, assurance can be obtained from the letter of support received from RTX for at least 12 months from the date of signing the financial statements. Thus, the company continues to adopt the going concern basis in preparing the annual report and financial statements.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Full details of the company's financial risk management objectives and policies are discussed in the Strategic Report.

DIRECTORS

The directors, who served throughout the year, except as noted, were as follows:

C Alber
C Hazeel
P Hickox
P J Jasper (appointed 26th February 2019)
D Jordan
C Mahoney (resigned 26th February 2019)
S Minett
E D Novak (appointed 26th February 2019)
L Ridgeway (resigned 26th February 2019)
D A Sadler (appointed 26th February 2019)

DIRECTORS' INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

DIVDENDS

No Dividend was declared or paid within the year (2018: £Nil).

ROCKWELL COLLINS UK LIMITED

DIRECTORS' REPORT (continued)

EMPLOYMENT OF DISABLED PERSONS

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

EMPLOYEE CONSULTATION

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings, and other employee communications such as emails and online communities. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests. All employees also receive an annual bonus related to the overall performance of the group.

AUDITOR

Each of the person who is a director at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

APPROVAL OF REDUCED DISCLOSURES

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholders have been notified in writing about this and no objections have been received.

The Company also intend to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by Rockwell Collins Deutschland Holdings GmbH, as the immediate parent of the entity.

Approved by the Board of directors on 8th February 2021 and signed on its behalf by:

DocuSigned by:

H. P. Barton

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H P Barton

Secretary

Unit 730 Wharfedale Road
Winnersh
Wokingham
Berkshire
RG41 5TP

ROCKWELL COLLINS UK LIMITED

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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.

VOLUNTARY REVISION

Under section 454 of the Act the directors have authority to revise annual financial statements and directors' reports if they do not comply with the Act. The revised financial statements must be amended in accordance with the Companies (Revision of Defective Accounts and Report) Regulations 2008 and in accordance therewith do not take account of events which have taken place after the date on which the original financial statements were approved. The Regulations require that the revised financial statements show a true and fair view as if they were prepared and approved by the directors as at the date of the original financial statements.

ROCKWELL COLLINS UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROCKWELL COLLINS UK LIMITED

Report on the audit of the revised financial statements

Opinion

In our opinion the revised financial statements of Rockwell Collins UK Limited (the 'company'):

- give a true and fair view, seen as at the date the original financial statements were approved, of the state of the company's affairs as at 31 December 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland",
- have been prepared in accordance with the requirements of the Companies Act 2006 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 2008.

We have audited the revised financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 26.

These revised financial statements replace the original financial statements approved by the directors on 24 September 2020. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice). The revised financial statements have been prepared under the Companies (Revision of Defective Accounts and Reports) Regulations 2008 and accordingly do not take account of events which have taken place after the date the original financial statements were approved.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the revised financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the revised financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - revision of balance sheet rounding error

We draw attention to the opening page to these revised financial statements which describes the need for revision of a rounding error related to the trade creditors balances, within the Company's balance sheet. The original financial statements were approved on 24 September 2020 and our previous audit report was signed on that date. We have not performed a subsequent events review for the period from the date of our previous auditor's report to the date of this report. Our opinion is not modified in this respect.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROCKWELL COLLINS UK LIMITED

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the revised financial statements is not appropriate; or
- the directors have not disclosed in the revised 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 original financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the revised financial statements and our auditor's report thereon. Our opinion on the revised financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the revised financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the revised financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the revised 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 in respect of these matters.

Report on the audit of the revised financial statements

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the revised financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of revised financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the revised 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.

Auditor's responsibilities for the audit of the revised financial statements

Our objectives are to obtain reasonable assurance about whether the revised financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 revised financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROCKWELL COLLINS UK LIMITED

We are also required to report whether in our opinion the original financial statements failed to comply with the requirements of the Companies Act 2006 in the respects identified by the directors. The audit of revised financial statements includes the performance of procedures to assess whether the revisions made by the directors are appropriate and have been properly made.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the original financial statements for the year ended 31 December 2019 failed to comply with the requirements of the Companies Act 2006 in the respects identified by the directors in the statement contained in the opening page to these revised financial statements.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the revised financial statements are prepared is consistent with the revised financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from
- the revised 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.

We have nothing to report in respect of these matters.

Report on the audit of the revised financial statements

Use of our report

This report is made solely to the company's members, as a body, in accordance with the Companies (Revision of Defective Accounts and Reports) Regulations 2008 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jane Makrakis FCA (Senior Statutory Auditor)
for and behalf of Deloitte LLP
Statutory auditor
Reading, United Kingdom

DocuSigned by:
Jane Makrakis
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Date: 2/8/2021

ROCKWELL COLLINS UK LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE 66 WEEKS ENDED 31 DECEMBER 2019

	Notes	66 weeks ended 31 December 2019 £'000s	52 weeks ended 28 September 2018 £'000s
TURNOVER	3	92,444	66,448
Cost of sales		(73,951)	(51,894)
Gross profit		18,493	14,554
Distribution costs		(6,806)	(4,038)
Administrative expenses		(10,925)	(8,898)
Other operating (expense)/income	5	713	561
		(17,018)	(12,375)
OPERATING PROFIT		1,475	2,179
Finance income/(costs)	4	156	(425)
PROFIT BEFORE TAXATION	5	1,631	1,754
Tax income/(expense) on the profit	9	997	(367)
PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO THE EQUITY SHAREHOLDER OF THE COMPANY		2,628	1,387

All amounts derive from continuing activities.

ROCKWELL COLLINS UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE 66 WEEKS ENDED 31 DECEMBER 2019

	Notes	66 weeks ended 31 December 2019 £'000s	52 weeks ended 28 September 2018 £'000s
PROFIT FOR THE FINANCIAL YEAR		2,628	1,387
Remeasurement of net defined benefit liability	22	4,653	1,958
Tax relating to components of other comprehensive income		(815)	(441)
OTHER COMPREHENSIVE INCOME		3,838	1,517
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		6,466	2,904

ROCKWELL COLLINS UK LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Notes	2,019 £'000s	2,018 £'000s
FIXED ASSETS			
Goodwill	11	-	379
Intangible assets	11	2,749	1,990
Tangible assets	12	9,184	9,853
Investments	13	293	398
		12,226	12,620
CURRENT ASSETS			
Stocks	14	1,728	9,553
Debtors	15	38,072	38,357
Cash at bank and in hand		1,617	2,377
		41,417	50,287
CREDITORS: amounts falling due within one year	17	(35,358)	(44,952)
NET CURRENT ASSETS		6,059	5,335
TOTAL ASSETS LESS CURRENT LIABILTIES		18,285	17,955
PROVISIONS FOR LIABILITIES	18	(4,101)	(5,275)
NET ASSETS EXCLUDING PENSION ASSET		14,184	12,680
PENSION ASSET	22	14,943	9,957
NET ASSETS		29,127	22,637
CAPITAL AND RESERVES			
Called up share capital	19	340	340
Capital contribution reserve	20	19,148	19,124
Profit and loss account	20	9,639	3,173
SHAREHOLDER'S FUNDS		29,127	22,637

The financial statements of Rockwell Collins UK Limited (registered number 00543016) were approved by the board of directors and authorised for issue on 8th February 2021.

They were signed on its behalf by:

DocuSigned by:

S H Minett

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S Minett
Director

ROCKWELL COLLINS UK LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE 66 WEEKS ENDED 31 DECEMBER 2019

	Called up share capital £'000s	Capital contribution reserve £'000s	Profit and loss account £'000s	Total £'000s
At 30 September 2017	**340**	**18,977**	**269**	**19,586**
Profit for the financial year	-	-	1,387	1,387
Remeasurement of net defined benefit asset (note 22)	-	-	1,958	1,958
Tax relating to items of other comprehensive income	-	-	(441)	(441)
Total comprehensive income	-	-	**2,904**	**2,904**
Credit to equity for equity settled share based payments (note 10)	-	147	-	147
At 28 September 2018	**340**	**19,124**	**3,173**	**22,637**
Profit for the financial year	-	-	2,628	2,628
Remeasurement of net defined benefit asset (note 22)	-	-	4,653	4,653
Tax relating to items of other comprehensive income	-	-	(815)	(815)
Total comprehensive income	-	-	**6,466**	**6,466**
Credit to equity for equity settled share based payments (note 10)	-	24	-	24
At 31 December 2019	**340**	**19,148**	**9,639**	**29,127**

ROCKWELL COLLINS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 66 WEEKS ENDED 31 DECEMBER 2019

1 ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and to the preceding period.

Rockwell Collins UK Limited has changed its year end to 31st December to align with the rest of the United Technologies Corporation group. Therefore the financial period represents the 66 weeks ended 31 December 2019 with the comparatives in the financial statements and associated notes being for the 52 weeks ended 30th September and therefore not entirely comparable.

General information and basis of accounting

Rockwell Collins UK Limited is a private company limited by shares incorporated in the United Kingdom - England and Wales under the Companies Act 2006. The address of the registered office is Unit 730 Wharfedale Road, Winnersh, Wokingham, Berkshire, RG41 5TP. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 1 and 2.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Rockwell Collins UK Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Rockwell Collins UK Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Rockwell Collins UK Limited is consolidated in the financial statements of its ultimate parent, United Technologies Corporation, which may be obtained from the company website. Exemptions have been taken in these separate Company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

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.

As discussed in the directors report the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In addition, assurance can be obtained from the letter of support received from United Technologies Coporation for 12 months from the date of signing the financial statements, thus, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Goodwill

Goodwill arising on the acquisition of businesses is capitalised and written off on a straight line basis over five years. This is the company's best estimate of the period over which goodwill will be utilised. Provision is made for any impairment.

Intangible assets - research and development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the Company is expected to benefit. This period is five years, with provision made for any impairment.

Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all fixed assets at rates calculated to write off the cost or valuation, less estimated residual value of each asset on a straight-line basis over its expected useful life, as follows:

Short-term leasehold improvements	Over remaining term of the lease
Plant and machinery	Between 3 and 20 years
Fixtures, fittings, tools and equipment	Between 4 and 10 years
Internally generated software	5 years

Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss.

Amortisation of the internally generated software is recognised as an expense in the cost of sales in the income statement.

Investments

Fixed asset investments are shown at cost less provision for impairment.

1 ACCOUNTING POLICIES (CONTINUED)

Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

The Company uses derivative financial instruments to reduce exposure to foreign exchange risk. The Company does not hold or issue derivative financial instruments for speculative purposes. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in the profit or loss immediately.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Interest on these financial assets and liabilities is expensed as incurred through the profit and loss account.

Stocks

Stocks and work-in-progress are stated at the lower of cost and selling price less costs to sell, which is equivalent to net realisable value. Cost includes materials, direct labour and production overheads based on normal levels of activity. Cost is calculated using the weighted average method. Provision is made for any obsolete, slow moving stock or defective items where appropriate.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss.

ROCKWELL COLLINS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE 66 WEEKS ENDED 31 DECEMBER 2019

1 ACCOUNTING POLICIES (CONTINUED)

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.

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. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment is measured using the revaluation model.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1 ACCOUNTING POLICIES (CONTINUED)

Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable. Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Foreign Currency

Transactions in foreign currencies 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.

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

- exchange differences on transactions entered into to hedge certain foreign currency risks; and
- exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

1 ACCOUNTING POLICIES (CONTINUED)

Pension costs

The Company operates a defined benefit scheme which is closed to new employees and two defined contribution stakeholder pension schemes. The defined benefit scheme continued to accrue benefits under the scheme for existing members until 28 February 2009, at which point the members became deferred members.

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year in accordance with the rules of the scheme. Differences between contributions payable in the year and contributions actually paid are shown either in accruals or prepayments in the balance sheet.

Share based payments

The Company grants to its employees rights to equity instruments of Rockwell Collins Inc., its ultimate parent company. The required disclosures are therefore included in Rockwell Collins Inc.'s consolidated financial statements.

Warranties

The company provides for the estimated cost of anticipated future expenditure that might be incurred under warranty agreements.

Investment in Joint Venture

The company records investments using the cost model and measures its investments at historical cost less any accumulated impairment losses. Dividends and other distributions received from the investment are recorded as income in the period in which they were made.

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINITY

In the application of the Company's accounting policies, which are described in note 1, 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.

There are no critical judgements reflected in the financial statements, apart from those involving estimations (which are dealt with separately below), that the directors are aware of in applying the Group's accounting policies.

Key sources of estimation uncertainty - Revenue Recognition

Approximately 42% of the Company's activities are conducted under long-term contract arrangements and are accounted for in accordance with FRS 102 Section 23 'Revenue'. Revenue and profit on such contracts are recognised according to the stage of completion of the contract activity at the balance sheet date of the particular contract and are calculated by reference to reliable estimates of contract revenue and expected costs. When the contract outcome cannot be reliably estimated, revenue is recognised to match costs until such time as this can be reliably estimated. Expected costs are calculated after taking account of the perceived contract risks related to performance not yet proven.

Owing to the complexity of some of the contracts undertaken by the Company, the cost estimation process is considered a key source of estimation uncertainty and is carried out using the experience of the Company's engineers, project managers and finance and commercial professionals. Because of the level of estimation required, cost estimates are reviewed and updated on a regular basis using the Company's established project management process. Some of the factors that will impact upon cost estimates include the availability of suitably qualified labour, the nature and complexity of the work to be performed, the availability of materials, the impact of change orders and the performance of sub-contractors.

As at 31 December 2019 the Company had accrued income of £6,450k (2018: £3,608k) and customer advances of £5,044k (2018: £12,365k) recorded on the balance sheet, the calculations for which are discussed above and subject to the cost estimations. In addition within trade debtors there were two Middle East customers with a combined outstanding balance of £3,782k that were due at year end and remain outstanding at date of signing the accounts. The directors have a reasonable expectation that these customers will pay in full and that the delays are due to ongoing program discussions.

3 TURNOVER

All turnover is attributable to the Company's principal activities.

An analysis of the Company's turnover by geographical area is set out below:

	Period ended 31 December 2019 £'000s	Period ended 28 September 2018 £'000s
United Kingdom	20,339	20,566
Rest of Europe	31,425	13,077
North America	9,746	9,052
Asia Pacific	1,880	955
Africa & Middle East	29,054	22,798
	92,444	66,448

An analysis of the Company's revenue is as follows:

	Period ended 31 December 2019 £'000s	Period ended 28 September 2018 £'000s
Sale of goods	34,801	28,815
Rendering of services	18,584	18,633
Contracts in progress	39,059	19,000
	92,444	66,448

ROCKWELL COLLINS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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4 FINANCE COST

	Period ended 31 December 2019 £'000s	Period ended 28 September 2018 £'000s
Interest payable on group company loans	503	780
Interest payable on group cash pool facility	161	-
Bank interest payable	5	4
Interest payable and other similar expenses	**669**	**784**
Interest receivable on group cash pool facility	(90)	-
Bank interest receivable	(2)	(10)
Dividend income received from joint venture	(400)	(150)
Interest income and other similar income	**(492)**	**(160)**
Net return on pension scheme assets (see note 22)	(333)	(199)
Finance cost	**(156)**	**425**

5 PROFIT BEFORE TAXATION

	Period ended 31 December 2019 £'000s	Period ended 28 September 2018 £'000s
Profit taxation is after charging/(crediting):		
Depreciation of tangible fixed assets - owned (note 12)	1,804	1,626
Amortisation of goodwill (note 11)	379	612
Amortisation of internally developed software (note 11)	270	639
Impairment of investments	105	775
Cost of stock recognised as an expense	32,824	22,657
Research and development	2,972	1,829
Dilapidations provision release (note 18)	-	206
Rentals under operating leases:		
Hire of plant and machinery	1,666	1,426
Other operating costs	226	249
Foreign exchange loss	(242)	90
Loss on disposal of tangible fixed assets	293	-
Royalty payable	-	2,707

6 AUDITOR'S REMUNERATION

Fees payable to Deloitte LLP and their associates for the audit of the company's annual accounts were £170,000 (2018: £183,475). Fees of £35,790 were payable in the year for non audit or contingent fee services were provided (2018: nil).

7 STAFF NUMBERS AND COSTS

The average monthly number of employees (including directors) was:

	Period ended 31 December 2019 No.	Period ended 28 September 2018 No.
Production	133	106
Administration	183	208
	316	314

Their aggregate remuneration comprised:

	Period ended 31 December 2019 £'000s	Period ended 28 September 2018 £'000s
Wages and salaries	26,365	19,637
Social security costs	3,134	2,318
Share based payment (note 10)	25	147
Pension costs	1,457	1,137
	30,981	23,239

ROCKWELL COLLINS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 66 WEEKS ENDED 31 DECEMBER 2019

8 DIRECTORS' REMUNERATION AND TRANSACTIONS

	Period ended 31 December 2019 £'000s	Period ended 28 September 2018 £'000s
Directors' remuneration		
Emoluments	1,199	704
Company Contributions to money purchase pension schemes	103	65
	1,302	769
The number of directors who:	**No**	**No**
Are members of a defined benefit pension scheme	2	2
Are members of a money purchase pension scheme	4	4
Exercised options overs shares in the parent company	2	2
Had awards receivable in the form of shares in the parent company under a long-term incentive scheme	-	1
	£'000s	**£'000s**
Remuneration of the highest paid director:		
Emoluments	629	243
Company contributions to defined benefit pension schemes	24	19

The highest paid director is a member of the Company's defined benefit pension scheme and had accrued entitlements of £7,764 per annum (2018: £7,764) under the scheme at the end of the year. There is no accrued lump sum. The highest paid director exercised share options and received shares under long-term incentive schemes.

ROCKWELL COLLINS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 66 WEEKS ENDED 31 DECEMBER 2019

9 TAX

Analysis of tax charge	Period ended 31 December 2019 £'000s	Period ended 28 September 2018 £'000s
Current tax:		
United Kingdom corporation tax	-	484
Adjustment in respect of prior years	(292)	-
Total current tax	(292)	484
Deferred taxation:		
Changes in tax rates and laws	301	321
Adjustment in respect of previous periods	(911)	(461)
Timing difference, origination and reversal	(95)	22
Total deferred tax	(705)	(118)
Tax on profit	(997)	366

The standard rate of tax applied to reported profit is 19 per cent (2018: 19 per cent). The applicable tax rate has changed following the substantive enactment of the Finance Act 2016. During the period beginning 29 September 2019, the net reversal of deferred tax assets and liabilities is expected to decrease the corporation tax charge for the year by £nil.

1 TAX (CONTINUED)

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	Period ended 31 December 2019 £'000s	Period ended 28 September 2018 £'000s
Tax on profit at the UK tax rate 19% (2018: 19%)	310	333
Effects of:		
Expenses not deductible for tax purposes	(4)	209
Adjustment from previous periods in respect of:		
Fixed assets	(676)	(60)
Short Term & other timing differences	(532)	(438)
Tax rate changes	(95)	322
	(997)	366

As a result of the reductions to the UK tax rate as enacted in 2015 and 2016 whereby the tax rates will reduce to 19% from 1 April 2017 and 17% from 1 April 2020, UK deferred tax expected to reverse from December 2017 to March 2020 has been measured using 19% and 17% from 1 April 2020.

Following the UK Budget announcements on 11 March 2020, the UK corporation tax rate shall not be reduced to 17% and shall remain at 19%. This change will not have a material impact on the closing deferred tax liability.

10 SHARE BASED PAYMENTS

The Company grants to its employees rights to equity instruments of Rockwell Collins Inc., its ultimate parent company. The required disclosures are therefore included in the Group's consolidated financial statements. Rockwell Collins UK Limited measures its share-based payment expense as a proportion of the expense recognised for the entire share-based payment scheme based on the number of employees participating in the scheme. In 2019, an expense of £24,679 was recorded in the profit and loss account (2018: £146,667).

11 INTANGIBLE FIXED ASSETS

	Goodwill £'000s	Internally generated software £'000s	Total £'000s
Cost			
At 28 September 2018	5,190	7,173	12,363
Additions	-	1,027	1,027
Disposals	-	-	-
At 31 December 2019	5,190	8,200	13,390
Accumulated amortisation			
At 29 September 2018	4,811	5,183	9,994
Charges for the year	379	268	647
Impairment	-	-	-
Disposals	-	-	-
At 31 December 2019	5,190	5,451	10,641
Net book value			
At 31 December 2019	-	2,749	2,749
At 28 September 2018	379	1,990	2,369

Goodwill is written off in equal instalments over its estimated economic life of 5 years.

Internally developed software costs relate to development of commercial airport imagery databases. This development has added incremental locations and functionality to the imagery databases that is expected to benefit multiple customers and product lines. The costs are therefore capitalised and depreciated over their useful economic life of 5 years.

ROCKWELL COLLINS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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12 TANGIBLE FIXED ASSETS

	Short-term leasehold	Plant and machinery	Fixtures, fittings, tools	Total
	£'000s	£'000s	£'000s	£'000s
Cost				
At 28 September 2018	10,155	4,904	4,869	19,928
Additions	33	173	912	1,118
Transfer of assets	32	-	52	84
Disposals	-	(82)	(98)	(180)
At 31 December 2019	10,220	4,995	5,735	20,950
Accumulated depreciation				
At 29 September 2018	2,617	4,442	3,016	10,075
Charge for the year	1,022	236	546	1,804
Disposals	-	(80)	(33)	(113)
At 31 December 2019	3,639	4,598	3,529	11,766
Net book value				
At 31 December 2019	6,581	397	2,206	9,184
At 28 September 2018	7,538	462	1,853	9,853

ROCKWELL COLLINS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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13 INVESTMENT IN JOINT VENTURE

	£'000s
Cost	
31 December 2019 and 28 September 2018	1,173
Impairment	
Cost	775
Charge for the year	105
At 31 December 2019	880
Net book value	
At 31 December 2019	293
At 28 September 2018	398

On 26 May 2006 the company acquired 50% of the shares of Quest Flight Training Limited for a consideration of £1,173,083. As the company does not produce consolidated accounts this investment has been included in the company's balance sheet at the purchase price.

During the period ended 31 December 2019 a review of this investment was completed which resulted in an impairment of £105,770. This has arisen due to a customer contract lapsing at the end of December 2017 with renewal remaining outstanding as at the date of signing the financial statements. The Joint Venture continues to pursue the renewal of this contract but as at the date of signing the accounts it remains outstanding.
At 31 December 2019, the company had the following investment:

	Country of incorporation	**Principal activity**	**Holding**	**%**
Quest Flight Training Limited Victoria Gardens Burgess Hill West Sussex RH15 9NB	England & Wales	Training Services	Ordinary shares	50

The accounting period for Quest Flight Training Limited runs from 1 April to 31 March. The mid-year financial statements to 31 December 2019 and 28 September 2018 as presented to the Board have therefore been used for the following disclosures.

13 INVESTMENT IN JOINT VENTURE (CONTINUED)

Additional disclosures are required in respect of Quest Flight Training Limited under FRS 102 Associates and Joint Ventures as follows:

	2019 £'000s	2018 £'000s
Fixed assets	2,086	2,510
Current assets	418	671
	2,504	3,181
Liabilities due within one year	(1,703)	(1,978)
Liabilities due after more than one year	(97)	(475)
Share of gross liabilities	(1,800)	(2,453)
Share of net assets	704	728

	2019 £'000s	2018 £'000s
Share of turnover	2,271	1,381
Share of profit before tax	592	321
Tax	(48)	(90)
Share of profits after tax	544	231

Excluding the investment balance shown above, at 31 December 2019, the Company had a balance of £59,647 (2018: £57,584) owed by Quest Flight Training Limited. Income of £342,057 (2018: £346,994) was received from the joint venture and expenses of £Nil (2018: £Nil) were paid to the joint venture during the financial year.

14 STOCKS

	2019 £'000s	2018 £'000s
Raw materials and consumables	179	1,685
Work-in-progress	24	1,434
Finished goods	1,525	6,434
	1,728	9,553

15 DEBTORS

	2019 £'000s	2018 £'000s
Trade debtors	10,059	27,204
Amounts recoverable on contracts	6,552	3,608
Amounts owed by group undertakings	19,954	6,580
Corporation tax	511	-
Other debtors	349	483
Prepayments and accrued income	647	482
	38,072	38,357

Included in the amounts owed by group undertakings is £9,583,486 (2018: £1,957,136) relating to trade balances which are payable within 30 days, the remaining balance in 2018 of £4,622,704 was paid in December 2019. During the period ended 31 December 2019 Rockwell Collins UK Ltd joined a group cash pooling facility and as at 31 December 2019 had £10,641,561 invested in the pool. Prior to joining the cash pool these funds would have been held at the bank as cash in hand. Any funds held in the cash pool are instantly accessible.

There are no amounts included above balances that are due after more than one year.

16 DEFERRED TAX LIABILITY

	£'000s
Balance at 28 September 2018	(682)
Deferred tax charge in profit and loss account	(206)
Deferred tax charge in equity for the period	(815)
Adjustment in respect of prior years	910
Balance at 31 December 2019	(793)

The analysis of the deferred tax balance is as follows:

	2019 £'000s	2018 £'000s
Depreciation in excess of capital allowances	1,152	688
Short term timing differences	619	782
Deferred tax in relation to Research & development	-	95
	1,771	1,565
Deferred tax relating to pension assets (see note 22)	(2,564)	(2,247)
Deferred taxation (liability)/asset	(793)	(682)

17 CREDITORS

	2019 £'000s	2018 £'000s
Trade creditors	1,759	3,255
Amounts owed to group undertakings	22,122	22,962
Other taxation and social security	847	889
Corporation tax liability	-	346
Other creditors	508	22
Accruals	5,016	5,171
Deferred income	5,106	12,307
	35,358	44,952

Included in the amounts owed to group undertakings is £332,541 (2018: £893,674) relating to trade balances which are payable within thirty days. During the period ended 31 December 2019 the loan previously held with Rockwell Collins Financing LP (2018: £21,902,152) was refinanced and is now included within United Technologies group cash pool facility. At the year end the remaining £21,789,617 is payable to this facility.

ROCKWELL COLLINS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 66 WEEKS ENDED 31 DECEMBER 2019

18 PROVISIONS FOR LIABILITIES AND CHARGES

	End of service benefit £'000s	Deferred tax liability £'000s	Dilapidations provision £'000s	Warranty & Loss Provision £'000s	Total £'000s
Balance as at 28 September 2018	92	682	1,975	2,526	5,275
Profit and loss account charge:					
Additions	-		-	309	309
Utilisation of provision	(33)	(704)	-	(1,561)	(2,298)
Comprehensive income charge:					
Additions	-	815	-	-	815
	59	793	1,975	1,274	4,101

The end of service provision relates to a group of employees working in Saudi Arabia as local Saudi Arabian Labour law requires that employees are due an end of service benefit once they leave the country at the end of their work assignment in country.

The dilapidations provision is accrued over time to meet the anticipated dilapidation expense upon expiry of two building leases.

The warranty provision covers specific warranties negotiated with individual customers on a contract by contract basis which are utilised over the period of the contract.

19 CALLED UP SHARE CAPITAL

	2019 £'000s	2018 £'000s
Called up, allotted and fully paid		
340,000 ordinary shares of £1 each	340	340

The Company has one class of ordinary shares which carry no right to fixed income.

20 RESERVES

	Capital contribution £'000s	Profit and loss account £'000s
Opening reserves	19,124	3,173
Share based payments	24	-
Profit for the year	-	2,628
Actuarial gain recognised in the Statement of comprehensive income (net of deferred tax)	-	3,838
Closing reserves	19,148	9,639

The profit and loss reserve represents cumulative profits or losses, net of dividend paid and other adjustments.

The Capital contribution reserve was created following a €22M capital injection from Rockwell Collins Deutschland on 31 May 2012. In addition annual entries are to record the impact of share based payments.

21 FINANCIAL COMMITMENTS

Operating lease commitments

The company uses operating leases to acquire plant and machinery. These leases have terms of renewal but no purchase option. Future minimum lease payments due under operating leases are:

	Land and buildings	Other	Land and buildings	Other
	2019 £'000s	2019 £'000s	2018 £'000s	2018 £'000s
Lease which expire:				
Within one year	1,297	218	1,305	242
Within 1 to 2 years	1,017	199	1,305	116
Within 3 to 5 years	2,720	192	3,305	139
In more than 5 years	3,845	-	5,893	-
	8,879	609	11,808	497

22 DEFINED BENEFIT PENSION SCHEME

In the Period ended 28 September 2018, the company operated two pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds.

The RCUK Pension Savings Plan is a defined contribution pension scheme. The amount charged against profit during the 66 weeks ended 31 December 2019 in respect of this scheme was £1,453,327 (2018: £1,136,701).

The second scheme, Rockwell Collins (UK) Limited Pension Scheme ("the Scheme"), is a funded defined benefit arrangement. The assets of the scheme are held under trust, separately from those of the company. Following the closure to new employees on 11 January 2006 the scheme ceased to accrue benefits to existing members on 28 February 2009; all members of the scheme are now deferred members.

The pension cost charged to the profit and loss account is calculated in accordance with the advice of the actuaries, based on the estimated financial position of the scheme as at 1 April 2018.

At the date of the review, the market value of the scheme's assets was £75,300k (excluding AVCs). The funding level of the scheme was 111%.

At 31 December 2019, the market value of the scheme's assets was £79,978k (excluding AVCs), and the estimated funding level of the scheme was 123%.

The employer contribution rate to the plan up to 28 February 2009 when the scheme ceased to accrue benefits was 15% of pensionable salary. The employer has also paid the following lump sums in the Scheme: £3,000,000 in September 2005, £2,000,000 in March 2006, £1,251,000 in April 2007, £1,251,000 in April 2008, £1,251,000 in April 2009, £1,251,000 in March 2010, £1,300,000 in March 2011, 2012, 2013, 2014, 2015, 2016 and 2017. There are no plans are in place to make further contributions.

A full actuarial valuation was carried out at 1 April 2018 and updated to 31 December 2019 by a qualified independent actuary. The financial assumptions which have the most significant effect on the results are set out below.

22 DEFINED BENEFIT PENSION SCHEME (CONTINUED)

	2019 % pa	2018 % pa
Inflation	3.00	3.60
Discount rate	2.00	2.67
Rate of increase in pension payment:		
- 1997 pension	2.30	2.60
Rate of increase in pensions deferment	2.25	2.60

a) Assets in the plan:

	31 December 2019 £'000s	28 September £'000s
Equity securities	-	9,379
Debt securities	59,184	63,090
Other	20,794	806
Fair value of plan assets	79,978	73,275
Actuarial value of the plan liabilities	(65,035)	(63,318)
Net pension asset	14,943	9,957

b) Components of defined benefit cost for the Period ended 31 December 2019

Analysis of amounts charged/(credited) to other finance income:

	2019 £'000s	2018 £'000s
Interest on planned liabilities	2,071	1,636
Expected return on assets in the plan	(2,404)	(1,835)
	(333)	(199)

Analysis of the amounts recognised in the statement of comprehensive income:

	2019 £'000s	2018 £'000s
Actual return less expected return on plan assets	6,815	(16)
Changes in the assumptions underlying plan liabilities	(2,162)	1,974
	4,653	1,958

ROCKWELL COLLINS UK LIMITED

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FOR THE 66 WEEKS ENDED 31 DECEMBER 2019

22 DEFINED BENEFIT PENSION SCHEME (CONTINUED)

c) Reconciliation to the balance sheet

	2019 £'000s	2018 £'000s
Surplus in plan at the beginning of the year (before deferred tax)	9,957	7,800
Other finance income	333	199
Actuarial gain/(loss)	4,653	1,958
	14,943	9,957

d) Reconciliation of present value of plan liabilities and assets

Change in present value of plan liabilities

	2019 £'000s	2018 £'000s
Present value of the plan liabilities at the start of the year	63,318	65,202
Interest on pension liabilities	2,071	1,636
Changes in assumptions underlying the plan liabilities	2,162	(1,974)
Benefits paid	(2,516)	(1,546)
	65,035	63,318

Change in present value of the plan assets

	2019 £'000s	2018 £'000s
Present value of plan assets at the start of the year	73,275	73,002
Expected return on plan assets	2,404	1,835
Actual less expected return on plan assets	6,815	(16)
Employer's contributions	-	-
Benefits paid	(2,516)	(1,546)
	79,978	73,275

23 CONTINGENCIES AND COMMITMENTS

The company has a deferment guarantee of up to £150,000 on Customs & Excise payments.

In connection with the acquisition of Quest Flight Training Limited from Evans & Sutherland Computer Limited, the company entered into a guarantee related to various obligations of Quest Flight Training Limited. The company guarantees, jointly and severally with Quadrant, the performance of Quest Flight Training Limited in relation to its contract with the United Kingdom Ministry of Defence (which expires in 2030).

In addition, the company guarantees, jointly and severally with Quadrant, the performance of certain Quest Flight Training Limited subcontractors. This guarantee is in place until 2020 and is subject to a maximum amount of £1 million.

The company has also pledged equity shares in Quest Flight Training Limited to guarantee payment by Quest Flight Training Limited of a loan agreement executed by Quest Flight Training Limited. The loan agreement terminates in 2020. The pledge of the company's equity shares in Quest Flight Training Limited will expire at such time as Quest Flight Training Limited's obligations under the loan agreement are satisfied or the date on which the loan agreement is otherwise terminated. In the event of default on this loan agreement, the lending institution can request that the trustee holding such equity shares surrender them to the lending institution in order to satisfy all amounts then outstanding under the loan agreement. At 31 December the outstanding loan balance was £3,853,000 (2018: £3,853,000). Quadrant has made an identical pledge to guarantee this obligation of Quest Flight Training Limited.

The company has guaranteed cash payment with Barclays Bank up to a maximum of £125,000 in the event that Quest Flight Training Limited has a default event on the loan agreement. This guarantee is in place until 2020. Quadrant has made identical guarantees for the obligation of Quest Flight Training Limited.

Should Quest Flight Training Limited fail to meet its obligations under these agreements, these guarantees may become a liability of the company and Quadrant. At 31 December 2019, the Quest Flight Training Limited guarantees are not reflected in the company's financial statements because the company believes that Quest Flight Training Limited will meet all of its performance and financial obligations in relation to its contract with the United Kingdom Ministry of Defence and the loan agreement.

24 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

As at 31st December 2019 the immediate parent company is Rockwell Collins Deutschland Holdings GmBH., a company incorporated in Germany. The ultimate controlling party is United Technologies Corporation, a company incorporated in the United States of America. The only group of which the company is a member and for which group accounts are prepared is the United Technologies Corporation Consolidated financial statements are available from United Technologies Coporation, World Headquarters, 10 Farm Springs Road, Farmington, Connecticut 06032-2577.

25 RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard No. 8 "Related Party Disclosures", transactions with other group undertakings within, and investee related parties of, the Rockwell Collins Inc. group of companies have not been disclosed in these financial statements.

Transactions with Quest Flight Training Limited are disclosed within note 13.

26 SUBSEQUENT EVENTS

On 9 June 2019, UTC entered into a merger agreement with the Raytheon Company to combine its aerospace businesses with Raytheon to form a merged company Raytheon Technologies Corporation. The merger was completed 3 April 2020, shortly after the completion of the separation of Otis and Carrier. As a result of this merger, the Company is now a member of Raytheon Technologies Corporation.

Rockwell Collins UK limited, as a global holding company, is impacted by public health crises such as the global pandemic associated with COVID-19. The COVID-19 pandemic has significantly increased global economic and demand uncertainty. Public and private sector policies and initiatives in the U.S. and worldwide to reduce the transmission of COVID-19, such as the imposition of travel restrictions and the adoption of remote working, have impacted Rockwell Collins UK Limited business, operations and the aerospace sector as a whole.

Rockwell Collins UK Limited, and its ultimate parent company, Raytheon Technologies (formerly United Technologies Corporation) are working to protect its employees, maintain business continuity and sustain its operations, including ensuring the safety and protection of its employees working in our offices, manufacturing and service facilities worldwide. The COVID-19 pandemic may also impact Raytheon Technologies supply chains, including the ability of suppliers and vendors to provide their products and services to Raytheon Technologies. COVID-19 has impacted and may further impact the broader economies of affected countries, including negatively impacting economic growth, and creating volatility and unpredictability in financial and capital markets, foreign currency exchange rates, and interest rates. The financial impact of the COVID-19 pandemic cannot be reasonably estimated at this time but may materially affect Rockwell Collins UK Limited, financial condition, results of operations and cash flows.

The extent of such impact depends on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the scope, severity and duration of the COVID-19 pandemic and actions to contain its spread or treat its impact, among others.