

**Sirius (Korea) Limited**  
**Annual report**  
**for the year ended 31 December 2019**

Registered number: **03855125**

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# Sirius (Korea) Limited

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## **Sirius (Korea) Limited**

### **Strategic report for the year ended 31 December 2019**

The directors present their strategic report for the company for the year ended 31 December 2019.

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

#### **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 26 November 2018, United Technologies Corporation, subsequently renamed to Raytheon Technologies Corporation on 3 April 2020 ("UTC" or "Parent") announced its intention to spin off its Otis reportable segment into a separate publicly traded company ("the Separation"). On 3 April 2020, UTC completed the spin-off of Otis through a pro-rata distribution of 0.5 shares of Otis common stock for every share of UTC common stock held at the close of business on the record date of 3 April 2020. Otis began to trade as a separate public company (NYSE: Otis) on 3 April 2020. From this date the company is a wholly owned subsidiary of Otis Worldwide Corporation.

#### **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.

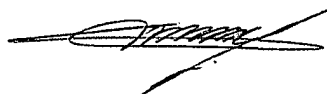
#### **Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks faced by the underlying investments of the company driven by the market, changes in regulations and risks associated with the financial strength of both suppliers and customers. The directors continually monitor and consider these risks and have strong policies and procedures that reduce their impact.

#### **Approval**

Approved by the Board and signed on its behalf by:

**Registered office**  
Chiswick Park  
Building 5  
Ground Floor  
566 Chiswick High Road  
London  
W4 5YF



M Yao  
**Director**  
22 December 2020

## **Sirius (Korea) Limited**

### **Directors' report for the year ended 31 December 2019**

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2019.

#### **Principal activities**

The company is an investment holding company. The subsidiary companies' activities comprise the manufacture, installation and servicing of lifts and escalators.

#### **Results and dividends**

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

No dividend was proposed or paid during the year (2018: £nil).

#### **Future developments**

On 26 November 2018, United Technologies Corporation, subsequently renamed to Raytheon Technologies Corporation on 3 April 2020 ("UTC" or "Parent") announced its intention to spin off its Otis reportable segment into a separate publicly traded company ("the Separation"). On 3 April 2020, UTC completed the spin-off of Otis through a pro-rata distribution of 0.5 shares of Otis common stock for every share of UTC common stock held at the close of business on the record date of 3 April 2020. Otis began to trade as a separate public company (NYSE: Otis) on 3 April 2020. From this date the company is a wholly owned subsidiary of Otis Worldwide Corporation.

#### **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.

#### **Covid-19**

A novel strain of coronavirus surfaced in Wuhan, China in December 2019, and has since spread throughout the rest of the world, particularly in Europe, the Middle East and North America, resulting in widespread travel restrictions, extended shutdown of non-essential businesses, including construction and hospitality venues and in some cases, impacting the Otis Worldwide Corporation Group's ('the Group') factories and our new equipment installations. The extent of the resulting impact of the coronavirus on the Group's business is uncertain at this time and will depend on future developments, but prolonged closures throughout the world and the anticipated decreases in the general level of economic activity may further disrupt the Group's operations and the operations of our suppliers, distributors and customers. Any of these factors could have a material adverse effect on the Group's business, results of operations, cash flows and financial condition.

The Group's Senior Leadership team have taken a number of measures to monitor and prevent the effects of the COVID-19 virus on the Group's business, such as health and safety measures for people (including social distancing, providing appropriate PPE for on-site engineers and working from home).

The Group has also secured the supply of materials that are essential to installation, repair and maintenance operations.

At this stage, the impact on the Group's business and the results is noticeable with site closures, impacts on non-essential maintenance and repair visits and furloughed employees but the overall assessment at this moment in time is limited and we will continue to follow the UK Government advice and in parallel will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our people.

## **Sirius (Korea) Limited**

### **Directors' report for the year ended 31 December 2019**

#### **Covid-19 (continued)**

The company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the company for future periods.

#### **Financial risk management**

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

#### **Liquidity risk**

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

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

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

#### **Directors**

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

M Yao  
R Sadler  
R Bisson (resigned 10 February 2020)  
A Bierer (appointed 10 February 2020)

#### **Directors' indemnity**

The directors have the benefit of an indemnity (provided on a group wide basis via the ultimate parent company) 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.

#### **Statement of directors' responsibilities in respect of the financial statements**

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

## Sirius (Korea) Limited

### Directors' report for the year ended 31 December 2019

#### Statement of directors' responsibilities in respect of the financial statements (continued)

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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

#### Statement of disclosure of information to auditors

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

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

#### Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to be reappointed for another term and appropriate arrangements 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:

**Registered office**  
Chiswick Park  
Building 5  
Ground Floor  
566 Chiswick High Road  
London  
W4 5YF



M Yao  
Director  
22 December 2020

## Sirius (Korea) Limited

### Independent auditors' report to the members of Sirius (Korea) Limited For the year ended 31 December 2019

#### Report on the audit of the financial statements

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##### Opinion

In our opinion, Sirius (Korea) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report, which comprise: the Balance sheet at 31 December 2019; the Income statement, 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 have fulfilled our other ethical responsibilities in accordance with these requirements.

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##### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- 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.

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.

**Independent auditors' report to the members of Sirius (Korea) Limited  
For the year ended 31 December 2019**

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**Reporting on other information**

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

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

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

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

*Strategic report and Directors' report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2019 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 the Directors' report.

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**Responsibilities for the financial statements and the audit**

*Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

*Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



## Sirius (Korea) Limited

### Independent auditors' report to the members of Sirius (Korea) Limited For the year ended 31 December 2019

#### *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.

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#### **Other required reporting**

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##### **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, 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.



Nicholas Stevenson (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
East Midlands  
22 December 2020

## Sirius (Korea) Limited

### Income statement

For the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Administrative expenses		(16)	(328)
<b>Operating loss</b>		<b>(16)</b>	<b>(328)</b>
Income from shares in group undertakings		64,644	34,727
Finance income	3	476	295
Finance costs	4	(12,242)	(12,242)
<b>Profit before taxation</b>		<b>52,862</b>	<b>22,452</b>
Tax on profit	8	(7,092)	(3,831)
<b>Profit for the financial year</b>		<b>45,770</b>	<b>18,621</b>

All results are derived from continuing operations.

There are no other items of comprehensive income other than the profit for the year (2018: £nil).

The notes on pages 11 to 22 form part of these financial statements.

**Sirius (Korea) Limited**  
**Registered number: 03855125**

**Balance sheet as at 31 December 2019**

	Note	2019 £'000	2018 £'000
<b>Fixed assets</b>			
Investments	9	208,451	208,451
<b>Current assets</b>			
Debtors	10	101,446	67,434
<b>Creditors: Amounts falling due within one year</b>	11	(21,511)	(33,269)
<b>Net current assets</b>		<b>79,935</b>	<b>34,165</b>
<b>Total assets less current liabilities</b>		<b>288,386</b>	<b>242,616</b>
<b>Creditors: Amounts falling due after more than one year</b>	12	<b>(157,960)</b>	<b>(157,960)</b>
<b>Net assets</b>		<b>130,426</b>	<b>84,656</b>
<b>Equity</b>			
Called up share capital	13	99	99
Share premium account	14	39,461	39,461
Profit and loss account		90,866	45,096
<b>Total shareholders' funds</b>		<b>130,426</b>	<b>84,656</b>

The notes on pages 11 to 22 form part of these financial statements.

The financial statements on pages 8 to 22 were approved by the board of directors on 22 December 2020 and were signed on its behalf by:



M Yao  
Director

**Sirius (Korea) Limited**

**Statement of changes in equity  
For the year ended 31 December 2019**

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total share- holders' funds £'000
Balance as at 1 January 2018	99	39,461	26,475	66,035
Profit for the financial year	-	-	18,621	18,621
<b>Balance at 31 December 2018</b>	<b>99</b>	<b>39,461</b>	<b>45,096</b>	<b>84,656</b>
Profit for the financial year	-	-	45,770	45,770
<b>Balance at 31 December 2019</b>	<b>99</b>	<b>39,461</b>	<b>90,866</b>	<b>130,426</b>

The notes on pages 11 to 22 form part of these financial statements.

# Sirius (Korea) Limited

## Notes to the financial statements For the year ended 31 December 2019

### 1. Accounting policies

The principal activity of the company is that of an investment holding company.

The company is a private limited company, limited by shares, and is incorporated and domiciled in the United Kingdom. The address of its registered office is Chiswick Park, Building 5, Ground Floor, 566 Chiswick High Road, London, W4 5YF.

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 FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The financial statements have been prepared on a going concern basis, and also on the historical cost basis, except for financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, 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 Sirius (Korea) 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 United Technologies Corporation, a company incorporated in the United States of America.

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

IFRS 3 – not to restate business combinations before the date of transition

IFRS 7 – financial instrument disclosures

IFRS 13 – disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities

IAS 1 – Information on management of capital

IAS 7 – statement of cash flows

IAS 8 – disclosures in respect of new standards and interpretations that have been issued but are not yet effective

IAS 24 - disclosure of key management compensation and for related party disclosures entered into between two or more wholly owned members of a group;

IAS 1 - the requirement to present roll forward reconciliations in respect of share capital and

IAS 16 - the requirement to present roll forward reconciliations in respect of property, plant and equipment

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 15.

# Sirius (Korea) Limited

## Notes to the financial statements For the year ended 31 December 2019

### 1. Accounting policies (continued)

#### New standards, amendments and IFRIC interpretations

IFRS 16 is effective for accounting periods beginning on or after 1 January 2019. IFRS 16, 'Leases', requires entities to report information that faithfully represents lease transactions and provides a basis for the user of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. There is no material impact on the financial statements from adopting this standard.

There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2019 that 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 strategic report also describes the financial position of the company; the entity is set-up as a holding company and has no trading operations. The company meets its day to day working capital requirements through treasury arrangements which are provided by the ultimate parent undertaking. The company's ultimate parent undertaking and controlling party is Otis Worldwide Corporation, a company incorporated in the United States of America.

The company as an investment holding company has limited transactions, nor has the business of the company been materially adversely impacted by the COVID pandemic. The directors do not expect the company to fund material cash expenditure during the next 12 months and any liabilities that do arise will be funded by the intercompany funding arrangements provided by the Otis group.

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

#### 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 income statement 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.

# Sirius (Korea) Limited

## Notes to the financial statements For the year ended 31 December 2019

### 1. Accounting policies (continued)

#### Taxation (continued)

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.

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.

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.

#### Finance 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.

#### Finance costs

Interest expense is recognised using the effective interest rate method. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability for interest expense.

# Sirius (Korea) Limited

## Notes to the financial statements For the year ended 31 December 2019

### 1. Accounting policies (continued)

#### 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.

Investments are reviewed for impairment at each balance sheet date. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognized immediately in profit or loss.

#### Financial assets

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

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables. To measure the expected credit losses, receivable have been grouped based on shared credit risk characteristics and days past due.

#### Share capital

Preference shares, which do not have a redemption entitlement, have mandatory dividend payments paid half-yearly in arrears and are classified as liabilities. The dividends on these preference shares are recognised in the income statement as finance costs.

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.



## Sirius (Korea) Limited

### Notes to the financial statements For the year ended 31 December 2019

#### 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 directors do not consider there to be any critical accounting judgements in respect of the preparation of the financial statements. Set out below are the key sources of estimation uncertainty. 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.

**Impairment of investments** - Determining whether the company's investment in a fellow group company requires a detailed impairment assessment initially requires a comparison of the carrying value of the investment with the underlying net assets. Where a detailed impairment assessment is required this involves the estimation of the investments' value in use. The value in use calculations require the entity to estimate the future cash flows expected to arise from the investment and suitable discount rates in order to calculate present values. The carrying amount of investments in subsidiaries at the balance sheet date was £208,451,000 (2018: £208,451,000) with no impairment loss recognised in 2019 or 2018.

**Impairment of financial assets** - The company assesses on a forward-looking basis the expected credit loss associated with its financial assets. The impairment methodology applied depends on whether there has been significant increase in credit risk. For receivables, the company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. See note 10 for the net carrying amount of the receivables.

#### 3. Finance income

	2019 £'000	2018 £'000
Interest receivable:		
Other loans and receivables	476	295

#### 4. Finance costs

	2019 £'000	2018 £'000
Dividend appropriated on 1,579,599 7.75% Redeemable Preference Shares of £100 each	(12,242)	(12,242)

## Sirius (Korea) Limited

### Notes to the financial statements For the year ended 31 December 2019

#### 5. Auditors' remuneration

Fees payable to PricewaterhouseCoopers LLP for the audit of the company's annual financial statements were £1,354 (2018: £1,354).

Fees payable to PricewaterhouseCoopers LLP for non-audit services to the company were £nil (2018: £nil).

#### 6. Employees

The company had no employees during the year (2018: none).

#### 7. Directors' remuneration

The directors' remuneration has been borne by a fellow group company, Otis Limited. It is not practical to apportion their remuneration for their services as director between the different group companies. Details of their remuneration can be found in the financial statements of Otis Limited.

#### 8. Tax on profit

Tax charge included in the income statement:

	2019	2018
	£'000	£'000
<b>Current tax</b>		
UK corporation tax on profits for the year	-	-
Adjustments in respect of prior years	-	12
Withholding tax paid on dividend received in the year	7,092	3,819
<b>Total tax on profit</b>	<b>7,092</b>	<b>3,831</b>

## Sirius (Korea) Limited

### Notes to the financial statements For the year ended 31 December 2019

#### 8. Tax on profit (continued)

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

	2019	2018
	£'000	£'000
<b>Profit before taxation</b>	<b>52,862</b>	<b>22,452</b>
Tax on profit at standard UK corporation tax rate of 19% (2018: 19%)	<b>10,044</b>	4,266
Effects of:		
Expenses not deductible for tax purposes	<b>2,326</b>	2,387
Group relief surrendered for nil consideration	<b>(87)</b>	(55)
Withholding tax paid on dividend received in the year	<b>7,092</b>	3,819
Income not subject to tax	<b>(12,283)</b>	(6,598)
Adjustments in respect of prior years	-	12
<b>Total tax charge for year</b>	<b>7,092</b>	<b>3,831</b>

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate, to reduce the rate to 17% from 1 April 2020. Subsequent to this Finance Bill, at budget 2020, the UK government announced that the corporation tax rate for the years starting 1 April 2020 and 2021 would remain at 19%. This tax rate had not been enacted at the balance sheet date and as a consequence the tax rate of 17% has been used for the purposes of deferred tax calculations. The difference between tax rates enacted at year end of 17% and the rates subsequently enacted as part of the Finance Bill 2020 is not deemed to be material to the company.

#### 9. Investments

£'000

##### **Cost and net book value**

<b>At 31 December 2018 and 31 December 2019</b>	<b>208,451</b>
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The proportion of ownership interest is, 100% of the ordinary share capital of Otis LG Elevator Korea Company. The nature of the business is manufacture and sale of elevator equipment.

The registered address for Otis LG Elevator Korea Company is Samwhan Camus Building 4F, 17-3 Yeoido-Dong, Yeongdeungpo-gu, Seoul 150-874, Korea.

The investment is stated at cost less provision for impairment.

## Sirius (Korea) Limited

### Notes to the financial statements For the year ended 31 December 2019

#### 10. Debtors

	2019	2018
	£'000	£'000
Amounts owed by group undertakings	<b>101,446</b>	67,434

The amounts owed by group undertakings is an unsecured loan to Otis E&M Company Limited, which is interest bearing at 0.75% and has no maturity date.

#### 11. Creditors: Amounts falling due within one year

	2019	2018
	£'000	£'000
Amounts owed to group undertakings	26	26
Preference share dividend	21,472	33,230
Accruals and deferred income	13	13
	<b>21,511</b>	33,269

The amounts owed to group undertakings is an inter-company balance with Otis Limited, which attracts no interest and is repayable on demand.

#### 12. Creditors: Amounts falling due after more than one year

	2019	2018
	£'000	£'000
Other creditors	<b>157,960</b>	157,960

Preference shares have no fixed terms of repayment. The preference shareholders are entitled to a fixed cumulative dividend at the annual rate of 7.75% of the issue price per preference share. For other details see note 13.

## Sirius (Korea) Limited

### Notes to the financial statements For the year ended 31 December 2019

#### 13. Called up share capital

##### Ordinary shares

	2019	2018
	£'000	£'000
<b>Allotted, called-up and fully-paid</b>		
99,500 (2018: 99,500) ordinary shares of £1 (2018: £1) each	99	99

##### Preference shares

	2019	2018
	£'000	£'000
<b>Allotted, called-up and fully-paid</b>		
1,579,599 (2018: 1,579,599) preference shares of £100 (2018: £100) each	157,960	157,960

The preference shares are classified as liabilities in the balance sheet.

The cumulative redeemable preference shares of £100 each (the "Redeemable Preference Shares") have the following rights:

- Priority to any payment of dividend on any other class of share, to be paid at a fixed cumulative preferential dividend rate of 7.75% per annum (including any imputed tax credit);
- The preferential dividend shall be payable in arrears after the issue of the shares on 30 June and 30 December in each year;
- On a return of capital on a winding-up or otherwise, the holders of the Redeemable Preference Shares shall be entitled, in priority to any other payments to the holder of any other class of shares, first, to a sum equal to any arrears, deficiency or accruals of the preferential dividend and secondly the repayment of the capital paid up or credited as paid up on such shares;
- The holders of the Redeemable Preference Shares have the right to receive notice of, and to attend and speak at all general meetings, but not to vote at any general meeting unless in respect of the Redeemable Preference Shares, the Preferential Dividend arrears exceed £75,000,000 or a resolution is proposed to modify the rights attached to the Redeemable Preference Shares. Whenever any holder of Redeemable Preference Shares is entitled to vote at a general meeting each Redeemable Preference Share shall carry such number of votes as, when aggregated with the number of votes carried by all other Redeemable Preference Shares, shall be equal to 51% of the total number of votes (ordinary resolution) or 75% of the total number of votes (special or extraordinary resolution);
- The company shall have the option of redeeming all of the Redeemable Preference Shares at any time, at nominal value together with all arrears, deficiency or accruals of the Preferential Dividends, by delivering written notice of such redemption to the then current holders of the Redeemable Preference Shares at least 20 business days prior to the date fixed by the company for such redemption.

In accordance with the presentation requirements of IAS 32, the company has evaluated the liability component of the preference share and has represented the amount in liabilities.

## Sirius (Korea) Limited

### Notes to the financial statements For the year ended 31 December 2019

#### 14. Share premium account

	£'000
At 31 December 2018 and 31 December 2019	<b>39,461</b>

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#### 15. Controlling party

The company's immediate parent undertaking is United Technologies International Corporation Asia Private Limited, a company incorporated in Singapore.

At 31 December 2019, the company's ultimate parent undertaking and controlling party is United Technologies Corporation, a company incorporated in the United States of America. From 2 April 2020, following the separation of United Technologies Corporation into three publicly traded companies, the ultimate parent undertaking and controlling party is Otis Worldwide Corporation which is 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](http://www.utc.com)

#### 16. Post balance sheet events

##### Separation

The company is a wholly owned subsidiary of Otis Worldwide Corporation ('the Parent Company'). On 2 April 2020, the Parent Company entered into a Separation and Distribution Agreement with United Technologies Corporation (since renamed Raytheon Technologies Corporation) ("UTC"), pursuant to which, among other things, UTC agreed to separate into three independent, publicly traded companies – UTC, Carrier Global Corporation ("Carrier") and the Parent Company (the "Separation") – and distribute (the "Distribution") all of the outstanding common stock of the Parent Company to UTC shareowners who held shares of UTC common stock as of the close of business on 19 March 2020, the record date for the distribution. UTC distributed 433,079,455 shares of common stock of the Parent Company in the Distribution, which was effective at 12:01 a.m., Eastern Time, on 3 April 2020 (the "Effective Time"). As a result of the Distribution, the Parent Company is now an independent public company and its common stock is listed under the symbol "OTIS" on the New York Stock Exchange.

## Sirius (Korea) Limited

### Notes to the financial statements For the year ended 31 December 2019

#### 16. Post balance sheet events (continued)

In connection with the Separation and the Distribution, on 2 April 2020, the Parent Company entered into various agreements with UTC and Carrier to provide a framework for the Parent Company's relationship with UTC and Carrier after the Separation and the Distribution, including the following agreements:

- Separation and Distribution Agreement
- Transition Services Agreement
- Tax Matters Agreement
- Employee Matters Agreement
- Intellectual Property Agreement

Summaries of the material terms of these agreements can be found in the Parent Company's information statement, dated 16 March 2020, which was included as Exhibit 99.1 to the Company's Current Report on Form 8-K filed on 16 March 2020 (the "Information Statement"), under the section entitled "Certain Relationships and Related Party Transactions."

#### Covid-19

A novel strain of coronavirus surfaced in Wuhan, China in December 2019, and has since spread throughout the rest of the world, particularly in Europe, the Middle East and North America, resulting in widespread travel restrictions, extended shutdown of non-essential businesses, including construction and hospitality venues and in some cases, impacting the Otis Worldwide Corporation Group's ('the Group') factories and our new equipment installations. The extent of the resulting impact of the coronavirus on the Group's business is uncertain at this time and will depend on future developments, but prolonged closures throughout the world and the anticipated decreases in the general level of economic activity may further disrupt the Group's operations and the operations of our suppliers, distributors and customers. Any of these factors could have a material adverse effect on the Group's business, results of operations, cash flows and financial condition.

The Group's Senior Leadership team have taken a number of measures to monitor and prevent the effects of the COVID-19 virus on the Group's business, such as health and safety measures for people (including social distancing, providing appropriate PPE for on-site engineers and working from home).

The Group has also secured the supply of materials that are essential to the installation, repair and maintenance operations.

At this stage, the impact on the Group's business and the results is noticeable with site closures, impacts on non-essential maintenance and repair visits and furloughed employees but the overall assessment at this moment in time is limited and we will continue to follow the UK Government advice and in parallel will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our people.

The company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 30 November 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the company for future periods.

## **Sirius (Korea) Limited**

### **Notes to the financial statements For the year ended 31 December 2019**

#### **16. Post balance sheet events (continued)**

##### **Dividends**

In October 2020 the company received an interim dividend for the year ended 31 December 2020 of 10,500,000,000 South Korean Won (£6,282,908). In November 2020 the Company declared and paid an interim dividend, for the year ended 31 December 2020, of £69,000,000.