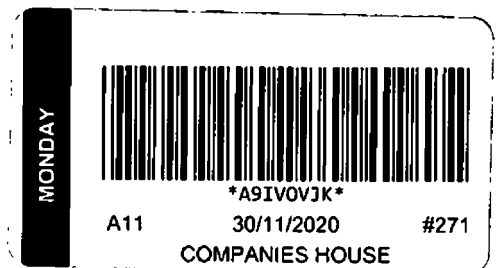


UT (UK) Limited
Annual Report
for the year ended 31 December 2019

Registered number: 05357514



UT (UK) Limited

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UT (UK) Limited

Strategic Report

The directors present their Strategic Report for the company for the year ended 31 December 2019.

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.

United Technologies Corporation ("UTC"), the ultimate parent company of a multinational group of which the Company was a member during the year ended 31 December 2019, separated into three independent companies via spin-off transactions on 3 April 2020: (1) Otis Worldwide Corporation ("Otis"), (2) Carrier Global Corporation ("Carrier"), and (3) UTC, an aerospace company comprised of the Collins Aerospace Systems and Pratt & Whitney businesses.

On April 3, 2020, UTC combined its aerospace businesses with Raytheon Company ("Raytheon") in a merger of equals transaction with Raytheon surviving as a wholly owned subsidiary of UTC ("the Raytheon Merger"). Upon the closing of the Raytheon Merger, UTC's name changed to "Raytheon Technologies Corporation" ("RTX"). Prior to the Raytheon Merger, UTC separated its Carrier and Otis businesses from its aerospace businesses. As a result of this merger, UT (UK) Limited is now a member of RTX.

Key performance indicators (KPIs)

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

Financial risk management

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

Principal risks and uncertainties

Liquidity risk

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

Credit Risk

The Company's principal financial asset is an intercompany note receivable. The recoverability of this deposit is reviewed on a regular basis and if there is an identifiable loss event an allowance for impairment would be made.

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.

Foreign exchange risks

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

UT (UK) Limited

Strategic Report

Principal risks and uncertainties (continued)

COVID-19

UT (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 UT (UK) Limited's business, operations and the aerospace sector as a whole. UT (UK) Limited and its ultimate parent company, Raytheon Technologies Corporation (RTX) (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 RTX's supply chains, including the ability of suppliers and vendors to provide their products and services to RTX, including UT (UK) Limited.

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 RTX and UT (UK) Limited's, 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.

Section 172(1) Statement

This section describes how the directors have had regard to the matter set out in Section 172(1) (a) to (f) of the Companies Act 2006 in exercising their duty to promote the success of the Company for the benefit of its key stakeholders.

The likely consequences of any decision in the long term

The directors of the Company have a duty of care to the key stakeholders when making decisions that affect long term sustainability of the Company. Key objectives are formulated as such to ensure that the Company continues as a going concern. The directors remain mindful that its strategic decisions can have long term implications for the business and its stakeholders, and these implications are carefully assessed.

Having regard to the interests of the Company's employees

The Company does not have any employees.

Having regard to need to foster the Company's business relationships with suppliers, customers and others

Suppliers

The Company has no suppliers.

Customers

The Company has no customers.

UT (UK) Limited

Strategic Report

Section 172(1) Statement (continued)

Having regard to need to foster the Company's business relationships with suppliers, customers and others (continued)

Regulators

The Company seeks a constructive and cooperative relationship with the bodies that authorise and regulate the business activities. This helps us maintain a reputation for high standards of business conduct.

The Company manages its tax affairs responsibly and proactively to comply with tax legislation. The Company's approach is to seek to build solid and constructive working relationships with all tax authorities.

The impact of the Company's operations on the community and the environment

The Group's corporate and social responsibility statements are published at www.rtx.com as part of the consolidated accounts of RTX.

Having regard to the desirability of the Company maintaining a reputation for high standards of business conduct

Modern Slavery Act

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

Having regard to the need to act fairly as between members of the Company

The directors recognise their legal and regulatory duties and do not take any decisions or actions, such as selectively disclosing confidential or inside information, that will provide any shareholder or group of shareholders with any unfair advantage or position compared to the shareholders as a whole.

Events after the balance sheet date

Details of significant events since the balance sheet date are contained in note 11 to the financial statements.

Approval

Approved by the Board and signed on its behalf by:



R Worth
Director
26 November 2020

Fore 1, Fore Business Park,
Huskisson Way,
Shirley, Solihull,
B90 4SS

UT (UK) Limited

Directors' Report

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 a former investment holding company but subsequently disposed all of its investments. Its principal activity is now to hold intercompany deposits.

Results and dividends

The profit for the financial year is set out in the statement of comprehensive income on page 9.

The company has not paid a dividend nor are the directors proposing to pay a dividend for the year ended 31 December 2019 (2018: none).

Going concern

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

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

Directors

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

L Powell	(appointed 20 December 2019)
R Worth	(appointed 20 December 2019)
P Moran	(resigned 20 December 2019)
C Idczak	(resigned 20 December 2019)
J Laurence	(resigned 20 December 2019)
L Thompson	(resigned 15 May 2019)

Directors' Indemnity

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

Future developments

These are included in the strategic report.

Financial risk management

These are included in the strategic report.

UT (UK) Limited

Directors' Report

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Directors' confirmations

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

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

Independent Auditors

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

Approved by the Board and signed on its behalf by:



R Worth
Director
26 November 2020

Fore 1, Fore Business Park,
Huskisson Way,
Shirley, Solihull,
B90 4SS

Independent auditors' report to the members of UT (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, UT (UK) 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 Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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 on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the members of UT (UK) Limited (continued)

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

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

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

Strategic Report and Directors' Report

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of UT (UK) Limited (continued)

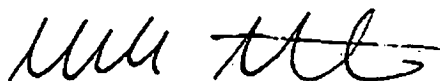
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Mark Foster (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Milton Keynes
27 November 2020

UT (UK) Limited

Statement of Comprehensive Income

For the year ended 31 December 2019

	<i>Note</i>	2019 \$'000	2018 \$'000
Administrative expenses		(3)	(3)
Operating loss		(3)	(3)
Loss before finance income		(3)	(3)
Finance income	3	206	174
Profit before taxation		203	171
Tax on profit	7	28	(5)
Profit for the financial year		231	166
Other comprehensive income		—	—
Total comprehensive income for the year		231	166

All results are derived from continuing operations.

UT (UK) Limited

Balance Sheet

At 31 December 2019

Registered number: 05357514

	<i>Note</i>	2019	2018
		\$'000	\$'000
Fixed assets			
Deferred tax	9	173	145
		173	145
Current assets			
Debtors			
- due within one year	8	9,422	9,219
Cash at bank and in hand		—	—
		9,422	9,219
Net current assets		9,422	9,219
Total assets less current liabilities		9,595	9,364
Net assets		9,595	9,364
Equity			
Called up share capital	10	8,922	8,922
Retained earnings		673	442
Total shareholders' funds		9,595	9,364

The notes on pages 12 to 20 form part of these financial statements.

The financial statements on pages 9 to 20 were approved by the board of directors on 26 November 2020 and were signed on its behalf by:



R Worth
Director

UT (UK) Limited

Statement of changes in equity

For the year ended 31 December 2019

	Called up share capital	Retained earnings	Total share- holders' funds
	\$'000	\$'000	\$'000
Balance at 1 January 2018	8,922	276	9,198
Profit for the financial year	—	166	166
Total comprehensive income for the year	—	166	166
Balance at 31 December 2018	8,922	442	9,364
Profit for the financial year	—	231	231
Total comprehensive income for the year	—	231	231
Balance at 31 December 2019	8,922	673	9,595

UT (UK) Limited

Notes to the financial statements

For the year ended 31 December 2019

1. Accounting Policies

UT (UK) Limited ('the company') holds intercompany deposits.

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

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

Basis of accounting

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

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

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

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

IFRS 7 – financial instrument disclosures

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

IAS 1 – Information on management of capital

IAS 7 – statement of cash flows

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

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

Where required, equivalent disclosures are given in the group financial statements of Raytheon Technologies Corporation. The group financial statements of Raytheon Technologies Corporation are available to the public and can be obtained as set out in note 12.

Adoption of new and revised Standards

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2019 have had a material impact on the company.

UT (UK) Limited

Notes to the financial statements

For the year ended 31 December 2019

1. Accounting Policies (continued)

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The company's principal activity is to provide loan funding to other Group entities. Activity and future development of the company depends on performance of the wider Group.

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

In assessing going concern, the directors have considered a number of factors, including Raytheon Technologies Corporation's response to COVID-19, the current balance sheet position and available liquidity, the principal and emerging risks which would impact the performance of Raytheon Technologies Corporation. Further disclosure on the impact and response to COVID-19 by Raytheon Technologies Corporation is available from www.rtx.com.

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

Share capital

Ordinary shares are classified as equity.

Taxation

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

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

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

UT (UK) Limited

Notes to the financial statements

For the year ended 31 December 2019

1. Accounting Policies (continued)

Taxation (continued)

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

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

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

Current tax and deferred tax for the year

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

Interest income

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

Foreign currency

The financial statements are presented in US Dollar ("\$"), which is the currency of the primary economic environment in which the Company operates (its functional currency). At 31 December 2019, the exchange rate to Sterling was £1/\$1.2923 (2018: £1/\$1.2672).

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

Exchange differences are recognised in the income statement in the period in which they arise except for:

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

UT (UK) Limited

Notes to the financial statements

For the year ended 31 December 2019

1. Accounting Policies (continued)

Financial Instruments

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

Financial Assets

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

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

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

- Equity securities which are not held for trading, and which the company has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the group considers this classification to be more relevant.
- Debt securities where contractual cash flows are solely principal and interest and the objective of the company's business model is achieved both by collecting contractual cash flows and selling financial assets.

Financial assets at amortised cost

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

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at fair value through profit and loss

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

- debt investments that do not qualify for measurement at either amortised cost
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

Impairment of financial assets

Assets carried at amortised cost

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

UT (UK) Limited

Notes to the financial statements

For the year ended 31 December 2019

1. Accounting Policies (continued)

Provisions

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

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

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

Provisions are discounted where the impact of discounting is material.

2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

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

Critical judgements in applying the company's accounting policies

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

Key sources of estimation uncertainty

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

Recoverability of Intercompany receivables

The evaluation of intercompany loan receivables under IFRS 9 requires the use of estimations based on the credit rating for Raytheon Technologies Group for the calculation of the Probability of Default.

UT (UK) Limited

Notes to the financial statements

For the year ended 31 December 2019

3. Finance income

	2019	2018
	\$'000	\$'000
Interest receivable:		
Interest receivable from group companies	206	174
	<hr/>	<hr/>
	206	174

4. Auditors' Remuneration

Fees payable to PricewaterhouseCoopers LLP of £2,675 (2018: £2,675) for the audit of the company's annual financial statements were borne by Ceesail Limited (2018: Carrier UK Holdings Limited, formerly Goodrich Aftermarket Services Limited) on behalf of the company.

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

5. Staff Costs

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

6. Directors' Remuneration and Transactions

None of the Directors received remuneration in respect of their services to the company during the year (2018: none).

UT (UK) Limited

Notes to the financial statements

For the year ended 31 December 2019

7. Tax on Profit

Tax credit included in the statement of comprehensive income:

	2019 \$'000	2018 \$'000
Current tax		
UK corporation tax on profits for the year	—	—
Total current tax	—	—
Deferred tax		
Origination and reversal of timing differences	(28)	5
Impact of rate change	—	—
Total deferred tax (see note 9)	(28)	5
Total tax on profit	(28)	5

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

	2019 \$'000	2018 \$'000
Profit before taxation	203	171
Tax on profit at standard UK corporation tax rate of 19.0% (2018: 19.0%)	39	32
Effects of:		
Utilisation of tax losses	(19)	(16)
Group relief received	(20)	(16)
Change in unrecognised deferred tax	(28)	5
Total tax for year	(28)	5

The reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. The current tax rate used in the year ended 31 December 2019 is therefore 19%.

A deferred tax asset of £22,816,000 (2018: £22,863,000) in respect of losses brought forward has not been recognised as the company is not anticipated to make suitable taxable profits in the foreseeable future against which it can be recognised.

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8. Debtors

Amounts falling due within one year:

	2019	2018
	\$'000	\$'000
Amounts owed by group undertakings	9,422	9,219
	<u>9,422</u>	<u>9,219</u>

Amounts owed by group undertakings are unsecured, bear interest at interbank deposit rate plus margin, have no fixed date of repayment and are repayable on demand.

9. Deferred Tax

The analysis of deferred tax asset is as follows:

	2019	2018
	\$'000	\$'000
Deferred tax assets due after more than 12 months	173	145
Total provision due after more than 12 months	<u>173</u>	<u>145</u>
Net deferred tax asset	<u>173</u>	<u>145</u>

The movement in deferred tax is as follows:

Deferred tax assets:

	Tax losses	Total
	\$'000	\$'000
At 1 January 2018	150	150
Credited to profit and loss	(5)	(5)
At 31 December 2018	<u>145</u>	<u>145</u>
Charge to profit and loss	28	28
At 31 December 2019	<u>173</u>	<u>173</u>

10. Called Up Share Capital

Ordinary shares

	2019	2018
	\$'000	\$'000
Allotted, called-up and fully-paid		
8,922,001 (2018: 8,922,001) ordinary shares of \$1 (2018: \$1) each	<u>8,922</u>	<u>8,922</u>

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11. Subsequent Events

United Technologies Corporation ("UTC"), the ultimate parent company of a multinational group of which the Company was a member during the year ended 31 December 2019, separated into three independent companies via spin-off transactions on 3 April 2020: (1) Otis Worldwide Corporation ("Otis"), (2) Carrier Global Corporation ("Carrier"), and (3) UTC, an aerospace company comprised of the Collins Aerospace Systems and Pratt & Whitney businesses.

On 9 June 2019, UTC entered into a merger agreement with the Raytheon Company to combine its aerospace businesses with the Raytheon Company 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 RTX.

UT (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 UT (UK) Limited's business, operations and the aerospace sector as a whole. UT (UK) Limited and its ultimate parent company, Raytheon Technologies Corporation (RTX) (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 RTX's supply chains, including the ability of suppliers and vendors to provide their products and services to RTX. 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 RTX and UT (UK) Limited's, 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.

12. Controlling Party

The company's immediate and ultimate parent undertaking and controlling party throughout the year to 31 December 2019 was United Technologies Corporation, a company incorporated in the United States of America.

As described in note 11, on the 3 April 2020 the company's immediate and ultimate parent undertaking and controlling party changed to Raytheon Technologies Corporation, a company incorporated in the United States of America.

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

Copies of the United Technologies Corporation group financial statements are publicly available and can be obtained from www.rtx.com