Aurora Lifts Limited

Report and Financial Statements

Year Ended

31 December 2016

Company Number 02562821

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Aurora Lifts Limited

Report and financial statements
for the year ended 31 December 2016

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Directors

P Chamberlain
M Lucas
M Rogenmoser
D Sharp
F Wepener (appointed 6th March 2017)

Registered office

West Yoke, Michaels Lane, Ash, Sevenoaks, Kent, TN15 7EP

Company number

02562821

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Aurora Lifts Limited

Strategic report
for the year ended 31 December 2016

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2016.

Principal activities, business review and future developments

The principal activities of the company in the year under review continued to be those of lift maintenance and refurbishment.

The company made a pre-tax profit of £628,177 (2015 profit of £406,575) for the period on turnover of £13,585,122 (2015 £15,725,121).

The directors continue to use both financial and non-financial key performance indicators to manage the business. The business maintains a strong management information function which is focussed on regular and accurate reporting. Such reporting sees particular focus on margins and profitability.

Principal risks and uncertainties

The current economic conditions create uncertainty over the level of demand for the company's services over the longer term.

Key performance indicators

The financial key performance indicators used are turnover, operating profit as a percentage of revenue and profit before tax.

Non financial key performance indicators employed are MTBC (meantime between calls) and response times.

Going concern

After making due enquiries, the directors have a reasonable expectation that the company, with additional support provided by Schindler Limited, has adequate resources to continue in operational existence for the foreseeable future. Therefore, the financial statements have been prepared on the going concern basis.

Approval

This strategic report was approved by order of the Board on 30th May 2017

M.A. Lucas

M Lucas

Director

Aurora Lifts Limited

Directors' report
for the year ended 31 December 2016

The directors present their report together with the audited financial statements for the year ended 31 December 2016.

Results and dividends

The profit and loss account is set out on page 6 and shows the profit for the year. The profit for the year, after taxation, amounted to £628,177 (2015 profit of £406,575).

No dividends were paid during the year.

Directors

The directors of the company during the year were:

P Chamberlain
M Lucas
M Rogenmoser
D Sharp

Charitable and political donations

The company did not make any charitable or political donations during the year (2015 - £nil).

Post balance sheet events

There were no post balance sheet events.

Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' 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 Financial Reporting Standard 102. 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

Auditor

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

BOO LLP, the current auditor of the company has expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board

M Lucas M.A.Lucas

Director

Date 30th May 2017

We have audited the financial statements of Aurora Lifts Limited for the year ended 31 December 2016 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with 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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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 material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the 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.

BDO LLP

Marc Reinecke (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
Date 31 - 5 - 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Aurora Lifts Limited

Profit and loss account
for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	2	**13,585,122**	15,725,121
Cost of sales		**(11,312,530)**	(13,281,770)
Gross profit		**2,272,592**	2,443,351
Administrative expenses		**(1,644,415)**	(2,036,776)
Operating profit	6	**628,177**	406,575
Interest payable		**-**	-
Profit on ordinary activities before taxation		**628,177**	406,575
Taxation on profit from ordinary activities	7	**-**	-
Profit for the financial year	7	**628,177**	406,575

All amounts relate to continuing activities.
There were no recognised gains and losses for 2016 or 2015 other than those included in the profit and loss account.

The notes on pages 9 to 15 form part of these financial statements.

Aurora Lifts Limited

Balance sheet
at 31 December 2016

Company number 02562821	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	8		-		1,287
Current assets					
Debtors	9	**3,849,569**		4,812,958	
Cash at bank and in hand		**887,597**		1,286,442	
		4,737,166		6,099,400	
Creditors: amounts falling due within one year	10	**(1,502,692)**		(3,494,390)	
Net current assets			**3,234,474**		2,605,010
Total assets less current liabilities			**3,234,474**		2,606,297
Net assets			**3,234,474**		2,606,297
Capital and reserves					
Share capital	12		**1,000,100**		1,000,100
Profit and loss account			**(3,509,546)**		(4,137,723)
Capital contribution reserve			**5,743,920**		5,743,920
Shareholders' surplus			**3,234,474**		2,606,297

The financial statements were approved by the Board of Directors and authorised for issue on 30th May 2017

M A Lucas
Director

The notes on pages 9 to 15 form part of these financial statements.

Aurora Lifts Limited

Statement of changes in equity
at 31 December 2016

Statement of changes in equity

	Share Capital	Capital Reserve	Profit and loss account	Total Shareholder Funds
	£	£	£	£
At 1 January 2015	**1,000,100**	**5,743,920**	**(4,544,298)**	**2,199,722**
Profit for the year	-	-	406,575	406,575
At 1 January 2016	**1,000,100**	**5,743,920**	**(4,137,723)**	**2,606,297**
Profit for the year	-	-	628,177	628,177
	1,000,100	**5,743,920**	**(3,509,546)**	**3,234,474**

1 Accounting policies

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

FRS 102 is mandatory for accounting periods beginning on or after 1 January 2015 with the transition period being the periods ending on 31 December 2014

The financial statements have been prepared on the going concern basis due to the reasons set out in the directors' report.

The following principal accounting policies have been applied:

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Motor vehicles	-	20% straight line
Fixtures, fittings and equipment	-	25% and 10% straight line

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if 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.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1 Accounting policies *(continued)*

Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Long-term contracts

Profit on long-term contract is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as the proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Cash flow statement

The company, being a subsidiary undertaking of Schindler Ltd (registration number 00662746) where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 102.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

Pension costs

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2 Significant judgements and estimates

In preparing these financial statements, the directors have made the following judgements:

Revenue

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, VAT and other sales tax or duty. The following criteria must also be met before revenue is recognised:

Long-term installation contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses.

2 Significant judgements and estimates *(continued)*

Turnover

Turnover is calculated as that proportion of the total contract value which costs incurred to date bear to total expected costs for that contract. Full provision is made for losses on all contracts in the year in which they are first foreseen.

3 Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts. Turnover is attributable to one continuing activity, that of lift maintenance and installation. All turnover arose within the United Kingdom.

4 Employees

	2016	2015
	£	£
Staff costs consist of:		
Wages and salaries	**3,381,092**	3,439,485
Social security costs	**418,742**	410,978
Other pension costs	**89,660**	71,793
	3,889,494	3,922,256

The average monthly number of employees, including the directors, during the year was as follows:	Number	Number
Administration	**35**	36
Operations	**27**	27
Sales and marketing	**2**	2
	64	65

Key management personnel include all directors and a number of senior managers who together have responsibility and authority for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £555,668 (2015 £538,095)

5 Directors' remuneration

The directors received no remuneration for their services to the company during the year (2015 - £Nil). The remuneration of the directors for services to the company are paid by other group companies and are disclosed in those companies' financial statements. It is not deemed feasible to allocate any such costs to the company.

6 Operating profit

	2016 £	2015 £
This has been arrived at after charging/(crediting):		
Depreciation of tangible fixed assets:		
- owned by the company	**1,287**	5,192
Auditors' remuneration:		
- audit	**20,794**	22,188
- non-audit	**-**	4,500
Operating lease rentals - other operating leases	**56,756**	56,756

7 Taxation on profit on ordinary activities

	2016 £	2015 £
UK corporation tax		
Current tax on profits in the period	**-**	-
Adjustments in respect of prior periods	**-**	-
Total current tax	**-**	-
Deferred tax		
Origination and reversal of timing differences	**(11,245)**	(20,240)
Changes to tax rates	**11,245**	20,240
Adjustment in respect of prior periods	**-**	-
Movement in deferred tax	**-**	-
Total tax expense	**-**	-

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2016 £	2015 £
Profit/(loss) on ordinary activities before tax	**628,177**	406,575
Expected tax charge based on the standard rate of United Kingdom corporation tax at the domestic rate of 20% (2015 – 20.25%)	**125,635**	82,331
Expenses not deductible for tax purposes	**-**	-
Movements in relation to unprovided deferred tax	**(140,973)**	(149,681)
Deferred tax previously not recognised	**-**	-
Change in tax rates	**15,338**	67,350
Total tax expense	**-**	-

7 Taxation on profit on ordinary activities(continued)

Changes to corporation tax rates

The standard rate of corporation tax in the UK remained unchanged at 20% with effect from 1 April 2016. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 20%. The UK corporation tax is due to decrease further to 19% on 1 April 2017 and 17% on 1 April 2020, however, the latter is yet to be substantively enacted.

UK deferred tax balances have been recognised in these accounts and carried forward at 18%.

8 Tangible assets

	Motor vehicles £	Fixtures and fittings £	Total £
Cost			
At 1 January 2016	12,497	190,863	203,360
Additions	-	-	-
Disposals	-	-	-
At 31 December 2016	12,497	190,863	203,360
Depreciation			
At 1 January 2016	12,497	189,576	202,073
Charge for the year	-	1,287	1,287
On disposals	-	-	-
At 31 December 2016	12,497	190,863	203,360
Net book value			
At 31 December 2016	-	-	-
At 31 December 2015	-	1,287	1,287

9 Debtors

	2016 £	2015 £
Trade debtors	**1,136,119**	1,237,062
Prepayments and accrued income	**199,600**	142,628
Amounts recoverable on long term contracts	**2,311,450**	3,230,868
Deferred tax asset (see note 11)	**202,400**	202,400
	3,849,569	4,812,958

10 Creditors: amounts falling due within one year

	2016 £	2015 £
Payments received on account	**175,976**	41,294
Trade creditors	**490,598**	960,436
Amounts owed to group undertakings	**-**	1,601,580
Social security and other taxes	**353,034**	436,749
Other creditors	**-**	53,129
Accruals and deferred income	**483,084**	1,076,219
	1,502,692	4,169,407

11 Deferred tax assets

Provision for deferred tax	2016 £	2015 £
Tax losses carried forward and other deductions	**(202,400)**	(202,400)
Total deferred tax (asset)/liability	**(202,400)**	(202,400)
Movement in provision:		
Provision at start of period	**(202,400)**	-
Deferred tax charged in the statement of comprehensive income for the period	**-**	-
Provision at end of period	**(202,400)**	
Deferred tax (asset)/liability not recognised	**(271,919)**	(414,827)

12 Share capital

	Allotted called up and fully paid			
	2016 Number	2015 Number	2016 £	2015 £
Ordinary shares of £0.10 each	**1,000,100**	1,000,100	**1,000,100**	1,000,100

13 Commitments under operating leases

As at 31 December 2016, the company had annual commitments under non-cancellable operating leases as set out below:

	Land and Buildings 2016 £	Land and buildings 2015 £
Less than one year	-	47,297
2 -5 years	-	-
Operating lease commitments in total	-	47,297

14 Related party transactions

The company has taken advantage of the exemption, in paragraph 33.1A of FRS102: Related Party Disclosures, from disclosing transactions with related parties that are wholly owned by the Schindler Holding Limited Group on the grounds that 100% of the voting rights are controlled within that group and the company is included in consolidated financial statements.

15 Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £89,660 (2015 - £78,140). Contributions totalling £Nil (2015 - £10,296) were payable to the fund at the balance sheet date and are included in other creditors.

16 Post balance sheet events

None

17 Ultimate parent company and controlling party

Aurora Lifts Limited is a direct subsidiary of Schindler Limited, registration number 00662746, which is registered in England and holds 100% of the ordinary share capital.

The controlling party and ultimate parent undertaking of the only group of undertakings for which group financial statements are drawn up and of which the company is a member is Schindler Holding Limited, incorporated in Switzerland. Copies of the financial statements of Schindler Holding Limited can be obtained from Schindler Management, CH–6030 Ebikon, Switzerland.