Aurora Lifts Limited

Report and Financial Statements

Year Ended

31 December 2017

Company Number 02562821

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Aurora Lifts Limited

Report and financial statements
for the year ended 31 December 2017

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Directors

P Chamberlain (resigned 1st March 2018)
M Lucas
M Rogenmoser (resigned 30th September 2017)
D Sharp
F Wepener (appointed 6th March 2017)
A Braccetti (appointed 1st March 2018)

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 2017

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2017.

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 £739,835 (2016 - £628,177) for the year on turnover of £13,437,148 (2016 - £13,585,122).

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.

The Company's current contractual arrangement with Transport for London (TFL) is due to expire at the end of 2018. The Directors are confident that an extension of the contract will be agreed with TFL by the end 2018.

Therefore, the financial statements have been prepared on the going concern basis.

Approval

This strategic report was approved by order of the Board on 31 May 2018.

M.A. Lucas

M Lucas

Director

Aurora Lifts Limited

Directors' report
for the year ended 31 December 2017

The directors present their report together with the audited financial statements for the year ended 31 December 2017.

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 £739,835 (2016 - £628,177).

No dividends were paid during the year.

Directors

The directors of the company during the year were:

P Chamberlain
M Lucas
M Rogenmoser (resigned 30th September 2017)
D Sharp
F Wepener (appointed 6th March 2017)

Qualifying third party indemnity provisions
The company has put in place qualifying third party indemnity provisions for all of the directors of Aurora Lifts Limited.

Charitable and political donations

The company did not make any charitable or political donations during the year (2016 - £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.

BDO 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 MA Lucas

Director

Date 31/5/2018

Opinion

We have audited the financial statements of Aurora Lifts Limited ("the Company") for the year ended 31 December 2017 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

(a) the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
(b) 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.

Other information

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

In connection with our audit of the 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions 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 and Director's report.

We have nothing to report in respect of the following matters in relation to which 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.; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of 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.

Auditor's responsibilities for the audit of the financial statements

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.

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:
https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Marc Reinecke (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
Date 31 May 2018

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

Aurora Lifts Limited

Statement of Comprehensive Income
for the year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	3	**13,437,148**	13,585,122
Cost of sales		**(11,171,469)**	(11,312,530)
Gross profit		**2,265,679**	2,272,592
Administrative expenses		**(1,455,364)**	(1,644,415)
Operating profit	6	**810,315**	628,177
Interest payable		**-**	-
Profit on ordinary activities before taxation		**810,315**	628,177
Taxation on profit from ordinary activities	7	**(70,480)**	-
Profit for the financial year	7	**739,835**	628,177

All amounts relate to continuing activities.

There were no gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

The notes on pages 10 to 15 form part of these financial statements.

Aurora Lifts Limited

Balance sheet
at 31 December 2017

Company number 02562821	Note	2017 £	2017 £	2016 £	2016 £
Current assets					
Debtors	8	**4,067,093**		3,849,569	
Cash at bank and in hand		**1,642,560**		887,597	
		5,709,653		4,737,166	
Creditors: amounts falling due within one year	9	**(1,735,344)**		(1,502,692)	
Net current assets			**3,974,309**		3,234,474
Total assets less current liabilities			**3,974,309**		3,234,474
Net assets			**3,974,309**		3,234,474
Capital and reserves					
Share capital	11		**1,000,100**		1,000,100
Profit and loss account			**(2,769,711)**		(3,509,546)
Capital contribution reserve			**5,743,920**		5,743,920
Shareholders' surplus			**3,974,309**		3,234,474

The financial statements were approved by the Board of Directors and authorised for issue on 31/5/2018

M.A Lucas

M Lucas
Director

The notes on pages 10 to 15 form part of these financial statements.

Aurora Lifts Limited

Statement of changes in equity
at 31 December 2017

Statement of changes in equity

	Share Capital	Capital Reserve	Profit and loss account	Total Shareholder Funds
	£	£	£	£
At 1 January 2016	**1,000,100**	**5,743,920**	**(4,137,723)**	**2,606,297**
Profit for the year	-	-	628,177	628,177
At 1 January 2017	**1,000,100**	**5,743,920**	**(3,509,546)**	**3,234,474**
Profit for the year	-	-	739,835	739,835
	1,000,100	**5,743,920**	**(2,769,711)**	**3,974,309**

The notes on pages 10 to 15 form part of these financial statements.

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.

The financial statements have been prepared on the going concern basis due to the reasons set out in the directors' report. The Company's current contractual arrangement with Transport for London (TFL) is due to expire at the end of 2018. The Directors are confident that an extension of the contract will be agreed with TFL by the end 2018

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

Current Taxation and Deferred taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised as equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in previous years.

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 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. 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

	2017 £	2016 £
Staff costs consist of:		
Wages and salaries	**3,220,448**	3,381,092
Social security costs	**429,705**	418,742
Other pension costs	**89,032**	89,660
	3,739,185	3,889,494

The average monthly number of employees, including the directors, during the year was as follows:	Number	Number
Administration	**28**	27
Operations	**32**	35
Sales and marketing	**1**	2
	61	64

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 £569,560 (2016 - £555,668)

5 Directors' remuneration

The directors received no remuneration for their services to the company during the year (2016 - £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

	2017 £	2016 £
This has been arrived at after charging/(crediting):		
Depreciation of tangible fixed assets:		
- owned by the company	-	1,287
Auditors' remuneration:		
- audit	21,417	20,794
- non-audit	4,305	3,960
Operating lease rentals - other operating leases	78,498	56,756

7 Taxation on profit on ordinary activities

	2017 £	2016 £
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	70,480	(11,245)
Changes to tax rates	-	11,245
Adjustment in respect of prior periods	-	-
Movement in deferred tax	70,480	-
Total tax expense	70,480	-

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:

	2017 £	2016 £
Profit/(loss) on ordinary activities before tax	810,315	628,177
Expected tax charge based on the standard rate of United Kingdom corporation tax at the domestic rate of 19.25% (2016 – 20%)	155,958	125,635
Expenses not deductible for tax purposes	-	-
Movements in relation to unprovided deferred tax	(67,274)	(140,973)
Deferred tax previously not recognised	-	-
Change in tax rates	(18,204)	15,338
Tax charge for the period	70,480	-

7 Taxation on profit on ordinary activities(continued)

Changes to corporation tax rates
The standard rate of corporation tax in the UK decreased to 19% with effect from 1 April 2017. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 19%. The UK corporation tax is due to decrease further to 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 Debtors

	2017 £	2016 £
Trade debtors	1,011,305	1,136,119
Prepayments and accrued income	173,536	199,600
Amounts recoverable on long term contracts	2,750,333	2,311,450
Deferred tax asset (see note 10)	131,920	202,400
	4,067,094	3,849,569

9 Creditors: amounts falling due within one year

	2017 £	2016 £
Payments received on account	30,954	175,976
Trade creditors	894,062	490,598
Social security and other taxes	184,599	353,034
Other creditors	11,783	-
Accruals and deferred income	613,946	483,084
	1,735,344	1,502,692

10 Deferred tax assets

Provision for deferred tax	2017 £	2016 £
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		-
Deferred tax charged in the statement of comprehensive income for the period	70,480	-
Provision at end of period	(131,920)	
Deferred tax (asset)/liability not recognised	(204,645)	(271,919)

11 Share capital

	Allotted called up and fully paid			
	2017 Number	2016 Number	2017 £	2016 £
Ordinary shares of £0.10 each	**1,000,100**	1,000,100	**1,000,100**	1,000,100

12 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.

13 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 £89,032 (2016 - £89,660). Contributions totalling £11,783 (2016 - £Nil) were payable to the fund at the balance sheet date and are included in other creditors.

14 Post balance sheet events

None

15 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.