

TEMPLE LIFTS LIMITED

Directors' Report And Financial Statements

For the year ended 31 December 2011

SATURDAY



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COMPANIES HOUSE

Company Registration No 02388497 (England And Wales)

TEMPLE LIFTS LIMITED

COMPANY INFORMATION

Directors

S J Hamlin
J Phillips
B Harden

Secretary

M Kane

Company number

02388497

Registered office

Hayward House
329 Baring Road
London
SE12 0DZ

Auditors

Kingston Smith LLP
Orbital House
20 Eastern Road
Romford
Essex
RM1 3PJ

TEMPLE LIFTS LIMITED

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TEMPLE LIFTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and financial statements for the year ended 31 December 2011

Principal activities and review of the business

The principal activity of the company throughout the year was that of lift contractors

In tough market conditions, turnover has decreased by 14.7% in 2011 to £10,111,567, however gross margins have marginally increased from 24.2% to 25.2%. This has been compounded by a 3% increase in administrative expenses to £2,250,022 and a 91% reduction in interest charges to £4,439. Interest charges are expected to remain low in 2012 as the Company now trades with a substantial cash surplus.

Resulting Profit before tax was £294,170 compared to £591,288 in 2010. The directors consider this to be a satisfactory result in view of the difficult trading environment.

The Company continues to expand its geographical presence nationally and its customer base in the private sector, alongside its traditional public sector business. The directors are satisfied with the order backlog at the end of 2011 and anticipate sustained volumes and profitability in 2012.

Results and dividends

The results for the year are set out on page 5.

Dividends of £40,000 (2010: £70,000) have been paid in the period under review.

Directors

The following directors have held office since 1 January 2011:

S J Hamlin
J Phillips
B Harden

Auditors

The auditors, Kingston Smith LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing 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). 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.

TEMPLE LIFTS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



S J Hamlin
Director

11 July 2012

TEMPLE LIFTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TEMPLE LIFTS LIMITED

We have audited the financial statements of Temple Lifts Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses 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 for no purpose other than to draw the attention of the company's members to those matters we are required to include in an auditors' report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party 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 Directors' Responsibilities Statement set out on page 1, 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implication for our report.

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 2011 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

TEMPLE LIFTS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF TEMPLE LIFTS LIMITED

Matters on which we are required to report by exception

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



Robert Surman (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

Chartered Accountants
Statutory Auditor

12 July 2012

Orbital House
20 Eastern Road
Romford
Essex
RM1 3PJ

TEMPLE LIFTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

		2011	2010
	Notes	£	as restated £
Turnover	2	10,111,567	11,848,018
Cost of sales		(7,563,386)	(9,029,540)
Gross profit		2,548,181	2,818,478
Administrative expenses		(2,250,023)	(2,172,827)
Operating profit	3	298,158	645,651
Other interest receivable and similar income	4	451	50
Interest payable and similar charges	5	(4,439)	(54,413)
Profit on ordinary activities before taxation		294,170	591,288
Tax on profit on ordinary activities	6	(81,961)	(169,100)
Profit for the year	17	212,209	422,188

The profit and loss account has been prepared on the basis that all operations are continuing operations

TEMPLE LIFTS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2011

		2011	2010
	Notes	£	as restated £
Profit for the financial year		212,209	422,188
Prior year adjustment	17	(44,534)	-
Total gains and losses recognised since last financial statements		<u>167,675</u>	<u>422,188</u>

TEMPLE LIFTS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2011

		2011		2010	
	Notes	£	£	as restated £	£
Fixed assets					
Intangible assets	8		342,661		364,078
Tangible assets	9		36,925		23,438
			<u>379,586</u>		<u>387,516</u>
Current assets					
Stocks	11	57,047		33,651	
Debtors	12	2,538,720		2,840,195	
Cash at bank and in hand		233,689		369,903	
		<u>2,829,456</u>		<u>3,243,749</u>	
Creditors' amounts falling due within one year	13	(1,789,169)		(2,383,601)	
Net current assets			<u>1,040,287</u>		<u>860,148</u>
Total assets less current liabilities			<u>1,419,873</u>		<u>1,247,664</u>
			<u>1,419,873</u>		<u>1,247,664</u>
Capital and reserves					
Called up share capital	16		1,000		1,000
Profit and loss account	17		1,418,873		1,246,664
Shareholders' funds	18		<u>1,419,873</u>		<u>1,247,664</u>

Approved by the Board and authorised for issue on 11 July 2012


S J Hamlin
Director

Company Registration No 02388497

TEMPLE LIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared in accordance with applicable accounting standards

The directors consider it appropriate to prepare these financial statements on a going concern basis

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable from service contracts, maintenance contracts and long term contracts, net of VAT

Turnover on service contracts is recognised on the date the service is provided

Turnover on maintenance contracts is recognised evenly over the term of the contract

The amount of turnover recognised on long term contracts is calculated as a proportion of the costs incurred to date against the total expected costs to be incurred over the life of the contract. This proportion is then applied to the expected contract value and the associated costs and revenue are recognised within the financial statements

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life

1.5 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 less estimated residual value of each asset over its expected useful life, as follows

Plant and machinery	25% reducing balance
Computer equipment	33 1/3% straight line
Motor vehicles	25% reducing balance

1.6 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.8 Stock and work in progress

Work in progress is calculated on an individual contract basis, where contracts straddle two financial periods, profit on those contracts is only taken where their outcome can be foreseen with reasonable certainty based upon the original contract price and the future expected costs to be incurred. Full provision is made for all known or expected losses on individual contracts

Stock is valued at the lower of cost and net realisable value

TEMPLE LIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

(continued)

1 9 Long term contracts

The profit on long term contracts are recognised where an outcome of a job can be determined with reasonable certainty. Any expected losses on contracts are recognised in the profit and loss account immediately.

Debtors include amounts recoverable on long term contracts, being the amounts invoiced to customers but still due at the year end.

1 10 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1 11 Deferred taxation

In accordance with FRS 19, deferred tax is recognised as a liability or asset if transactions or events that give the company the obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date.

1.12 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1 13 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Temple Lifts Group Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of the ultimate controlling company, Temple Lifts Group 2010 Limited.

1 14 Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

TEMPLE LIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

3	Operating profit	2011	2010
		£	£
	Operating profit is stated after charging		
	Amortisation of intangible assets	21,417	21,416
	Depreciation of tangible assets	12,308	12,992
	Loss on disposal of tangible assets	-	129
	Loss on foreign exchange transactions	-	1,344
	Operating lease rentals		
	- Plant and machinery	4,928	4,951
	- Other assets	239,952	231,833
	Auditors' remuneration (including expenses and benefits in kind)	22,000	22,000
	and after crediting		
	Profit on foreign exchange transactions	(93)	-
		<u> </u>	<u> </u>
4	Investment income	2011	2010
		£	£
	Bank interest	451	50
		<u> </u>	<u> </u>
		451	50
		<u> </u>	<u> </u>
5	Interest payable	2011	2010
		£	£
	Other interest	4,439	54,413
		<u> </u>	<u> </u>

TEMPLE LIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

6	Taxation	2011	2010
		£	£
	Domestic current year tax		
	U K corporation tax	55,939	178,042
	Adjustment for prior years	22,937	-
	Current tax charge	78,876	178,042
	Deferred tax		
	Deferred tax charge/(credit) current year	3,085	(8,942)
		81,961	169,100
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	294,170	591,288
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2010 - 28.00%)	58,834	165,561
	Effects of		
	Non deductible expenses	1,935	7,784
	Depreciation add back	6,745	3,638
	Capital allowances	(6,055)	(6,076)
	Leased car adjustment	917	2,115
	Loss on disposal of fixed assets	-	36
	Unpaid pension contributions	1,788	6,748
	Prior year adjustment	(8,907)	12,469
	Adjustment for prior years	22,937	-
	Adjustment for tax rate change	682	-
	Marginal relief	-	(14,233)
		20,042	12,481
	Current tax charge	78,876	178,042
7	Dividends	2011	2010
		£	£
	Ordinary interim paid	40,000	70,000

TEMPLE LIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2011 & at 31 December 2011	428,326
Amortisation	
At 1 January 2011	64,248
Charge for the year	21,417
At 31 December 2011	85,665
Net book value	
At 31 December 2011	342,661
At 31 December 2010	364,078

At the year end the directors have demonstrated that an impairment of the goodwill is not required

9 Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
Cost			
At 1 January 2011	56,878	3,775	60,653
Additions	25,795	-	25,795
At 31 December 2011	82,673	3,775	86,448
Depreciation			
At 1 January 2011	33,440	3,775	37,215
Charge for the year	12,308	-	12,308
At 31 December 2011	45,748	3,775	49,523
Net book value			
At 31 December 2011	36,925	-	36,925
At 31 December 2010	23,438	-	23,438

TEMPLE LIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

10 Fixed asset investments

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Temple Lifts (Southern) Limited	England & Wales	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2011 £	Profit/(loss) for the year 2011 £
Temple Lifts (Southern) Limited	Principal activity Dormant	(100,546)	-

11 Work in progress

	2011 £	2010 £
Work in progress	57,047	33,651

12 Debtors

	2011 £	2010 £
Trade debtors	897,625	1,163,291
Amounts recoverable on long term contracts	141,452	456,175
Other debtors	955,830	654,595
Prepayments and accrued income	535,846	555,082
Deferred tax asset (see note 14)	7,967	11,052
	<u>2,538,720</u>	<u>2,840,195</u>

TEMPLE LIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

13 Creditors: amounts falling due within one year	2011	2010
	£	£
Trade creditors	654,871	772,279
Corporation tax	71,802	178,142
Other taxes and social security costs	327,346	367,445
Other creditors	105,126	51,189
Accruals and deferred income	630,024	1,014,546
	<u>1,789,169</u>	<u>2,383,601</u>

Bank facilities are secured against an unlimited debenture with Lloyds TSB Bank Plc. This debenture is secured against a fixed and floating charge over the present and future assets of the company, including goodwill, the book debts of the company, uncalled capital, building fixtures and fixed plant and machinery.

Included in other creditors are unpaid pension contributions of £49,649 (2010: £40,707).

14 Provisions for liabilities and charges

The deferred tax asset (included in debtors, note 12) is made up as follows:

	2011	
	£	
Balance at 1 January 2011	(11,052)	
Profit and loss account	3,085	
	<u>(7,967)</u>	
Balance at 31 December 2011	<u>(7,967)</u>	

	2011	2010
	£	£
Accelerated capital allowances	4,942	290
Unpaid pension contributions	(12,909)	(11,342)
	<u>(7,967)</u>	<u>(11,052)</u>

TEMPLE LIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

15 Pension and other post-retirement benefit commitments Defined contribution

	2011 £	2010 £
Contributions payable by the company for the year	97,647	119,063

16 Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
1,000 Ordinary of £1 each	1,000	1,000

17 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2011 as previously reported	1,291,198
Prior year adjustment (note 24)	(44,534)
Balance at 1 January 2011 as restated	1,246,664
Profit for the year	212,209
Dividends paid	(40,000)
Balance at 31 December 2011	1,418,873

18 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit for the financial year	212,209	422,188
Dividends	(40,000)	(70,000)
Net addition to shareholders' funds	172,209	352,188
Opening shareholders' funds	1,247,664	895,476
Closing shareholders' funds	1,419,873	1,247,664

TEMPLE LIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

19 Financial commitments

At 31 December 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2012

	Land and buildings		Other	
	2011	2010	2011	2010
	£	£	£	£
Operating leases which expire				
Within one year	700	37,802	28,976	29,185
Between two and five years	40,000	40,000	172,097	149,006
	<u>40,700</u>	<u>77,802</u>	<u>201,073</u>	<u>178,191</u>

20 Directors' emoluments

	2011	2010
	£	£
Emoluments for qualifying services	296,915	346,648
Company pension contributions to money purchase schemes	30,000	27,152
	<u>326,915</u>	<u>373,800</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2010 - 3)

Emoluments disclosed above include the following amounts paid to the highest paid director

Emoluments for qualifying services	128,537	119,704
Company pension contributions to money purchase schemes	10,000	10,000

TEMPLE LIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

21 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2011 Number	2010 Number
Contracts	70	81
Administration	30	29
	<u>100</u>	<u>110</u>

Employment costs

	2011 £	2010 £
Wages and salaries	3,697,512	4,112,133
Social security costs	433,460	440,295
Other pension costs	97,647	119,063
	<u>4,228,619</u>	<u>4,671,491</u>

22 Control

The directors consider there to be no one controlling party of the ultimate parent company, Temple Lifts Group 2010 Limited. The accounts of Temple Lifts Group Limited and the ultimate controlling party Temple Lifts Group 2010 Limited can be obtained from Hayward House, 329 Baring Road, London, SE12 0DZ.

23 Related party transactions

During the year, Temple Lifts Limited traded on an arm's length basis with Niche Lifts Limited, a company in which Barry Harden, a director of Temple Lifts Limited is also a director and a minority shareholder. Total purchases were made during the year of £178,475 (2010: £24,407). Included within trade creditors is an amount owed to Niche Lifts Limited of £14,727 (2010: £8,912).

The company has also taken advantage of the exemption in Financial Reporting Standard No 8 from the requirement to disclose related party transactions and balances with all group undertakings on the grounds that it is a wholly owned subsidiary.

24 Prior year adjustment

The prior year adjustment relates to taxation liabilities. Previously incorrect tax relief had been taken on staff pension costs. The comparative administrative expenses have been increased by £44,534 as have the comparative creditors. This has resulted in a reduction to the brought forward reserves of £44,534.