

REGISTRAR'S COPY

COMPANY

NUMBER: 03724378

Ability Lifting Solutions Limited

Report and Financial Statements

Year Ended

31 October 2011

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Ability Lifting Solutions Limited

**Report and financial statements
for the year ended 31 October 2011**

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Directors

M A O'Byrne
M Haynes

Registered office

Windrush Court, Blacklands Way, Abingdon, Oxfordshire, OX14 1SY

Company number

03724378

Auditors

BDO LLP, Kings Wharf, 20-30 Kings Road, Reading, RG1 3EX

Ability Lifting Solutions Limited

Report of the directors for the year ended 31 October 2011

The directors present their report together with the audited financial statements for the year ended 31 October 2011

Principal activities

Ability Lifting Solutions Ltd is engaged in the design, manufacture, installation and servicing of wheelchair lifts, platform lifts, stair lifts, hoists, disability steps and other related products

Review of the business

The results for the year and the Company's financial position at the end of the year are shown in the attached financial statements. The directors have not recommended a dividend, (2010 - £Nil)

The profit and loss account is set out on page 5 and shows a loss for the year to 31 October 2011 of £357,000 compared with a loss of £368,000 in the prior year. Turnover for the year was £968,000 compared with £822,000 in the prior year.

Future developments

The future strategy will be to develop its business of the manufacture, installation and servicing of wheelchair lifts in the public and private sector in the UK.

Research and development

During the year the Company incurred costs of £138,905 (2010 - £Nil) in relation to research and development.

Financial risk management objectives and policies

The financial risk management objectives and policies are disclosed in the financial statements of the parent company, Ability Technology Group Limited.

Ability Lifting Solutions Limited

Report of the directors for the year ended 31 October 2011 (*continued*)

Directors

The directors of the Company during the year were

M A O'Byrne
M Haynes
D B Warren (Resigned 30 April 2012)

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.

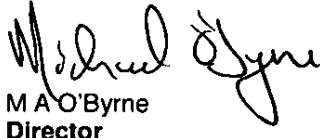
Auditors

All 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 auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

On behalf of the Board


M A O'Byrne
Director

24 May 2012

Ability Lifting Solutions Limited

Independent auditor's report

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ABILITY LIFTING SOLUTIONS LIMITED

We have audited the financial statements of Ability Lifting Solutions Limited for the year ended 31 October 2011 which comprise the profit and loss account, the balance sheet 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 Auditing Practices Board's (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 October 2011 and of its loss 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 the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Ability Lifting Solutions Limited

Independent auditor's report (*continued*)

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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime

BDO LLP

Christopher Pooles (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

Reading

United Kingdom

24 May 2012

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

Ability Lifting Solutions Limited

Profit and loss account for the year ended 31 October 2011

		2011 £'000	2010 £'000
Turnover	2	968	822
Cost of sales		(892)	(694)
Gross profit		76	128
Administrative expenses		(684)	(482)
Operating loss	3	(608)	(354)
Interest payable and similar expense	5	(19)	(14)
Loss on ordinary activities before taxation		(627)	(368)
Taxation on loss from ordinary activities	6	270	-
Loss on ordinary activities after taxation	15	(357)	(368)

All amounts relate to continuing activities. The Company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 7 to 14 form part of these financial statements.

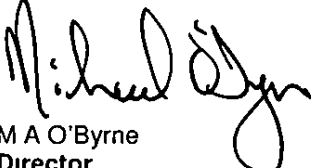
Ability Lifting Solutions Limited

Balance sheet
at 31 October 2011

<i>Company number 03724378</i>	Note	2011 £'000	2010 £'000 Restated
Fixed assets			
Tangible assets	7	50	40
Current assets			
Stocks	8	314	145
Debtors	9	266	158
Cash at bank and in hand		9	-
		<u>589</u>	<u>303</u>
Creditors, amounts falling due within one year	10	(1,483)	(785)
		<u>(894)</u>	<u>(482)</u>
Net current liabilities		(894)	(482)
		<u>(844)</u>	<u>(442)</u>
Total assets less current liabilities		(844)	(442)
Creditors: amounts falling due after more than one year	11	(96)	(141)
		<u>(940)</u>	<u>(583)</u>
Net liabilities		(940)	(583)
Capital and reserves			
Called up share capital	14	75	75
Profit and loss account	15	(1,015)	(658)
		<u>(940)</u>	<u>(583)</u>
Deficit in shareholders' funds	16	(940)	(583)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements were approved by the Board of Directors and authorised for issue on 24 May 2012


M A O'Byrne
Director

The notes on pages 7 to 14 form part of these financial statements

Ability Lifting Solutions Limited

Notes forming part of the financial statements for the year ended 31 October 2011

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

The following principal accounting policies have been applied

Going concern

The financial statements have been prepared on a going concern basis. The company recorded a loss of £357,000 (2010 - £368,000) for the year and had net current liabilities of £894,000 (2010 Restated - £482,000) and net liabilities of £940,000 (2010 - £583,000) at the balance sheet date

The company is financed through loans from its parent company and cash generated from its operations. The parent company has confirmed that it will continue to provide such support as the company requires for a period of at least twelve months from the date of the approval of these financial statements

The directors have prepared cash flow forecasts and considered the cash flow requirement for the company and the group for a period including twelve months from the date of the approval of these financial statements. Based on these forecasts the directors are confident that the company has sufficient cash resources to enable it to pay its debts as they fall due

As a result of the above, the directors consider it appropriate to prepare the financial statements on a going concern basis

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the Company is wholly owned and its parent publishes a consolidated cash flow statement

Related party transactions

As a wholly owned subsidiary of Ability Technology Group Limited, the Company is exempt from the requirements of FRS 8 to disclose transactions with other members of the Group on the grounds that the Group's consolidated accounts are publicly available from Companies House

Turnover

Turnover represents the value of goods and services provided to external customers, excluding value added tax, and is attributable to the Company's principal activity. Turnover for product sales from stock is recognised at point of sale. Turnover for installations and project work is recognised upon completion of the project

Research and development

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred

Ability Lifting Solutions Limited

Notes forming part of the financial statements
for the year ended 31 October 2011 (*continued*)

1 Accounting policies (*continued*)

Tangible fixed assets

All tangible fixed assets are shown at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly related to the acquisition of the assets.

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Leasehold improvements	-	over the period of the lease
Plant and machinery	-	8% - 25% straight line
Motor vehicles	-	25% straight line

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each balance sheet date. An asset's carrying value is written down immediately to its recoverable amount if the carrying value is greater than its estimated recoverable amount.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes all direct expenditure and an appropriate proportion of attributable overheads. The cost of work in progress and finished goods is calculated on the basis of direct costs plus an appropriate proportion of attributable overheads based on a normal level of activity. Provision is made for any foreseeable losses where appropriate.

Taxation

The charge for taxation is based on the result for the year and taking into account taxation deferred.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax balances are not discounted.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account. Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease.

Ability Lifting Solutions Limited

Notes forming part of the financial statements
for the year ended 31 October 2011 (*continued*)

1 Accounting policies (*continued*)

Pension costs

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 amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Foreign currencies

Transactions in foreign currencies are recorded using the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the profit and loss account.

Restatement

The 2010 balance sheet has been restated as the loans and overdraft figure of £141,000 was shown incorrectly as less than one year. It has been reclassified to greater than one year, this adjustment does not have any impact on the profit and loss account.

2 Turnover

Turnover is wholly attributable to the principal activity of the Company and arises solely within the United Kingdom.

	2011 £'000	2010 £'000
United Kingdom	968	822



Ability Lifting Solutions Limited

Notes forming part of the financial statements
for the year ended 31 October 2011 (*continued*)

3 Operating loss

	2011 £'000	2010 £'000
Operating loss is stated after charging		
Depreciation of owned fixed assets	18	14
Auditors' remuneration		
- Audit fees	4	3
- Non-audit fees	2	1
Operating lease costs		
- Land and buildings	31	37
- Plant and equipment	18	7
Research & development	139	-
Loss on disposal of fixed assets	-	1
Exchange loss	4	2
	<hr/>	<hr/>

4 Directors and employees

The average number of staff employed by the Company during the financial year amounted to

	2011 No.	2010 No.
Production	14	6
Management and administrative	8	10
	<hr/>	<hr/>
	22	16
	<hr/>	<hr/>

The aggregate payroll costs of the above were

	2011 £'000	2010 £'000
Wages and salaries	241	147
Social security costs	25	15
Other pension costs	6	6
	<hr/>	<hr/>
	272	168
	<hr/>	<hr/>

Remuneration in respect of directors was as follows

	2011 £'000	2010 £'000
Emoluments receivable	42	42
Value of Company pension contributions to money purchase schemes	-	1
	<hr/>	<hr/>
	42	43
	<hr/>	<hr/>

Ability Lifting Solutions Limited

Notes forming part of the financial statements
for the year ended 31 October 2011 (*continued*)

5 Interest payable and similar expense

	2011 £'000	2010 £'000
Interest payable on bank loans and overdrafts	2	8
Interest payable on loans from other Group companies	17	6
	<u>19</u>	<u>14</u>

6 Taxation on profit from ordinary activities

Analysis of credit in the year

	2011 £'000	2010 £'000
<i>Current tax</i>		
UK corporation tax	(38)	-
Group relief receivable	(128)	-
Adjustment in respect of prior year	(104)	-
	<u>(270)</u>	<u>-</u>
Total tax credit for year	(270)	-

Factors affecting current tax credit

The tax assessed on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below

	2011 £'000	2010 £'000
Loss on ordinary activities before tax	(627)	(368)
Profit on ordinary activities at the standard rate of corporation tax in the UK of 26.8% (2010 - 28%)	(168)	(103)
Deduction for research & development expenditure	(36)	-
Surrender of tax losses for R&D tax credit refund	39	-
Capital allowances for year in excess of depreciation	(1)	-
Adjustment to tax charge in respect of previous periods	(104)	-
Group relief surrendered	128	103
Group relief payment received	(128)	-
	<u>(270)</u>	<u>-</u>
Current tax credit for year	(270)	-

Ability Lifting Solutions Limited

Notes forming part of the financial statements
for the year ended 31 October 2011 (*continued*)

7 Tangible fixed assets

	Leasehold improvements £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
<i>Cost</i>				
At 1 November 2010	1	62	30	93
Additions	7	21	-	28
Disposals	-	-	(5)	(5)
At 31 October 2011	8	83	25	116
<i>Depreciation</i>				
At 1 November 2010	-	26	27	53
Provided for the year	3	12	3	18
Disposals	-	-	(5)	(5)
At 31 October 2011	3	38	25	66
<i>Net book value</i>				
At 31 October 2011	5	45	-	50
At 31 October 2010	1	36	3	40

8 Stocks

	2011 £'000	2010 £'000
Raw materials	33	13
Work in progress	147	50
Finished goods	134	82
	314	145

9 Debtors

	2011 £'000	2010 £'000
Trade debtors	157	142
Prepayments and accrued income	19	16
Amounts owed by Group undertakings	49	-
Corporation tax	41	-
	266	158

Ability Lifting Solutions Limited

Notes forming part of the financial statements
for the year ended 31 October 2011 (continued)

10 Creditors: amounts falling due within one year

	2011 £'000	2010 £'000 Restated
Trade creditors	107	135
Amounts owed to Group undertakings	1,158	486
Other taxation and social security	9	21
Other creditors	49	51
Accruals and deferred income	160	92
	<u>1,483</u>	<u>785</u>

The loan is secured by way of a personal guarantee provided against the property of M Haynes. The bank overdraft is secured by a Mortgage Debenture dated 6 April 2006 incorporating a fixed and floating charge over the Company's assets, in favour of Barclays Bank Plc.

11 Creditors: amounts falling due after more than one year

	2011 £'000	2010 £'000 Restated
Bank loans and overdrafts	96	141
	<u>96</u>	<u>141</u>

12 Pensions

The Company operates a defined contribution scheme for the benefit of certain employees with contributions being made at levels determined by the Company. Contributions are charged to the profit and loss account as incurred. The charge in the year to 31 October 2011 was £6,000 (2010: £6,000) and the amount unpaid at the year end and included within creditors is £Nil (2010: £Nil).

13 Commitments under operating leases

At 31 October 2011 the Company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2011 £'000	Other items 2011 £'000	Land and buildings 2010 £'000	Other items 2010 £'000
Operating leases which expire				
Within 1 year	27	-	32	2
Within 2 to 5 years	-	11	27	3
	<u>27</u>	<u>11</u>	<u>59</u>	<u>5</u>

Ability Lifting Solutions Limited

Notes forming part of the financial statements
for the year ended 31 October 2011 (*continued*)

14 Share capital

	2011 £	2010 £
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	75,000	75,000

15 Profit and loss account

	2011 £'000	2010 £'000
Balance brought forward	(658)	(290)
Loss for the financial year	(357)	(368)
	<u>(1,015)</u>	<u>(658)</u>
Balance carried forward		

16 Reconciliation of movements in shareholders' funds

	2011 £'000	2010 £'000
Loss for the financial year	(357)	(368)
Dividends	-	-
	<u>(357)</u>	<u>(368)</u>
Net decrease in shareholders' funds	(583)	(215)
Opening deficit in shareholders' funds		
	<u>(940)</u>	<u>(583)</u>
Closing deficit in shareholders' funds		

17 Contingent liabilities

In conjunction with the other members of the Ability Technology Group Limited group of companies, the Company has given a composite guarantee to the Company's bankers. There is a right of set off incorporated in the composite guarantee.

18 Parent company and ultimate controlling party

The Company is a wholly owned subsidiary of Ability Technology Group Limited, a company incorporated in Great Britain. The Company's registered office is, Windrush Court, Blacklands Way, Abingdon, Oxfordshire, OX14 1SY.

Copies of the consolidated financial statements of Ability Technology Group Limited are available from Companies House.

The ultimate controlling party is M A O'Byrne.