

**ADRS SOLUTIONS LIMITED**

**Annual Report and Financial Statements**

**For the Year Ended 30 June 2016**

**Registration number: 07206078**



## **ADRS SOLUTIONS LIMITED**

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## **ADRS SOLUTIONS LIMITED**

### **Company Information**

<b>Directors</b>	S Christie C Gilmour (resigned 30 June 2016) S Bewick (appointed 1 July 2016)
<b>Company Secretary</b>	S Christie
<b>Registered office</b>	Wilbury Way Hitchin Hertfordshire SG4 0AB
<b>Country of incorporation</b>	England
<b>Legal form</b>	Company limited by shares
<b>Banker</b>	Lloyds TSB Gonville Place 95-97 Regent Street Cambridge CB2 1BQ
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP 10 Bricket Road St Albans Herts AL1 3JX

## ADRS SOLUTIONS LIMITED

### Strategic Report for the Year Ended 30 June 2016

The directors present their strategic report and the audited financial statements for the year ended 30 June 2016

#### Review of business

The principal activity of the business continues to be that of distribution, supply, installation and maintenance of door operating equipment. On the 1 November 2014, 100% of the share capital of the company was acquired by DORMA UK LIMITED, a company registered in England. Following the acquisition of the share capital, there was no change nor gap in the trading of the company and ADRS SOLUTIONS LIMITED continued to trade as a stand alone company. On 1 May 2016, the entire activity and balances of the company were transferred to DORMA UK Limited, as part of a business combination, without any interruption to the business. The transfer of trade has been made at no gain or loss.

Following the business combination, ADRS Limited will remain a dormant company.

#### Results and performance

The company has maintained a stable financial position during the period. The Statement of Comprehensive Income is for a trading period of 10 months. The Statement of Financial Position assets and liabilities are presented on page 9.

The Statement of comprehensive income is set out on page 8 and shows a profit for the financial year of £407,395. As a percentage of sales, the gross margin has decreased from 36.79% from prior period to 19.80% in current period. On 1 May 2016, the assets and liabilities of ADRS SOLUTIONS LIMITED were incorporated into the books of Dorma UK Limited, as part of the business combination. This has been done at a no gain no loss. There has been no interruption and no changes in the trading activity of ADRS Limited.

#### Business environment

The service industry continues to remain competitive.

#### Strategy

The company will remain as a dormant company going forward

#### Principal risks and uncertainties

There is an ongoing process to identify, assess and manage risk. This process has been in place throughout the year to which these statements apply and up to the date of their approval.

The company operates a process of risk management as part of the corporate governance activities. The company secretary chairs a high level risk group and, together with the directors and senior leadership team, reviews the status of the company risk mitigation strategy. This risk management process is part of the DORMA Group corporate governance activity and is shared with the ultimate parent company as part of a global risk management strategy.

#### Key Performance Indicators Performance Review

The management monitors progress on overall company strategy by reference to two KPI's, being growth in sales percentages and earnings before interest and tax. Sales for the 10 months trading period have increased by 2.22% when compared with same period in prior year. Net margin increased to 8.70% from 7.46% in prior period.

Approved by the Board on 29/03/2017 and signed on its behalf by:



S Christie  
Company secretary and director

Wilbury Way  
Hitchin  
Hertfordshire  
SG4 0AB

## **ADRS SOLUTIONS LIMITED**

Registration number 07206078

### **Directors' Report for the Year Ended 30 June 2016**

The directors present their report and the audited financial statements for the year ended 30 June 2016

#### **Results and dividends**

The profit for the financial year is £412,644 (2015 - £615,045). As part of the hive up to Dorma UK Ltd a dividend in specie of £1,427,755 has been recognised. No dividends have been paid during the year (2015: £150,000). No other dividends were approved prior to the year ended 30 June 2016.

#### **Directors of the company**

The directors of the company who were in office during the year and up to the date of signing the financial statements were

Mr S A Christie	
Mr C G Gilmour	Resigned 30 June 2016
Mr S A Bewick	Appointed 1 July 2016

#### **Principal activity**

The principal activity of the company is distribution, supply, installation and maintenance of door operating equipment.

#### **Financial risk management**

##### **Objectives and policies**

The directors are responsible for the company's system of internal control, including internal financial control, which is designed to provide reasonable, but not absolute, assurance regarding: (a) the safeguarding of assets against unauthorised use or disposition, and (b) the maintenance of proper accounting records and the reliability of financial information used within the business or for publication.

##### **Price risk, credit risk, liquidity risk and cash flow risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The company's credit management policy and associated procedures aim to minimise such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy rigorous and ongoing credit worthiness checks. Potential exposure is subject to regular review at senior level.

Details of the company's debtors are shown in note 13 to the financial statements.

Liquidity and cash flow risk is the risk of exposure to variability in the cash flows and that an entity will encounter difficulty in meeting obligations associated by financial liabilities.

#### **Workforce, health, safety and environmental considerations**

##### **Manpower and skill levels**

The company operates a technical business and therefore regular monitors staffing levels and skills to ensure that a sufficient level of personnel from engineers to customer service advisors are engaged at appropriate levels.

##### **Employment of disabled persons**

The company operates a comprehensive equal opportunities policy which ensures that all job applicants are treated fairly and without prejudice.

This policy also encompasses provisions to ensure that less able-bodied people are not disadvantaged by conditions, requirements or practices that cannot be shown to be just or fair. Where existing employees become disabled, it is the company's policy wherever practical to provide continued employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

#### **Going Concern**

The directors have decided that the company will be kept dormant going forward and therefore continues to adopt the going concern basis in preparing its financial statements.

**ADRS SOLUTIONS LIMITED**  
**Registration number 07206078**

**Directors' Report for the Year Ended 30 June 2016**

**Recruitment**

The company aims to ensure that it attracts a sufficient number of people at the required standard to meet its external recruitment needs. Recruitment is closely monitored to ensure that it is only authorised if the company is confident that the business needs are critical, and there are no suitable internal candidates available.

**Health and safety at work**

The company places the utmost importance on ensuring that the safety and security of its customers and employees on-site and in office is maintained and continues to enjoy certification to OHSAS 18001.

As part of its commitment to health and safety the company works continuously to ensure that its engineers working on-site are regular monitored and measured against safety standards, from working with steps and using pedestals to using scaffold and other platforms. Risk assessment are regular performed and engineers receive training in personal risk analysis as well as customer site risk and method assessment.

**Environment matters**

The company seeks to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues.

**Disclosure of information to the auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Research and Development**

No R&D activities have been undertaken by the company during the period.

**Directors' Report for the Year Ended 30 June 2016**

**STATEMENT OF 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.

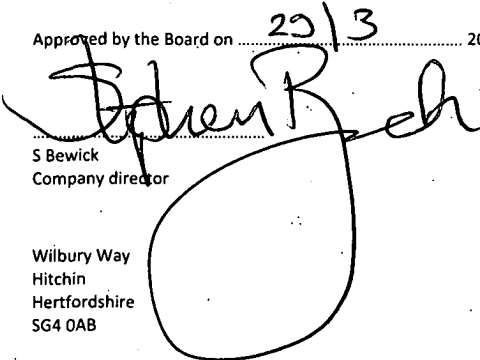
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Approved by the Board on 29/3 2017 and signed on its behalf by:

  
S Bewick  
Company director

Wilbury Way  
Hitchin  
Hertfordshire  
SG4 0AB

# ***Independent auditors' report to the members of ADRS Solutions Limited***

## **Report on the financial statements**

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### **Our opinion**

In our opinion, ADRS Solutions Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 June 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.
- 

### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the statement of financial position as at 30 June 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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## **Opinion on other matter prescribed by the Companies Act 2006**

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

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## **Other matters on which we are required to report by exception**

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### **Adequacy of accounting records and information and explanations received**

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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.

We have no exceptions to report arising from this responsibility.

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### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.



# ***Independent auditors' report to the members of ADRS Solutions Limited***

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## **Responsibilities for the financial statements and the audit**

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### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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### **What an audit of financial statements involves**

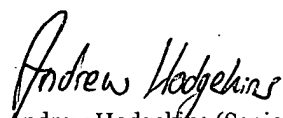
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Andrew Hodgkins (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
St Albans  
29 March 2017

# **ADRS SOLUTIONS LIMITED**

## **Statement of Comprehensive Income for the Year Ended 30 June 2016**

	Note	2016	2015
		£	£
Turnover	5	4,682,056	8,244,410
Cost of sales		<u>(3,755,009)</u>	<u>(5,210,892)</u>
Gross profit		927,047	3,033,518
Administrative expenses		(407,602)	(2,328,406)
Other operating income			72,009
Operating profit/(loss)	6	<u>519,445</u>	<u>777,121</u>
Profit/(loss) on ordinary activities before taxation		519,445	777,121
Tax on profit/(loss) on ordinary activities	10	<u>(106,782)</u>	<u>(162,076)</u>
Profit for the financial year		<u>412,664</u>	<u>615,045</u>
Other comprehensive income			
Total comprehensive income for the year		<u>412,664</u>	<u>615,045</u>

# ADRS SOLUTIONS LIMITED

## Statement of Financial Position as at 30 June 2016

Fixed assets	Note	2016 £	2015 £
Tangible assets	11	<u>-</u>	<u>12,541</u>
		<u>-</u>	<u>12,541</u>
<b>Current assets</b>			
Stocks	12	-	715,530
Debtors	13	30	1,335,397
Cash at bank and in hand		<u>-</u>	<u>353,893</u>
		30	2,404,820
Creditors: Amounts falling due within one year	15	<u>-</u>	<u>(1,399,606)</u>
Net current assets		30	1,005,214
Total assets less current liabilities		<u>30</u>	<u>1,017,755</u>
Net current assets		30	1,017,755
Provisions for liabilities	14	<u>-</u>	<u>(2,634)</u>
<b>Net assets</b>		<u><b>30</b></u>	<u><b>1,015,121</b></u>
<b>Capital and reserves</b>			
Called up share capital	16	30	30
Profit and loss account		<u>-</u>	<u>1,015,091</u>
<b>Total Equity</b>		<u><b>30</b></u>	<u><b>1,015,121</b></u>

The notes on pages 11 to 13 are an integral part of these financial statements.

The financial statements on pages 8 to 18 were authorised for issue by the board of directors on 29/07/2017 and were signed on its behalf.



S Christie  
Company secretary and director

ADRS LIMITED  
Registered number 07206078

# **ADRS SOLUTIONS LIMITED**

## **Statement of changes in equity for the year ended 30 June 2016**

	Called-up share capital £	Profit & Loss Account £	Total Equity £
Balance as at 1 January 2014	30	550,046	550,076
Profit for the year	-	615,045	615,045
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	-	615,045	615,045
Dividends	-	(150,000)	(150,000)
Transfer to retained earnings	-	-	-
<b>Total transactions with owners, recognised in equity</b>	-	(150,000)	(150,000)
Balance as at 30 June 2015	30	1,015,091	1,015,121
Balance as at 1 July 2015	30	1,015,091	1,015,121
Profit for the year	-	412,664	412,664
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	-	412,664	412,664
Dividend in specie	-	(1,427,755)	(1,427,755)
Transfer to retained earnings	-	-	-
<b>Total transactions with owners, recognised in equity</b>	-	(1,427,755)	(1,427,755)
Balance as at 30 June 2016	30	-	30

## **ADRS SOLUTIONS LIMITED**

### **Notes to the Financial Statements for the Year Ended 30 June 2016**

#### **1 General information**

The principal activity of the business continues to be that of distribution, supply, installation and maintenance of door operating equipment until 1 May 2016. After this date the company is a non-trading company and will remain a dormant company. The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is on the company information page.

The ultimate parent undertaking and controlling party is dorma+kaba Holding AG, a company incorporated in Switzerland, whose principal place of business is at Hofwisenstrasse 24, CH-8153, Rumlang, Switzerland.

#### **2 Statement of compliance**

The individual financial statements of ADRS SOLUTIONS LIMITED have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### **3 Summary of significant accounting policies**

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements. On first time adoption of FRS 102, the company has not retrospectively changed its accounting under old UK GAAP for derecognition of financial assets and liabilities before the date of transition or account estimates. All amounts in the financial statements have been rounded to the nearest pound.

##### **(a) Basis for preparation**

These financial statements have been prepared on a basis other than going concern, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The directors have reviewed the company's accounting policies and estimation techniques, as required in FRS 102 and they consider that they are the most appropriate.

The principal accounting policies, which have been applied consistently throughout the year are set out below.

##### **(b) Going concern**

The directors have decided that the company will be kept dormant going forward and therefore continues to adopt the going concern basis in preparing its financial statements.

##### **(c) Exemptions for qualifying entities under FRS102**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 paragraph 3.17(d) Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29; and
- the non-disclosure of key management personnel compensation in total per paragraph 33.7.

##### **(e) Foreign currency**

###### **(i) Functional and presentation currency**

The company's functional and presentation currency is the pound sterling.

###### **(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical costs are translated using the exchange rate at the date of the transaction and non-monetary measured at fair value are measured using the exchange rate when fair value was determined.

## **ADRS SOLUTIONS LIMITED**

### **Notes to the Financial Statements for the Year Ended 30 June 2016**

#### **(e) Foreign currency (continued)**

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

As the company is wholly owned subsidiary of dorma+kaba Holding AG, the company has taken advantage of the exemption contained within FRS 8 and therefore not disclosed transactions or balances with entities which form part of the same group. The consolidated financial statements of dorma+kaba Holding AG within which this company is included can be obtained from the address given in note 20.

#### **(f) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied and services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

The company bases its estimate of returns on historical results, taking into consideration, the type of customer, the type of transaction and the specifics of each arrangement.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transition, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to the each of the company's channels have been met.

##### **(i) Sales of goods**

Revenue is recognised when the risk and rewards of the inventory is passed to the customer. Delivery occurs when the goods have been dispatched to the location specified by the customer. Sales are normally made with a credit term of 30 to 60 days from end of month.

##### **(ii) Sales of services**

Revenue is recognised in the accounting period in which the services are rendered when the outcome of contract can be estimated reliably. The company uses the percentage of completion method on the actual service performed as a percentage of the total services to be provided.

##### **(iii) Interest income**

Interest income is recognised using the effective interest rate method.

#### **(g) Employee benefits**

The company provides a range of benefits to employees, including annual bonus arrangements and paid holiday arrangements.

##### **(i) Short term benefits**

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

##### **(ii) Defined contribution pension plans**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays a fixed contribution for each employee entitled. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet.

#### **(h) Taxation**

Taxation expenses for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

##### **(i) Current tax**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

## ADRS SOLUTIONS LIMITED

### Notes to the Financial Statements for the Year Ended 30 June 2016

#### (ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

#### (i) Tangible assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the assets to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

#### (i) Depreciation and residual values

Depreciation is calculated, using the straight line method, to allocated the cost to their residual values over their estimated useful life as follows

Asset class	Amortisation method and rate
Land and buildings	Straight-line at 20% per annum
Plant and machinery	Straight-line at 20% per annum

#### (j) Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Inventories are recognised as an expense in the period in which the related revenue is recognised.

Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and its recognised as a credit in the profit and loss account.

#### (k) Cash and cash equivalents

Cash and cash equivalents includes cash in hand and deposits held at call with banks.

#### (l) Provisions and contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood of that outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item in the same class of obligations might be small.

#### (m) Provisions and contingencies

In particular:

- (i) Restructuring provisions are recognised when the company has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring; and
- (ii) Provision is not made for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

## ADRS SOLUTIONS LIMITED

### Notes to the Financial Statements for the Year Ended 30 June 2016

#### (n) Financial instruments

##### (i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

##### (ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### (o) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### (p) Distribution to equity holders

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders.

#### (q) Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group which are wholly owned.

### 4 Critical accounting judgements and estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, income and expenses. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form a basis for making the judgments about carrying value of assets and liabilities that are not readily apparent from other sources.

The directors have reviewed the estimates and assumptions used in the preparation of the financial statements. The directors do not believe that there is a significant risk which would lead to material adjustments to the carrying value of any assets and liabilities in the next financial year due to the changes on the estimates or assumptions.

### 5 Turnover

During the year all of the company turnover related to the distribution, supply, installation and maintenance of door operating equipment.

### 6 Operating profit

Operating profit is stated after charging:

	2016	2015
	£	£
Operating leases rentals	157,829	274,933
Depreciation of owned assets	20,861	13,495
Loss on foreign exchange transactions	3	17,636
Director's remuneration		84,647
Stock recognised as an expense	3,755,009	5,210,892

Operating leases are renewed on a monthly basis as from 1 July 2015. All of the operating leases have been transferred to DORMA UK, as part of the hive up exercise on 1 May 2016.

### 7 Auditors' remuneration

	2016	2015
	£	£
Audit of the financial statements	8,000	8,500



## ADRS SOLUTIONS LIMITED

### Notes to the Financial Statements for the Year Ended 30 June 2016

#### 8 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2016 No.	2015 No.
Administration and support	1	1
Service, sales, marketing and distribution	46	43
	<u>47</u>	<u>44</u>

The aggregate payroll costs were as follows:

	2016 £	2015 £
Wages and salaries	1,316,799	1,897,405
Social security costs	133,043	204,522
	<u>1,449,842</u>	<u>2,101,927</u>

The emoluments of the directors are paid by other group undertakings. The directors' services to this company are of non-executive nature and their emoluments are deemed to be wholly attributable to their services to other group undertakings, accordingly, no recharge is made to the company for directors' emoluments (2015: £nil).

#### 9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2016 £	2015 £
Remuneration (including benefits in kind)		84,647
	<u></u>	<u></u>

During the year the number of directors who were receiving benefits and share incentives was nil (2015: nil).

#### 10 Tax on profit on ordinary activities

##### Tax expenses included in profit and loss

	2016 £	2015 £
<b>Current tax</b>		
UK Corporation tax on profits for the year	109,416	164,727
Adjustment in respect of previous years		
Total current tax	<u>109,416</u>	<u>164,727</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(2,634)	(2,651)
Total tax on profit on ordinary activities	<u>106,782</u>	<u>162,076</u>

# ADRS SOLUTIONS LIMITED

## Notes to the Financial Statements for the Year Ended 30 June 2016

### 10 Tax on profit on ordinary activities (continued)

#### Reconciliation of tax charges

Tax assessed for the period is higher than (2015 - lower than) the standard rate of corporation tax in the UK of 20.00% (2015 - 20.75%).

The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before taxation	519,445	777,121
Corporation tax at standard rate 20%	103,889	170,460
Capital allowances less than depreciation	4,172	(28,072)
Other timing differences	(2,634)	2,052
Expenses/(income) not deductible for tax purposes	1,355	17,636
Total tax on profit on ordinary activities	106,782	162,076

#### Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. In the Budget on 16 March 2016, the Chancellor announced an additional planned reduction to 17% by 2020.

This will reduce the company's future current tax charge accordingly and reduce the deferred tax asset at 30 June 2016 which has been calculated on the rate of 18% substantively enacted at the balance sheet date. It has not been possible to quantify the fully anticipated effect of the announced reductions, although these will further reduce the company's tax charges and reduce the company's deferred tax asset accordingly.

### 11 Tangible assets

	Land and buildings £	Plant and machinery £	Total £
<b>Cost or valuation</b>			
At 1 July 2015	41,683	33,843	75,526
Additions	-	36,641	36,641
Disposals	-	-	-
Disposals to business combination	(41,683)	(70,484)	(112,167)
At 30 June 2016	-	-	-
<b>Accumulated Depreciation</b>			
At 1 July 2015	31,262	31,723	62,985
Charge for the year	3,066	17,795	20,861
Eliminated on disposal	-	-	-
Depreciation to business combination	(34,328)	(49,518)	(83,846)
At 30 June 2016	-	-	-
<b>Net book value</b>			
At 30 June 2016	-	-	-
At 1 July 2015	10,421	2,120	12,541

On the 1 May 2016 the entire NBV balance has been transferred to Dorma UK Limited, a company registered in England, as part of the hive up exercise.

# **ADRS SOLUTIONS LIMITED**

## **Notes to the Financial Statements for the Year Ended 30 June 2016**

### **12 Stocks**

	2016 £	2015 £
Finished goods and goods for sale		715,530
	<u>                    </u>	<u>715,530</u>

### **13 Debtors**

	2016 £	2015 £
Trade debtors		1,283,260
Amounts owed by group undertakings	30	25,000
Other debtors		27,137
	<u>30</u>	<u>1,335,397</u>

### **14 Deferred tax**

The movement in deferred tax liability in the year is as follows:	£
At 1 July 2015	2,634
Deferred tax charged to the Statement of Comprehensive Income	<u>(2,634)</u>
At 30 June 2016	<u>                    </u>

### **15 Creditors: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors		1,059,889
Taxation and social security		272,643
Other creditors		67,074
	<u>                    </u>	<u>1,399,606</u>

On the 1 May 2016 the Creditors: Amounts falling due within one year have been transferred to Dorma UK Limited, a company registered in England, as part of the hive up exercise.

### **16 Share capital**

#### **Allotted, called up and fully paid shares**

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	30	30	30	30

### **17 Dividends**

	2016 £	2015 £
Dividends paid		
Prior year final dividend paid		150,000
Dividend in specie	<u>1,427,755</u>	<u>                    </u>

On the 1 May 2016 the entire activity and assets and liabilities of the company have been transferred to DORMA UK LIMITED, as part of the business combination, without any interruptions to the business. The transfer of the trade has been made at no gain no loss. There have been no changes nor interruptions to the business activity.

## **ADRS SOLUTIONS LIMITED**

### **Notes to the Financial Statements for the Year Ended 30 June 2016**

#### **18 Related party transactions**

The company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the Group.

#### **19 Ultimate parent company**

The immediate parent undertaking is DORMA UK Limited, a company registered in England and Wales. The ultimate parent undertaking and controlling party is dorma+kaba Holding AG, a company incorporated in Switzerland. dorma+kaba Holding AG is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of dorma+kaba Holding AG are publicly available and can be obtained from 24 Hofwisestrasse, 8153 Rumlang, Switzerland.

#### **20 Transition to FRS102**

This is the first year that the company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the period ended 30 June 2015. There are no changes to accounting policies affecting profit for the financial year ended 30 June 2016 and the total equity as at 30 June 2015 and 30 June 2016 as a result of the conversion between UK GAAP previously reported and FRS 102.