

Hammond & Champness Limited

Report and financial statements

Registered number 00272643

30 September 2005



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Directors and company information

Directors	G Elliot (Chairman)	- resigned 14 November 2005
	EL Jones (Managing Director)	- resigned 6 December 2005
	H Prah	- resigned 10 January 2006
	AJ Sunderland	
	J Panek	- resigned 14 November 2005
	R Kirchner	- appointed 6 December 2005

Secretary B Marcus

Registered office Traffic Street
Nottingham
NG2 1NE

Registered number 00272643

Registered auditors KPMG LLP
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Report of the directors

The directors present their report and the financial statements of the company for the year ended 30 September 2005.

Principal activities

The principal activities of the company are the installation, servicing and repair of lifts.

Business review

The profit for the year after taxation amounted to £833,000 (2004: £728,000). The directors recommend a dividend of 160p per ordinary share (2004: 140p) and a 6% cumulative preference dividend amounting in total to £800,000 (2004: £700,000) for the year.

Directors

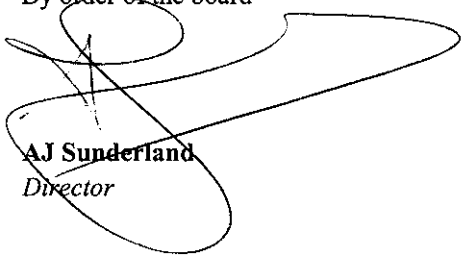
The directors named on page 1 served throughout the year.

According to the register kept under Section 325(v) of the Companies Act 1985 none of the directors or their families had any interests in the share capital of the company.

Auditors

A resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



AJ Sunderland
Director

3 July 2006

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

St Nicholas House
Park Row
Nottingham
NG1 6FQ

Independent auditors' report to the members of Hammond & Champness Limited

We have audited the financial statements on pages 5 to 13

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP.

3 July 2006

*Chartered Accountants
Registered Auditor*

Profit and loss account
for the year ended 30 September 2005

	<i>Note</i>	2005 £000	2004 £000
Turnover	2	4,073	5,835
Cost of sales		(3,082)	(4,759)
Gross profit		991	1,076
Administrative expenses		(216)	(222)
Operating profit		775	854
Other interest receivable and similar income	3	295	164
Interest payable and similar charges	4	(1)	-
Profit on ordinary activities before taxation	5	1,069	1,018
Tax on profit on ordinary activities	7	(236)	(290)
Profit on ordinary activities after taxation		833	728
Dividend proposed	8	(800)	(700)
Retained profit for the year	15	33	28

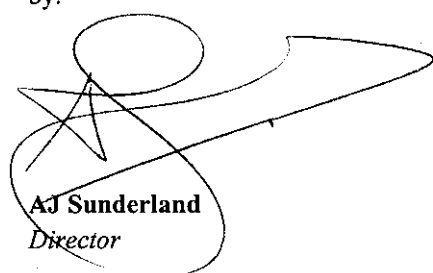
In both the current and preceding year, the company made no material acquisitions and had no discontinued operations.

There were no recognised gains or losses in either the current or preceding year other than those disclosed in the profit and loss account, and therefore no separate statement of total recognised gains and losses has been presented.

Balance sheet
as at 30 September 2005

	Note	2005 £000	2004 £000
Fixed assets			
Tangible assets	9	30	58
Current assets			
Stocks and work in progress	10	-	153
Debtors	11	2,181	3,125
Cash at bank and in hand		3	-
		<u>2,184</u>	<u>3,278</u>
Creditors: amounts falling due within one year	12	<u>(1,644)</u>	<u>(2,799)</u>
Net current assets		<u>540</u>	<u>479</u>
Net assets		<u>570</u>	<u>537</u>
Capital and reserves			
Called up share capital	14	500	500
Profit and loss account	15	70	37
Shareholders' funds	16	<u>570</u>	<u>537</u>
<i>Analysis of shareholders' funds</i>			
Equity interests		570	537
Non-equity interests		-	-
	16	<u>570</u>	<u>537</u>

These financial statements were approved by the board of directors on 3 July 2006 and were signed on their behalf by:


AJ Sunderland
Director

Notes

forming part of the financial statements

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Turnover

Turnover represents the invoiced value of goods and services supplied by the company, excluding value added tax.

Depreciation of tangible fixed assets

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

Plant and machinery - 10%

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date or at the agreed contracted rate.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or the agreed contracted rate.

Operating leases

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

Stocks and long term contracts

Stocks and work in progress are stated at the lower of cost and net realisable value. Progress payments received are deducted to the extent of the individual work in progress valuations, with any excess being carried in creditors.

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome can be foreseen with reasonable certainty. Provision for any losses are made as soon as they are foreseen. Contract work in progress is stated at costs incurred, less foreseeable losses and payments on account.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Cash flow statement

Under Financial Reporting Standard Number 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking. A consolidated cash flow statement is included in the financial statements of the parent undertaking.

Notes (continued)

2 Turnover

The turnover and profit on ordinary activities before taxation arose solely from the continuing principal activities of the company in the United Kingdom.

3 Other interest receivable and similar income

	2005 £000	2004 £000
Receivable from group undertakings	295	164

4 Interest payable and similar charges

	2005 £000	2004 £000
Other interest	1	-

5 Profit on ordinary activities before taxation

	2005 £000	2004 £000
<i>This is stated after charging:</i>		
Auditors' remuneration - audit work	3	-
Depreciation of tangible fixed assets - owned assets	29	40
Operating lease rentals - land and buildings	229	186

6 Directors and employees

The directors received no emoluments in respect of their services to the company during the year (2004: £nil).

The directors were the only employees of the company in 2005 and 2004.

7 Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2005 £000	2004 £000
UK corporation tax on income for the year	299	274
Adjustment to tax charge in respect of prior year	(50)	25
Total current tax	249	299
Deferred taxation - origination and reversal of timing differences	(13)	(9)
	236	290

Notes (continued)

7 Tax on profit on ordinary activities (continued)

(b) Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2004: lower) than the standard rate of corporation tax in the UK of 30% (2004: 30%). The differences are explained below:

	2005 £000	2004 £000
<i>Current tax reconciliation:</i>		
Profit on ordinary activities before tax	1,069	1,018
	<hr/>	<hr/>
Current tax at 30% (2004: 30%)	321	305
	<hr/>	<hr/>
<i>Effects of:</i>		
Difference between capital allowances and depreciation	(1)	(23)
Short term timing differences	(21)	(8)
Adjustment to tax charge in respect of prior year	(50)	25
	<hr/>	<hr/>
Total current tax charge	249	299
	<hr/>	<hr/>

8 Dividends

	2005 £000	2004 £000
Proposed dividend of £1.60 (2004: £1.40) per share on ordinary shares and 6% on cumulative preference shares	800	700
	<hr/>	<hr/>

9 Tangible fixed assets

	Plant and machinery £000
<i>Cost:</i>	
At 1 October 2004	1,824
Disposals	(502)
	<hr/>
At 30 September 2005	1,322
	<hr/>
<i>Accumulated depreciation:</i>	
At 1 October 2004	1,765
Charge for the year	29
Disposals	(502)
	<hr/>
At 30 September 2005	1,292
	<hr/>
<i>Net book value:</i>	
At 30 September 2005	30
	<hr/>
At 30 September 2004	58
	<hr/>

Notes *(continued)*

10 Stocks and work in progress

	2005	2004
	£000	£000
Work in progress: net costs less foreseeable losses	-	153

11 Debtors

	2005	2004
	£000	£000
<i>Amounts falling due within one year:</i>		
Amounts due from group undertakings	2,049	2,467
Trade debtors	-	532
Deferred tax (note 13)	133	120
Prepayments and accrued income	-	6
	2,182	3,125

12 Creditors: amounts falling due within one year

	2005	2004
	£000	£000
Trade creditors	205	22
Amounts owed to group undertakings	831	1,133
Corporation tax	299	324
Social security and other taxation	40	235
Accruals and deferred income	270	1,061
Other creditors	-	24
	1,645	2,799

Notes (continued)

13 Deferred tax asset

	£000
At 1 October 2004	120
Profit and loss account charge for the year	13
	<hr/>
At 30 September 2005	133
	<hr/>
	<hr/>
	2005
	2004
	£000
	£000
<i>Total effect of timing differences because of:</i>	
Excess depreciation over capital allowances	113
Other	20
	80
	40
	<hr/>
	<hr/>
	133
	120
	<hr/>
	<hr/>

The deferred tax asset is included within debtors (see note 11).

14 Called up share capital

	2005	2004
	£	£
<i>Authorised, allotted, called up and fully paid:</i>		
500,000 ordinary shares of £1 each (equity)	500,000	500,000
100 6% cumulative preference shares of £1 each (non-equity)	100	100
	<hr/>	<hr/>
	500,100	500,100
	<hr/>	<hr/>
	<hr/>	<hr/>

The preference shares have the following rights

- Fixed cumulative cash dividend of 6% per annum on the issue price.
- In the event of a winding up the shares have priority over all other shares and will be entitled to receive amounts equal to the issue price plus all arrears of preference dividends.
- Rank pari passu with the ordinary shares in regards voting rights.

15 Profit and loss account

	£000
At 1 October 2004	37
Retained profit for the year	33
	<hr/>
At 30 September 2005	70
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	<hr/>

Notes (continued)

16 Reconciliation of movements in shareholders' funds

	2005 £000	2004 £000
Profit for the financial year	833	728
Dividends proposed	(800)	(700)
	<hr/>	<hr/>
Net addition to shareholders' funds	33	28
Opening shareholders' funds	537	509
	<hr/>	<hr/>
Closing shareholders' funds	570	537
	<hr/>	<hr/>

17 Financial commitments

At 30 September 2005 the company had annual commitments under operating leases which expire:

	Land and buildings 2005 £000	2004 £000
Within one year	11	7
In the second to fifth years	46	54
Over five years	172	125
	<hr/>	<hr/>
	229	186
	<hr/>	<hr/>

18 Contingent liabilities

As part of the group's financing arrangements the company is jointly and severally liable for certain indebtedness of Thyssen Krupp AG. The contingent liability amounted to £nil at 30 September 2005 (2004: £9.3 million).

19 Pensions

The company's employees have transferred to ThyssenKrupp Elevator UK Limited. All pension disclosures are shown within their financial statements.

20 Related party transactions

As the company is a wholly owned subsidiary of Thyssen Krupp AG, the company has taken advantage of the exemption contained within Financial Reporting Standard Number 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Thyssen Krupp AG, within which this company is included, can be obtained from the address given in note 21.

Notes *(continued)*

21 Ultimate parent and controlling company

At the balance sheet date the company's immediate parent company was Thyssenkrupp Aufzüge Limited, a company registered in England and Wales; the ultimate parent and controlling company is Thyssen Krupp AG which is incorporated in Germany.

The smallest group for which consolidated financial statements are prepared is headed by Thyssenkrupp UK Plc. Consolidated financial statements for Thyssenkrupp UK Plc are available from Skerne Road, Aycliffe Industrial Park, Newton Aycliffe, County Durham, DL5 6EP.