

Registered Number 02855152

First City Care (London) Limited (formerly First City Care  
(London) Public Limited Company)  
Annual report and financial statements  
for the year ended 30 September 2017



**First City Care (London) Limited (formerly First City Care (London)  
Public Limited Company)**

**Annual report and financial statements for the year ended  
30 September 2017**

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# First City Care (London) Limited (formerly First City Care (London) Public Limited Company)

## Strategic report for the year ended 30 September 2017

The directors present their strategic report on the company for the year ended 30 September 2017.

### Review of business and future developments

The principal activity of the company is the installation and service of integrated security systems and associated special engineering and electrical works. The directors do not consider, at the date of this report, any likely major changes in the Company's activities in the next year.

The results for the year are given in the Statement of comprehensive income on page 8. The result for the year was a profit before taxation of £17,044 (2016: £401,550 loss). Sales decreased by 26%, any contracts due for renewal are renewed by a fellow group company of Johnson Controls International plc (JCI). The gross profit margin decreased due to increased costs to complete on some contracts and increases in direct overhead costs.

### Business environment and strategy

The market continues to be highly competitive in all areas of operation of the company. The company will continue to focus on key account management of its customers, enabling it to retain contracts and secure additional project work. To meet the ever increasing expectations of customers and the market, the company plans to use condition based maintenance techniques within the existing service schedule to capture historical connected data that will focus service reporting in the future and to prolong asset life, reduce premature failure and increase equipment uptime. The company will also continue to use its knowledge, products, expertise and solutions to expand its installation base. The company operates as part of JCI's Building Technologies & Solutions business in Europe, Middle East and Africa division and benefits from research and development conducted primarily in other JCI companies.

### Key performance indicators

The company's key performance during the year were:

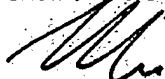
	2017	2016
Turnover	£5.8m	£7.9m
Gross profit percentage	4.2%	17.9%
Profit/(loss) before interest and tax	£0.0m	£(0.4)m
Total equity	£6.9m	£6.9m

### Principal risks and uncertainties

The principal risks and uncertainties of the business are delays or difficulties in new product development; the introduction of similar or superior technologies; financial instability or market declines of our major customers or component suppliers; a significant decline in the construction of new commercial buildings requiring interior control systems; changes in energy costs or governmental regulations that would decrease the incentive for customers to update or improve their interior control systems and increased energy efficiency legislation requirements.

The company requires risk management and operational policies and procedures to be implemented in all areas of the business. Furthermore, there is a robust supervision structure which allows management to account for the delivery of the company's contracts and to oversee relationships with its key stakeholders.

On behalf of the Board



M Meah

Director

Date: 9 August 2018

# **First City Care (London) Limited (formerly First City Care (London) Public Limited Company)**

## **Directors' report for the year ended 30 September 2017**

The directors present their report and the audited financial statements of the company for the year ended 30 September 2017.

### **Future developments**

The future developments of the company are noted in the strategic report.

### **Dividends**

The directors do not recommend payment of a dividend (2016: nil).

### **Going concern**

The directors have considered all available information relating to the future of the business and confirm their assessment that preparing the financial statements on a going concern basis is appropriate.

### **Financial risk management**

The company's operations expose it to a variety of financial risks that include the effects of credit risk, exchange rate risk, price risk and liquidity and interest rate risk.

#### *Credit risk*

The company's policy is that the credit-worthiness of any prospective client, contractor, subcontractor, vendor, joint venture partner or any entity engaging in an economic transaction with the company must be evaluated to ascertain whether it has the financial capacity to enter into and perform its obligations under such transactions. This process is undertaken to ensure from a financial standpoint that any third party has the financial stability and strength necessary to fulfil its commitments to the company. The extent of the credit evaluation must be commensurate with the level of risk associated with the inability of the counterparty to perform under the contract.

The company's policy is to use financial institutions authorised by Johnson Controls International plc who actively manage the global banking facilities. All cash held on deposit is pooled at a European level to mitigate risk.

#### *Price risk*

The directors recognise the price risk associated with the Building Technologies & Solutions business is subject to market forces and will impact the prices for product and project management services. To help minimise this risk, prices for large contracts are set on a contract by contract basis.

#### *Exchange rate risk*

Potential exposure to currency exchange rate fluctuations is managed internally within the group treasury function. The group enter into forward exchange contracts on behalf of the company to the value of its future multicurrency cashflows. Consequently exchange rate risk is not significant.

#### *Liquidity and interest rate risk*

Cash balances held with external institutions form part of the Johnson Controls International plc group global cash pool arrangement. If company funding is required then this is achieved by either an internal loan from a Johnson Controls International plc group company or through cash pooling arrangements. As a result the interest rate risk is mitigated as there is no external funding requirement.

All group risk is closely managed by the corporate risk management team, which is controlled by the ultimate parent company Johnson Controls International plc.

### **Environmental, health and safety matters**

Johnson Controls International plc is a global market leader and therefore has adopted a uniform approach to managing Environmental, Health and Safety ("EHS") matters by following the principles and guidance contained in both international standards ISO 14001 and OHSAS 18001. All parts of the group are expected to demonstrate that the requirements of these two key standards are covered in their country based EHS management system.

# **First City Care (London) Limited (formerly First City Care (London) Public Limited Company)**

## **Directors' report for the year ended 30 September 2017 (cont'd)**

### **Environmental, health and safety matters (cont'd)**

The organisation has clear management and functional lines with detailed responsibilities at all levels, which ensure hazards and risks are properly identified and controlled through effective management processes and performance related objectives and targets.

### **Directors**

The following directors served during the year and up to the date of signing this report, unless otherwise stated:

A B Alphonsus	resigned 10 March 2017
J Andreu	resigned 31 December 2017
J Bramall	resigned 31 May 2018
M Ayre	appointed 10 March 2017; resigned 10 March 2018
M Meah	appointed 31 December 2017

### **Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The group also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual report and 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

# **First City Care (London) Limited (formerly First City Care (London) Public Limited Company)**

## **Directors' report for the year ended 30 September 2017 (cont'd)**

### **Disclosure of information to auditors**

Each of the persons who are directors at the date of approval of this report confirms that:


- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next Directors' Board Meeting.

On behalf of the Board



M Meah

**Director**

Date: 9 August 2018

# **First City Care (London) Limited (formerly First City Care (London) Public Limited Company)**

## **Independent auditors' report to the members of First City Care (London) Limited (formerly First City Care (London) Public Limited Company)**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, First City Care (London) Limited (formerly First City Care (London) Public Limited Company) financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 30 September 2017; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

# **First City Care (London) Limited (formerly First City Care (London) Public Limited Company)**

## **Independent auditors' report to the members of First City Care (London) Limited (formerly First City Care (London) Public Limited Company)**

### **Report on the audit of the financial statements (cont'd)**

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

### **Responsibilities of the directors for the financial statements**

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

As explained more fully in the Statement of directors responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



# **First City Care (London) Limited (formerly First City Care (London) Public Limited Company)**

## **Independent auditors' report to the members of First City Care (London) Limited (formerly First City Care (London) Public Limited Company)**

### **Report on the audit of the financial statements (cont'd)**

#### *Auditors' responsibilities for the audit of the financial statements*

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

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.

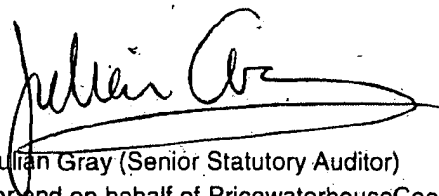
### **Other Required Reporting**

#### **Companies Act 2006 exception reporting**

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Julian Gray (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Southampton  
Date: 10 August 2018

**First City Care (London) Limited (formerly First City Care (London) Public Limited Company)**

**Statement of comprehensive income for the year ended 30 September 2017**

	Note	Year ended 30 September 2017 £	53 weeks ended 30 September 2016 £
<b>Turnover</b>	5	<b>5,815,209</b>	7,884,741
Cost of sales		<b>(5,571,839)</b>	(6,470,475)
<b>Gross profit</b>		<b>243,370</b>	1,414,266
Distribution costs		<b>159,232</b>	(450,861)
Administrative expenses		<b>(388,863)</b>	(1,399,593)
<b>Operating profit/(loss)</b>	6	<b>13,739</b>	(436,188)
Interest receivable and similar income	8	<b>3,305</b>	34,638
<b>Profit/(loss) before taxation</b>		<b>17,044</b>	(401,550)
Tax on profit/(loss)	9	<b>310</b>	622
<b>Profit/(loss) for the financial year/period</b>		<b>17,354</b>	(400,928)
<b>Total comprehensive profit/(loss) for the year/period</b>		<b>17,354</b>	(400,928)

All amounts relate to continuing operations.

**First City Care (London) Limited (formerly First City Care (London) Public Limited Company)**

**Statement of financial position as at 30 September 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	10	931	2,951
		<b>931</b>	<b>2,951</b>
<b>Current assets</b>			
Inventories	11	33,087	33,686
Debtors	12	24,598,006	20,273,295
		<b>24,631,093</b>	<b>20,306,981</b>
<b>Creditors – amounts falling due within one year</b>	14	<b>(17,702,446)</b>	<b>(13,397,708)</b>
<b>Net current assets</b>		<b>6,928,647</b>	<b>6,909,273</b>
<b>Total assets less current liabilities</b>		<b>6,929,578</b>	<b>6,912,224</b>
<b>Net assets</b>		<b>6,929,578</b>	<b>6,912,224</b>
<b>Capital and reserves</b>			
Called up share capital	15	450,000	450,000
Accumulated income		6,479,578	6,462,224
<b>Total equity</b>		<b>6,929,578</b>	<b>6,912,224</b>

The notes on pages 11 to 20 are an integral part of these financial statements.

The financial statements on pages 8 to 20 were approved by the Board of directors on 9 August 2018 and were signed on its behalf by:



**M Meah**  
**Director**

First City Care (London) Limited (formerly First City Care (London) Public Limited Company)  
Registered Number 02855152

**First City Care (London) Limited (formerly First City Care (London) Public Limited Company)**

**Statement of changes in equity for the year ended 30 September 2017**

	Called up share capital £	Accumulated income £	Total Equity £
Balance as at 25 September 2015	450,000	6,863,152	7,313,152
Loss for the financial year and total comprehensive loss	-	(400,928)	(400,928)
Balance as at 30 September 2016	450,000	6,462,224	6,912,224
Profit for the financial year and total comprehensive income	-	17,354	17,354
<b>Balance as at 30 September 2017</b>	<b>450,000</b>	<b>6,479,578</b>	<b>6,929,578</b>

Accumulated income represents accumulated comprehensive income/(loss) for the year and prior periods.

# **First City Care (London) Limited (formerly First City Care (London) Public Limited Company)**

## **Notes to the financial statements for the year ended 30 September 2017**

### **1 General information**

First City Care (London) Limited (formerly First City Care (London) Public Limited Company) ("the company") is a private company limited by shares, domiciled and incorporated in England. The address of its registered office is Security House, The Summit, Hanworth Road, Sunbury on Thames, Middlesex, TW16 5DB.

The company is a leading provider of equipment, controls and solutions to increase energy efficiency and lower operating costs for buildings, as well as industrial & commercial refrigeration solutions.

### **2 Statement of compliance**

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and in accordance with the Companies Act 2006.

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

The principal accounting policies, which have been 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 applied FRS 102 in these financial statements.

#### **Basis of preparation**

These financial statements are prepared on the going concern basis, under the historical cost convention. The directors have considered all available information relating to the future of the business and confirm their assessment that preparing the financial statements on a going concern basis is appropriate.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant in these financial statements are disclosed in note 4.

#### **Reduced disclosures**

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements on the basis that the information is provided in the consolidated financial statements of Johnson Controls International plc, which is registered in Cork, Ireland. Johnson Controls International plc prepares consolidated financial statements which are publicly available and can be obtained from the address given in note 17.

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in the statement of comprehensive income.

# **First City Care (London) Limited (formerly First City Care (London) Public Limited Company)**

## **Notes to the financial statements for the year ended 30 September 2017 (cont'd)**

### **3 Summary of significant accounting policies (cont'd)**

#### **Revenue recognition**

Turnover represents the amount receivable for goods supplied or services rendered, net of discounts and value added taxes.

#### *Service contracts*

Service revenue is recognised on a straight-line basis over the period of the contract and costs are expenses as they are incurred.

#### *Installation contracts*

The company recognises revenue on long term installation contracts (those lasting longer than 60 days) under the percentage-of-completion method of accounting where revenue is recognised with reference to the stage of completion of the contract using the proportion that costs incurred for work performed to date bear to the estimated total costs.

Revenue is only recognised to the extent that costs incurred are expected to be recoverable. Turnover represents costs incurred plus the directors' best estimate of profits attributable to the work performed to date. For this purpose the directors' estimate of attributable profits will include a proportion of the total profits anticipated to be made on the contract, to the extent that the outcome of the transaction can be estimated reliably.

#### **Functional and presentational currency**

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

#### **Foreign currencies**

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

#### **Taxation**

The tax charge represents the sum of the current tax charge and deferred tax charge.

#### *Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years.

#### *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, unless it is not considered probable that deferred tax assets 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.

# **First City Care (London) Limited (formerly First City Care (London) Public Limited Company)**

## **Notes to the financial statements for the year ended 30 September 2017 (cont'd)**

### **3 Summary of significant accounting policies (cont'd)**

#### **Tangible assets and depreciation**

Tangible assets are stated at cost, which is the original purchase price plus incidental expenses, less accumulated depreciation. Depreciation is provided on tangible fixed assets so as to write off the cost over their expected useful economic life as follows:

Computer equipment	25% or 33% on cost
Furniture and general equipment	10% or 20% on cost

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

#### **Long term contracts**

Amounts recoverable on contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on accounts. Excess progress payments are included in creditors as payments on accounts.

#### **Inventories**

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined on the first in first out method and includes the purchase price, including taxes, duties, transport and handling directly attributable to the bringing the inventory into its present location and condition.

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

#### **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown in creditors amounts falling due within one year.

#### **Financial instruments**

##### *Financial assets*

Basic financial assets, including trade and other receivables, cash and bank balances and loans to fellow group companies 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 rate method and are assessed annually for evidence of impairment. Any impairment loss or reversal of an impairment loss is recognised in the statement of comprehensive income.

# **First City Care (London) Limited (formerly First City Care (London) Public Limited Company)**

## **Notes to the financial statements for the year ended 30 September 2017 (cont'd)**

### **3 Summary of significant accounting policies (cont'd)**

#### **Financial instruments (cont'd)**

##### *Financial liabilities*

Basic financial liabilities, including trade and other payables, bank loans and 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 payments discounted at a market rate of interest. Such debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classed as current liabilities if payment is due within one year or less.

##### *Forward exchange contracts*

Forward exchange contracts are not basic financial instruments. They are initially recognised at fair value on the date the contract is entered into and are then subsequently re-measured at their fair value. Changes in the fair value of the contracts are recognised in the statement of comprehensive income in cost of sales.

#### **Employee benefits**

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements, defined contribution and defined benefit pension plans.

##### *Annual bonus plan*

The company operates an annual bonus plan for employees. An expense is recognised in the statement of comprehensive income in the financial year for which the bonus is payable, when a reliable estimate of the obligation can be made.

##### *Defined contribution pension plan*

The company operates defined contribution pension scheme for the benefit of its employees, the assets of which are held separately from those of the company in independently administered funds. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the statement of financial position.

#### **Related party transactions**

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



# First City Care (London) Limited (formerly First City Care (London) Public Limited Company)

## Notes to the financial statements for the year ended 30 September 2017 (cont'd)

### 4 Critical accounting judgements and estimation uncertainty

#### Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying value of assets and liabilities with the next financial year are addressed below.

#### Estimation of contract revenue recognition

Under the percentage-of-completion method of accounting, where revenue and profit recognition is recognised with reference to the stage of completion of the contract. The Group's revenue recognition policy, which is set out in Note 3, is critical in calculating the value of work to be recognised in the year.

The policy requires forecasts to be made of the outcomes of long-term contracts, which require assessments and judgements to be made on recovery of costs, changes in the scope of work and changes in costs. An assessment of the stage of completion is made by reference to these judgements along with the costs incurred to date as a proportion of total forecast costs.

### 5 Turnover

	Year ended 30 September 2017 £	53 weeks ended 30 September 2016 £
<b>Turnover by destination</b>		
United Kingdom	4,377,045	6,659,777
Europe, Middle East and Africa	1,438,164	1,223,091
North America	-	1,873
	<b>5,815,209</b>	<b>7,884,741</b>

All of the company's turnover, result for the year and net assets originate from the company's main activity which is the installation and service of integrated security systems and associated special engineering and electrical works (2016: same).

**First City Care (London) Limited (formerly First City Care (London) Public Limited Company)**

**Notes to the financial statements for the year ended 30 September 2017 (cont'd)**

**6 Operating profit/(loss)**

	Year ended 30 September 2017 £	53 weeks ended 30 September 2016 £
<b>Operating profit/(loss) is stated after charging/(crediting)</b>		
Staff costs		
- wages and salaries	1,572,190	2,276,471
- social security costs	177,932	259,240
- other pension costs (note 16)	54,500	86,495
Total staff costs	1,804,622	2,622,206
Depreciation of tangible assets (note 10)	2,020	2,694
Inventory recognised as an expense	5,937	6,198
Impairment of trade receivables	126,812	69,896
Auditors' remuneration		
- for audit services	18,000	10,000
Foreign exchange losses/(gains)	2,405	(8,540)

**7 Directors and employees**

The directors are remunerated by a fellow group company in respect of services provided to a number of group companies as directors. The directors are not able to apportion the emoluments attributable to services provided to each company. Accordingly the financial statements include no emoluments in respect of any directors (2016: £nil).

**Staff numbers**

The average monthly number of employees, during the year, analysed by category, was as follows:

	Year ended 30 September 2017	53 weeks ended 30 September 2016
Administration and support	2	6
Sales, marketing and distribution	1	1
Engineers	32	44
	35	51

**8 Interest receivable and similar income**

	Year ended 30 September 2017 £	53 weeks ended 30 September 2016 £
Interest receivable from group undertakings	3,305	34,638
	3,305	34,638

**First City Care (London) Limited (formerly First City Care (London) Public Limited Company)**

**Notes to the financial statements for the year ended 30 September 2017 (cont'd)**

**9 Tax on profit/(loss)**

	Year ended 30 September 2017 £	53 weeks ended 30 September 2016 £
<b>Current tax</b>		
UK Corporation tax at 19.5% (2016: 20.0%)	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	(1,347)	(201)
Pension related timing difference	1,038	-
Impact of change in corporation tax rate on other timing differences	-	(421)
<b>Total deferred tax (note 13)</b>	(310)	(622)
<b>Total tax on profit/(loss)</b>	(310)	(622)

**Reconciliation of tax charge**

The tax assessed for the period is lower than (2016: higher) the standard rate of corporation tax in the United Kingdom of 19.5% (2016: 20.0%). The differences are explained below:

	Year ended 30 September 2017 £	53 weeks ended 30 September 2016 £
<b>Profit/(loss) before taxation</b>	<b>17,044</b>	<b>(401,550)</b>
Profit/(loss) before taxation multiplied by standard rate of corporation tax in the UK of 19.5% (2016: 20.0%)	3,324	(80,310)
Effects of:		
Expenses not deductible for corporation tax	-	78,258
Group relief (received)/surrendered	(3,680)	2,614
Adjustment in respect of prior years	-	(1,364)
Impact of change in corporation tax rate on other timing differences	46	180
<b>Total charge/(credit) for the year</b>	<b>(310)</b>	<b>(622)</b>

Finance (No.2) Act 2015 was substantively enacted on 26 October 2015. It reduced the standard rate of corporation tax in the UK from 20% to 19% from 1 April 2017 and to 18% with effect from 1 April 2020. Finance Act 2016 was substantively enacted on 6 September 2016 and further reduced the rate to 17% from 1 April 2020.

**First City Care (London) Limited (formerly First City Care (London) Public Limited Company)**

**Notes to the financial statements for the year ended 30 September 2017 (cont'd)**

**10 Tangible assets**

	Computer equipment £	Fixtures, fittings tools and equipment £	Total £
<b>Cost</b>			
At 1 October 2016	72,330	9,211	81,541
<b>At 30 September 2017</b>	<b>72,330</b>	<b>9,211</b>	<b>81,541</b>
<b>Accumulated depreciation</b>			
At 1 October 2016	69,763	8,827	78,590
Charge for the year	1,636	384	2,020
<b>At 30 September 2017</b>	<b>71,399</b>	<b>9,211</b>	<b>80,610</b>
<b>Net book value</b>			
<b>At 30 September 2017</b>	<b>931</b>	<b>-</b>	<b>931</b>
At 30 September 2016	2,567	384	2,951

**11 Inventories**

	2017 £	2016 £
Finished goods	33,087	33,686
	<b>33,087</b>	<b>33,686</b>

There is no significant difference between the replacement cost of the inventories and the carrying amount in the statement of financial position. Inventories are stated net of provision for impairment of £5,908 (2016: £nil).

**12 Debtors**

	2017 £	2016 £
Trade debtors	2,291,405	2,779,568
Amounts recoverable on contracts	198,604	254,452
Accrued income	424,232	1,986,818
Amounts owed by group undertakings	21,647,271	15,210,485
Deferred tax – see note 13	2,693	2,383
Other receivables	502	31,568
Prepayments	33,299	8,021
	<b>24,598,006</b>	<b>20,273,295</b>

Included within amounts owed by group undertakings is an amount of £21,644,092 (2016: £14,739,911) in relation to the UK cash pool which bears interest at an average rate of 0.029% (2016: 0.221%) per annum, the amount is unsecured and repayable on demand. All other amounts owed by group undertakings are interest free, repayable on demand and unsecured.

**First City Care (London) Limited (formerly First City Care (London) Public Limited Company)**

**Notes to the financial statements for the year ended 30 September 2017 (cont'd)**

**13 Deferred tax**

The deferred tax asset recognised consists of:

	2017 £	2016 £
Accelerated capital allowances	190	(902)
Other timing differences	2,503	3,285
<b>Total deferred tax recognised</b>	<b>2,693</b>	<b>2,383</b>
		<b>2017 £</b>
Asset recognised at 1 October 2016		2,383
Amount credited to statement of comprehensive income		<b>310</b>
<b>Asset recognised at 30 September 2017</b>		<b>2,693</b>

**14 Creditors – amounts falling due within one year**

	2017 £	2016 £
Bank loans and overdrafts	-	5,823
Trade creditors	1,113,792	378,239
Payments received on account	183,090	209,885
Amounts owed to group undertakings	16,043,385	12,668,941
Taxation and social security	211,456	72,739
Other creditors	24,891	14,921
Accruals and deferred income	125,832	47,160
	<b>17,702,446</b>	<b>13,397,708</b>

All amounts owed to group undertakings are unsecured, interest free and repayable on demand.

**15 Called up share capital**

	2017 £	2016 £
<b>Allotted and fully paid</b>		
450,000 Ordinary shares of £1 each (2016: 450,000)	450,000	450,000
	<b>450,000</b>	<b>450,000</b>

The company has one class of ordinary shares which carry no right to fixed income.

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

# **First City Care (London) Limited (formerly First City Care (London) Public Limited Company)**

## **Notes to the financial statements for the year ended 30 September 2017 (cont'd)**

### **16 Pension Schemes**

#### **Defined contribution pension scheme**

The Company operates a defined contribution pension scheme. The pension cost for the period represents contributions payable by the Company to the scheme and amounted to £54,500 (2016: £86,495).

Contributions totalling £8,816 (2016: £14,921) were payable to the scheme at the end of the period and are included in creditors.

### **17 Ultimate parent undertaking and controlling party**

The immediate parent undertaking and controlling party during the financial year was Amberwell Holdings Limited.

The ultimate parent undertaking and controlling party is Johnson Controls International plc, a company incorporated in Cork, Ireland. Johnson Controls International plc is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 30 September 2017. The consolidated financial statements of Johnson Controls International plc are available from:

Johnson Controls International plc  
1 Albert Quay  
Cork  
Ireland