

Registered Number: 03771944

First Choice Facilities Limited
Annual report and financial statements
for the year ended 30 September 2018



First Choice Facilities Limited

Annual report and financial statements for the year ended 30 September 2018

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First Choice Facilities Limited

Strategic report

The directors present their Strategic report on the company for the financial year ended 30 September 2018.

Review of business and future developments

The principal activity of the company was the sale and servicing of fire and security systems.

The results for the financial year are given in the Statement of comprehensive income on page 8. Turnover decreased by £5.4 million to £0.1 million (2017: £5.5 million) following the sale of the trade and related assets and liabilities of the company to ADT Fire and Security plc. Gross profit in the year was £0.1 million (2017: £1.0 million). A loss before taxation of £0.9 million was incurred due to additional administrative expenses being incurred mainly in relation to the write off of an accrued debtor balance following the sale of the trade and related assets and liabilities of the company. Net assets as at 30 September 2018 were £1.2 million (2017: £2.2 million).

On 17 October 2017 the trade and related assets and liabilities of the company, were sold at book value to the parent company, ADT Fire and Security Plc for £1.8 million. The consideration of £1.8 million was due to be paid by ADT Fire and Security plc and remains recorded in amounts owed by group undertakings at the year end, offset by amounts due to ADT Fire and Security plc. The company does not expect to trade in its own right in the future.

Business environment and strategy

Following the sale of its trade and related assets and liabilities the directors do not expect the company to trade in its own right in the future and envisage that it will become dormant in the forthcoming year. As a consequence the directors believe they have no realistic alternative but to prepare the financial statements on a basis other than going concern.

Key performance indicators (KPIs)

The company's directors believe that, as the trade and related assets and liabilities of the company were sold at the beginning of the year, and going forward the company will no longer be trading, further key performance indicators of the company are not necessary for an understanding of the performance and position of the business.

Principal risks and uncertainties

Following the sale of the trade and related assets and liabilities of the business to ADT Fire and Security plc, the company's principle risks relate to the recoverability of intercompany balances and tax balances. The recoverability of intercompany balances is managed at group level as part of the Group Treasury function. Tax balances are actively managed as part of the group tax management,

On behalf of the Board



M Ayre
Director
Date: 9th August 2019

First Choice Facilities Limited

Directors' report

The directors present their annual report and the audited financial statements of the company for the year ended 30 September 2018.

Future developments

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

Going concern

The company ceased trading during the year following the sale of its trade and related assets and liabilities during the year, therefore, the financial statements have been prepared on a basis other than going concern.

Dividends

The directors do not recommend payment of a dividend (2017: nil).

Financial risk management

The company's operations, up to the point of the transfer of its' business and related assets and liabilities to ADT Fire and Security plc, exposed it to a variety of financial risks that included the effects of credit risk, exchange rate risk, price risk and liquidity and interest rate risk as detailed below:

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.

Exchange rate risk

Potential exposure to currency exchange rate fluctuations is managed internally within the group treasury function.

Price risk

The directors recognise the price risk 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. Prices on multi-year contracts are reviewed on an annual basis where possible.

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.

Following the transfer of business and its' related assets and liabilities the extent of the financial risk management required has been reduced due to the remaining nature of operations. However, where relevant, the risks detailed above continue to be monitored and managed as necessary.

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

First Choice Facilities Limited

Directors' report (cont'd)

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 corporation are expected to demonstrate that the requirements of these two key standards are covered in their country based EHS management system.

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:

J Andreu	resigned 31 December 2017
M Ayre	
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

The directors are responsible for preparing the Annual report and financial statements in accordance with applicable law and regulation.

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 period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, 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 (note 3).

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.

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.

First Choice Facilities Limited

Directors' report for the year ended 30 September 2018 (cont'd)

Directors' confirmations

In the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have 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.

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 Ayre
Director
Date: 9th August 2019

First Choice Facilities Limited

Independent auditors' report to the members of First Choice Facilities Limited

Report on the audit of the financial statements

Opinion

In our opinion, First Choice Facilities Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its loss for the year then ended;
- have been properly prepared 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); 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 2018; 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.

Emphasis of matter – financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 3 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

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.

First Choice Facilities Limited

Independent auditors' report to the members of First Choice Facilities Limited (cont'd)

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

Reporting on other information (cont'd)

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 2018 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 for the financial statements and the audit

Responsibilities of the directors for the financial statements

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.

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. 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.

First Choice Facilities Limited

Independent auditors' report to the members of First Choice Facilities Limited (cont'd)

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

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.



Nicholas Smith (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton
Date: 9th August 2019

First Choice Facilities Limited

Statement of comprehensive income for the year ended 30 September 2018

	Note	Continuing Operations 2018 £	Discontinued Operations 2018 £	Total 2018 £	Continuing Operations 2017 £	Discontinued Operations 2017 £	Total 2017 £
Turnover	5	-	111,455	111,455	-	5,455,593	5,455,593
Cost of sales		-	(81)	(81)	-	(4,462,768)	(4,462,768)
Gross profit		-	111,374	111,374	-	992,825	992,825
Distribution costs		-	-	-	-	(220,502)	(220,502)
Administrative expenses		-	(1,039,777)	(1,039,777)	-	(576,890)	(576,890)
Operating (loss)/profit	6	-	(928,403)	(928,403)	-	195,433	195,433
Interest payable and similar expenses	8	-	(133)	(133)	-	(156)	(156)
(Loss)/profit before taxation		-	(928,536)	(928,536)	-	195,277	195,277
Tax on profit	9	-	(75,717)	(75,717)	-	(3,431)	(3,431)
(Loss)/profit for the financial year		-	(1,004,253)	(1,004,253)	-	191,846	191,846
Total comprehensive (loss)/income for the year		-	(1,004,253)	(1,004,253)	-	191,846	191,846

The notes on pages 11 to 19 are an integral part of these financial statements.

First Choice Facilities Limited

Statement of financial position at 30 September 2018

	Note	2018 £	2017 £
Current assets			
Investments held as current assets	10	100	100
Debtors	11	1,185,849	2,330,528
Cash at bank and in hand		-	726,964
		1,185,949	3,057,492
Creditors – amounts falling due within one year	13	(9,111)	(876,501)
Net current assets		1,176,838	2,180,991
Total assets less current liabilities		1,176,838	2,181,091
Net assets		1,176,838	2,181,091
Capital and reserves			
Called up share capital	14	16,553	16,553
Capital redemption reserve	14	33,447	33,447
Retained earnings		1,126,838	2,131,091
Total equity		1,176,838	2,181,091

The notes on pages 11 to 19 are an integral part of these financial statements.

The financial statements on pages 8 to 19 were approved by the Board of directors on 9th August 2019 and were signed on its behalf by:



M Ayre
Director
First Choice Facilities Limited
Registered Number 03771944

First Choice Facilities Limited

Statement of changes in equity for the year ended 30 September 2018

	Called up share capital £	Capital redemption reserve £	Retained earnings £	Total Equity £
Balance as at 1 October 2016 as previously reported	16,553	33,447	1,690,868	1,740,868
Prior year adjustment	-	-	248,377	248,377
Balance as at 1 October 2016 as restated	16,553	33,447	1,939,245	1,989,245
Profit for the financial year	-	-	191,846	191,846
Balance as at 1 October 2017	16,553	33,447	2,131,091	2,181,091
Loss for the financial year	-	-	(1,004,253)	(1,004,253)
Balance as at 30 September 2018	16,553	33,447	1,126,838	1,176,838

Retained earnings represents accumulated comprehensive income for the year and prior financial years.

First Choice Facilities Limited

Notes to the financial statements for the year ended 30 September 2018

1 General information

First Choice Facilities Limited ("the company") is a private company limited by shares, domiciled and incorporated in England, United Kingdom. The address of its registered office is Security House, The Summit, Hanworth Road, Sunbury on Thames, Middlesex, TW16 5DB.

The principal activity of the company was the sale and servicing of fire and security systems.

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 – going concern

As explained in the Strategic report and in note 16, the company sold its trade and related assets and liabilities to its parent company, ADT Fire and Security plc and has ceased trading. Therefore, the directors have prepared these financial statements on a basis other than it being a going concern, as they believe there is no realistic alternative. In the event the company is liquidated the costs of closure will be borne by a fellow group undertaking. No material adjustments arose as a result of ceasing to apply the going concern basis. In terms of presentation all the fixed assets have been presented as current assets at their recoverable amount.

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.

Section 33 'Related Party Disclosures'

Paragraphs 33.7 and 33.1A, Disclosure of compensation for key management personnel and related party transactions.

First Choice Facilities Limited

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

3 Summary of significant accounting policies (cont'd)

Group financial statements

The company is exempt from the requirement to prepare and deliver consolidated financial statements under the provisions of Section 400 of the Companies Act 2006 as it is a wholly owned subsidiary undertaking of Johnson Controls International plc, which is registered in Cork, Ireland and which itself prepares consolidated financial statements which are publicly available and can be obtained from the address given in note 17. Accordingly consolidated financial statements have not been prepared and the financial information presented for the current year is for the company as an individual undertaking.

Revenue recognition

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

- earned monitoring income of monitoring services provided in the financial year, whether invoiced or due;
- earned maintenance income of maintenance services provided in the financial year, whether invoiced or due;
- earned installation fees relating to equipment on contract hire under operating leases, being the proportion of installation fees that relates to the financial year. In respect of rented equipment, installation fees are recognised on a straight-line basis over the 14 year period that a rented system is expected to be in place generating income;
- earned installation fees relating to equipment sold on an outright basis are recognised proportionately to the stage of completion of the individual contracts, measured on a cost incurred to total forecast cost basis, such that income is recognised to the extent that a right to consideration has been obtained;
- earned systems-rental income of rental charges relating to the financial year;
- the value of equipment and systems sold to customers;
- where equipment is leased to customers under certain long-term contracts for the greater part of the equipment's economic life, the contracts are classified as finance leases and the net present value of future lease streams and interest is taken to turnover over the term of the lease so as to produce a constant rate of return on the net cash investment; and
- equipment leased to customers under operating leases (equipment on contract hire) is capitalised in accordance with the fixed assets and depreciation note below. The elements of invoiced amounts that have not been earned are accounted for as deferred revenue.

Functional and presentational currency

The company's functional and presentational currency is the pound sterling because the majority of its' economic flows are in 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 the Statement of comprehensive income, 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.

First Choice Facilities Limited

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

3 Summary of significant accounting policies (cont'd)

Taxation (cont'd)

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.

Impairment review of fixed asset investments

Fixed asset investments are reviewed for indicators of impairment. The value-in-use (VIU) of relevant groups of income generating units (IGUs) for impairment testing purposes is determined using calculations of cash flow projections from the financial plans approved by the Board. These calculations involve the use of estimates including projected future cash flows and other future events. Consideration is also given to whether there should be any reversal of previous impaired amounts, up to the maximum of the impairment charges previously recognised.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts, when applicable, are shown within creditors due within one year. Cash held within the UK cashpool are disclosed within debtors or creditors amounts due within one year as applicable.

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.

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.

First Choice Facilities Limited

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

3 Summary of significant accounting policies (cont'd)

Employee benefits

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.

4 Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future, based on historical experience and other factors. 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.

Impairment review of fixed asset investments

Fixed asset investments are reviewed for indicators of impairment. The value-in-use (VIU) of relevant groups of income generating units (IGUs) for impairment testing purposes is determined using calculations of cash flow projections from the financial plans approved by the Board. These calculations involve the use of estimates including projected future cash flows and other future events. Consideration is also given to whether there should be any reversal of previous impaired amounts, up to the maximum of the impairment charges previously recognised.

5 Turnover

The turnover shown in the statement of comprehensive income derives from the principal activity, in the UK and is shown net of discounts and VAT.

First Choice Facilities Limited

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

6 Operating (loss)/profit

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Operating (loss)/profit is stated after charging		
Staff costs		
- wages and salaries	108,496	2,421,546
- social security costs	11,488	250,808
- staff pensions	3,535	78,370
Total staff costs	123,519	2,750,724
Depreciation of owned assets	-	-
Auditors' remuneration		
- audit services	-	16,000
Debtor accrual provision write off	883,125	-
Intercompany balance write off	39,196	-

Audit fees of £16,000 for the year ended 30 September 2018 were borne by a fellow group company. There were no non audit fees payable to the auditor.

7 Directors and employees

The directors received no remuneration (2017: nil) in respect of their services to the company during the year as their services as directors of the company were incidental to the other services within the Johnson Controls International plc group of companies. Directors' remuneration costs are borne by other members of the Johnson Controls International plc group of companies.

Staff numbers

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

	Year ended 30 September 2018	Year ended 30 September 2017
Sales, office, staff and management	1	24
Engineers	2	50
	3	74

All employees were transferred to ADT Fire and Security plc on the 17 October 2017, by formal notification to the individuals of the change in employer under TUPE.

First Choice Facilities Limited

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

8 Interest payable and similar expenses

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Interest payable to group undertakings	133	156
	133	156

9 Tax on (loss)/profit

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
Current tax	-	-
Corporation tax charge	-	-
Total current tax	-	-
Deferred tax		
Impact on change in corporation tax rate on timing differences	(8,908)	-
Impact of derecognising deferred tax balances	81,684	-
Origination and reversal of timing differences	2,941	3,431
Total deferred tax	75,717	3,431
Total tax charge on (loss)/profit	75,717	3,431

Reconciliation of tax charge

The tax assessed for the year is higher (2017: lower) than the standard rate of corporation tax in the United Kingdom of 19% (2017: 19.5%). The differences are explained below:

	Year ended 30 September 2018 £	Year ended 30 September 2017 £
(Loss)/profit before taxation	(928,536)	195,277
(Loss)/profit multiplied by average standard rate of corporation tax in the UK of 19% (2017: 19.5%)	(176,422)	38,079
Effects of:		
Impact of derecognising deferred tax balances	81,684	-
Rate change	(8,908)	(505)
Group relief for nil consideration	179,363	(34,143)
Total charge for the year on (loss)/profit	75,717	3,431

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 Choice Facilities Limited

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

10 Investments held as current assets

Shares in group undertakings

	Subsidiary undertakings £
Cost	
At 1 October 2017 and 30 September 2018	471,775
Provision for impairment	
At 1 October 2017 and 30 September 2018	(471,675)
Net book amount	
At 30 September 2017 and 30 September 2018	100

	2018 £	2017 £
Analysed as:		
FCF (Services) Limited	100	100
Instant Fire Protection Limited	-	-
	100	100

The directors believe the investments are already held at their recoverable amount so no impairments are deemed necessary. At 30 September 2018 the company had the following investments in subsidiary undertakings:

Company and principal activity	Class of shares	Proportion of nominal value of shares issued held by:		Registered office
		The company	Other group companies	
FCF (Services) Limited	Ordinary	100%	-	Security House The Summit, Hanworth Road, Sunbury On Thames, Middlesex, United Kingdom, TW16 5DB
Instant Fire Protection Limited	Ordinary	100%	-	Security House The Summit, Hanworth Road, Sunbury On Thames, Middlesex, United Kingdom, TW16 5DB

11 Debtors

	2018 £	2017 £
Trade debtors	-	1,108,969
Amounts owed by group undertakings	1,185,849	179,641
Other debtors	-	966,201
Deferred tax (note 12)	-	75,717
	1,185,849	2,330,528

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

First Choice Facilities Limited

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

12 Deferred tax

The deferred tax asset recognised consists of:

	2018 £	2017 £
Differences between accumulated depreciation and amortisation and capital allowances	-	73,086
Other timing differences	-	2,631
Total deferred tax recognised	-	75,717
		£
Asset recognised at 1 October 2017		75,717
Amount charged to statement of comprehensive income		(75,717)
Asset recognised at 30 September 2018		-

13 Creditors – amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	100	782,814
Taxation and social security	9,011	78,687
Accruals and accrued income	-	15,000
	9,111	876,501

Amounts owed to group undertakings in the prior year included £0.2 million under the UK cash pooling arrangements; interest is charged at a rate of 0.003% (2017: 0.028%). All other amounts are unsecured, interest free and repayable on demand. The directors do not believe there are additional costs to be accrued for closure as they will be borne by a fellow group undertaking in the future.

14 Called up share capital

	2018 £	2017 £
Allotted and fully paid		
50,000 (2017: 50,000) ordinary 'A' shares of £1 each (£0.25 called up and paid, and rank pari passu)	12,500	12,500
4,053 (2017: 4,053) ordinary 'B' shares of £1 each	4,053	4,053
	16,553	16,553

Capital redemption reserve represents a share buyback of 33,447 £1 B ordinary shares on the 21 August 2014.

First Choice Facilities Limited

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

15 Contingent liabilities

The company has four outstanding charges:

- 1) Legal mortgage on all freehold and leasehold land together with all building fixtures, with HSBC Bank, 8 Canada Square, City of London
- 2) A fixed and floating charge over the present and future assets of the company, with HSBC Invoice Finance (UK) Limited, Farncombe Road, Worthing, West Sussex.
- 3) A charge over any credit balance due to the company for the purchase of debts between the company and HSBC, with HSBC Bank Plc, 8 Canada Square, City of London
- 4) Rent deposit of £5,400 with Septangle Ltd, 9 Sergeants Way, Caxton Road, Bedford MK41 0EH

16 Discontinued operations

On 17 October 2017 the trade and related assets and liabilities of the company were sold to the parent company, ADT Fire and Security Plc at book value for a consideration of £1,783,216.

	Book and Fair Value
	£
Current Assets	
Inventories	101,645
Trade debtors	1,087,432
Cash at bank and in hand	726,964
Current Liabilities	
Accruals	(15,000)
Other liabilities	(69,676)
Amounts owed to group companies	(48,149)
Identifiable assets sold	1,783,216
Proceeds on disposal	1,783,216

£1,458,007 of the consideration was outstanding at 30 September 2018.

17 Ultimate parent undertaking and controlling party

The immediate parent undertaking during the financial year was ADT Fire and Security plc, a company registered in England.

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 2018. The consolidated financial statements of Johnson Controls International plc are available from:

Johnson Controls International plc
1 Albert Quay
Cork
Ireland