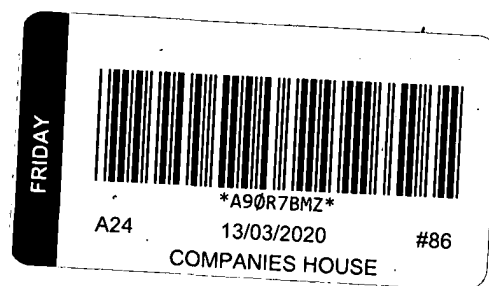


thyssenkrupp UK Plc

Annual report and financial statements

Registered number: 02452909

Year ended 30 September 2019



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Strategic report

The directors present their Strategic Report on the company for the year ended 30 September 2019.

Review of the business

The company has continued to act as the holding company for subsidiaries of thyssenkrupp AG in the UK. The company has three defined benefit schemes thyssenkrupp UK 1 ("tk UK 1"), Camford and Elevators Founders.

The principal risks of the company relate to the performance of the company's subsidiary undertakings. With the transfer of the defined benefit pension schemes to a sole employer, thyssenkrupp UK Plc, thyssenkrupp AG continue to provide an overarching guarantee for the pension schemes.

The results for the year and the company's financial position at 30 September 2019 are shown in the following financial statements. The decrease in net assets from £293.5 million to £287.4 million is mainly due to an £11.7m (2018: £nil) exceptional charge to equalise guaranteed minimum pensions for both men and women and a £10.9 million (2018: £3.0 million) charge related to the impairment of investments; partly offset by £6.9 million (2018: £15.9 million) of dividend income from subsidiaries and a defined benefit pension actuarial gain of £9.9m (2018: actuarial loss of £6.3 million).

Key Performance Indicators

The principal activity of the company is considered to be that of an investment holding company. Accordingly the company consider the key KPI to be the performance of the investments which is reflected through the dividends received from the company's investments of £6.9 million for the year-ended 30 September 2019 (2018: £15.9 million) and impairments of the company's investments for the year-ended 30 September 2019 of £10.9 million (2018: £3.0 million).

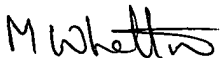
Going concern

The company is dependent on support from fellow group subsidiaries. The directors have obtained confirmation that this support will continue for the foreseeable future, and as such have prepared the financial statements on the going concern basis.

Impact of Brexit

The impact of the the terms of the United Kingdom's withdrawal from the European Union are not clear and is likely to continue to lead to many months of uncertainty as the political and legal issues are worked out. The directors do not believe that it will have a material impact on the business but will monitor events closely, particularly the impact of the £ / € foreign exchange rate and the effects on its supply chain for its subsidiary companies.

On behalf of the board



M Whetton
Director
12 March 2020

Directors' report

The directors present their Report and the audited financial statements of the company for the year ended 30 September 2019.

Future developments

The United Kingdom still remains an important market for thyssenkrupp.

At the end of September 2018, thyssenkrupp AG announced a proposal to divide the group into two separately listed companies in Germany, being thyssenkrupp Industrials and thyssenkrupp Materials. On 27 February 2020, thyssenkrupp AG announced an agreement to sell its Elevator Technology business to a consortium for Euro 17.2 billion. Closing of the transaction is expected by the end of the current 2019/20 financial year.

Dividends

Dividends receivable from subsidiaries were £6.9 million (2018: £15.9 million). The directors do not recommend the payment of a final dividend (2018: £nil).

Directors

The directors who held office for the financial year and up until the date of signing were as follows:

T R Sargeant
M Whetton

Post balance sheet events

In November 2019, the company sold its investment in thyssenkrupp Aufzüge Limited, SDV Escalators Limited, Hytrac Lifts Limited and thyssenkrupp Access Limited to a fellow subsidiary undertaking of thyssenkrupp AG, being thyssenkrupp Elevators International Holding B.V. for a consideration of £110.8 million. After having made a £27.0 million capital contribution to thyssenkrupp Aufzüge Limited prior to this sale, the profit on disposal of subsidiary underakings before transaction costs was £47.3 million.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the 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 101 "Reduced Disclosure Framework", 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 101, 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 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.

On behalf of the board

Directors' report (continued)

Disclosure of information to auditors

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

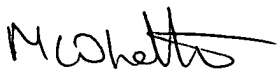
Financial risk management

Principal risks and uncertainties

The key risks to the company are the performance of the company's investments and the defined benefit pension scheme.

The current climate within the UK regarding market conditions and economic environment could have an impact on the trading performance of the company's subsidiaries and accordingly on the value of the company's investments and the amount of dividend income received as well as on the fair value of the company's pension assets. The company has in place policies and procedures to ensure that it takes reasonable and necessary steps to mitigate its exposure to these risks and uncertainties.

On behalf of the board



M Whetton
Director
12 March 2020

Independent auditors' report to the members of thyssenkrupp UK Plc

Report on the audit of the financial statements

Opinion

In our opinion, thyssenkrupp UK Plc 's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2019 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 101 "Reduced Disclosure Framework", 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 2019; the income statement, 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

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.

We have nothing to report in respect of the above matters.

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. For example, the terms of the United Kingdom's withdrawal from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Independent auditors' report to the members of thyssenkrupp UK Plc (continued)

Report on the audit of the financial statements (continued)

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 2019 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 in respect of the financial statements set out on page 2, 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.

Independent auditors' report to the members of thyssenkrupp UK Plc (continued)

Report on the audit of the financial statements (continued)

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.


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.



Simon Evans (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

12 March 2020

Income statement
for the year ended 30 September 2019

	<i>Note</i>	2019 £'000	2018 £'000
Administrative expenses (including exceptional pension past service cost of £11,700,000 (2018: £nil))		(14,189)	(2,049)
Operating loss	4	(14,189)	(2,049)
Dividends received from subsidiary undertakings	9	6,860	15,863
Profit relating to investments		-	550
Impairment of fixed asset investment	9	(10,883)	(3,000)
Release of contingent consideration	11	901	2,413
(Loss) / profit before interest and taxation		(17,311)	13,777
Finance income	6	2,093	1,959
(Loss) / profit before tax		(15,218)	15,736
Tax charge / credit on (loss) / profit	7	(3,165)	3,779
(Loss) / profit for the financial year		(18,383)	19,515

Statement of comprehensive income
for the year ended 30 September 2019

	<i>Note</i>	2019 £'000	2018 £'000
(Loss) / profit for the financial year		(18,383)	19,515
Other comprehensive income / (expense): items that will not be reclassified to profit or loss			
Actuarial gains / (losses) on pensions scheme	<i>13</i>	9,945	(6,278)
Origination and reversal of temporary differences related to deferred tax	<i>7</i>	2,299	(5,021)
		<hr/>	<hr/>
Other comprehensive income / (expense) for the year, net of tax		12,244	(11,299)
		<hr/>	<hr/>
Total comprehensive (expense) / income for the year		(6,139)	8,216
		<hr/> <hr/>	<hr/> <hr/>

Statement of financial position
at 30 September 2019

	<i>Note</i>	2019 £'000	2018 £'000
Fixed assets			
Property, plant and equipment	8	67	105
Investments	9	191,346	198,696
		<hr/>	<hr/>
		191,413	198,801
Current assets			
Debtors – amounts falling due within one year	10	58,708	67,566
Debtors – amounts falling due after one year	10	48,386	42,431
		<hr/>	<hr/>
		107,094	109,997
Creditors: amounts falling due within one year	11	(1,256)	(2,448)
		<hr/>	<hr/>
Net current assets		105,838	107,549
		<hr/>	<hr/>
Total assets less current liabilities		297,251	306,350
		<hr/>	<hr/>
Deferred tax liability	12	(8,173)	(7,115)
Pension liability	13	(1,692)	(5,710)
		<hr/>	<hr/>
Net assets		287,386	293,525
		<hr/> <hr/>	<hr/> <hr/>
Equity			
Called up share capital	14	76,145	76,145
Share premium		69,894	69,894
Capital contribution reserve		18,400	18,400
Retained earnings		122,947	129,086
		<hr/>	<hr/>
Total shareholders' funds		287,386	293,525
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 11 to 32 are an integral part of these financial statements.

The financial statements on pages 7 to 32 were authorised for issue by the board of directors on 12 March 2020 and were signed on its behalf.



M Whetton

Registered number: 02452909

Statement of changes in equity

	<i>Note</i>	Called up share capital £'000	Share premium £'000	Capital Contribution reserve £'000	Retained earnings £'000	Total £'000
Balance as at 1 October 2017		76,145	69,894	18,400	120,870	285,309
Profit for the financial year		-	-	-	19,515	19,515
Other comprehensive income for the year:						
Actuarial (losses) on pension scheme	13	-	-	-	(6,278)	(6,278)
Origination and reversal of temporary Differences related to deferred tax	7	-	-	-	(5,021)	(5,021)
Total comprehensive income for the year		-	-	-	8,216	8,216
Balance as at 30 September 2018		76,145	69,894	18,400	129,086	293,525
Loss for the financial year		-	-	-	(18,383)	(18,383)
Other comprehensive income for the year:						
Actuarial gains on pension scheme	13	-	-	-	9,945	9,945
Origination and reversal of temporary Differences related to deferred tax	7	-	-	-	2,299	2,299
Total comprehensive expense for the year		-	-	-	(6,139)	(6,139)
		76,145	69,894	18,400	122,947	287,386
Balance as at 30 September 2019						

Notes to the financial statements

1 General information

thyssenkrupp UK Plc principal activities remains that of an investment and pension holding company.

The company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is Third Floor, Friars Gate 1, 1011 Stratford Road, Shirley, Solihull, B90 4BN, England.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1.1 Basis of preparation

The financial statements of thyssenkrupp UK Plc have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006 as applicable to companies using FRS101.

The preparation of financial statements in conformity with FRS 101 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 to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows)
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 40A-D (requirements for a third statement of financial position
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows';
 - Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from Contracts with Customers'.

2.1.2 New and revised standards applied by the company

IFRS 15 'Revenue from Contracts with Customers' (which replaces IAS 18 'Revenue' and IAS 11 'Construction contracts') and IFRS 9 'Financial Instruments' (which replaces IAS 39 'Financial Instruments') are new accounting standards effective for the year ended 30 September 2019. The impact of these standards has been disclosed within Note 17. There are no other amendments to accounting standards or IFRIC interpretations that are effective for the year ended 30 September 2019 that have a material impact on the company.

Notes to the financial statements *(continued)*

2.1.3 Going concern

The financial statements of the company for the year ended 30 September 2019 have been prepared on the going concern basis. The company is supported by funds provided to it by thyssenkrupp AG, the company's ultimate parent undertaking. The directors see no reason why this support will not continue in the foreseeable future.

2.2 Consolidation

The company is wholly owned by its ultimate parent, thyssenkrupp AG. It is included in the consolidated financial statements of thyssenkrupp AG which are publically available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are separate financial statements.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.4 Plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Fixtures, fittings and equipment - 5 to 10 years

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other income' in the income statement.

2.5 Investment in subsidiaries

The company's investment in subsidiary undertakings is stated at cost less any provisions for impairment. This is performed on an annual basis and is based on 5 year forecast on cash flows at an appropriate discount rate to assess the appropriateness of each subsidiary's investment value as at 30 September 2019.

Notes to the financial statements *(continued)*

2.6 Trade and other receivables

Trade and other receivables are amounts due from customers for goods sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an expected credit loss provision for impairment.

2.7 Share capital

Ordinary shares are classified as equity.

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

2.8 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.9 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Notes to the financial statements *(continued)*

2.10 Employee benefits

thyssenkrupp UK Plc offer a defined contribution pension scheme to all employees, along with life assurance, private medical insurance, child care vouchers and car salary sacrifice scheme. The defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependant on one or more factors such as age, years of service and compensation.

The asset recognised in the balance sheet in respect of defined benefit pension plans is the present value of the fair value of plan assets less the defined benefit obligation at the end of the reporting period. The defined benefit obligation is the at the end of the reporting period is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to shareholders' funds in other comprehensive income in the period in which they arise.

Past service costs are recognised immediately in the income statement.

2.11 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.12 Dividend distribution

The directors do not recommend the payment of a final dividend (2018: £nil).

2.13 Financial instruments

Amortised cost assets (including amounts owed by group undertakings) are primarily financial assets with fixed or determinable payments that are not traded in an active market and are reported on the balance sheet under "Debtors: amounts falling due within one year." Initial measurement takes place at fair value plus transaction costs. They are subsequently measured at amortised cost, using the effective interest method. Valuation allowances are provided for identifiable individual risks in addition to the expected credit losses calculated when known.

Financial liabilities (including trade payables and amounts due to group undertakings) are measured at amortised cost, using the effective interest method. Initial measurement takes place at fair value net of transaction costs incurred. In subsequent periods, the amortisation and accretion of any premium or discount is included in finance costs/income.

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the Company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Notes to the financial statements *(continued)*

3 Critical accounting estimates and judgments

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.

3.1 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 a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Carrying value of investments

The carrying value of investments in subsidiary undertakings and any associated impairments are calculated based on a five year cash flow forecast discounted at an appropriate discount rate. In determining the value of the cash flow forecasts management estimate the future performance of their subsidiaries. See note 9 for the carrying value of investments held by the entity and any associated impairments.

(b) Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations, calculation of the estimated potential cost of guaranteed minimum pension equalisation and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 13 for the disclosures of the defined benefit pension schemes.

Notes to the financial statements *(continued)*

4. Operating loss

Operating loss is stated after charging:

	2019 £'000	2018 £'000
Wages and salaries	546	448
Social security costs	58	57
Other pension costs (including exceptional pension past service cost of £11,700,000 (2018: £nil) (note 13))	12,670	1,055
	<hr/>	<hr/>
Staff costs	13,274	1,560
Depreciation charge	38	33
Audit fees payable to the company's auditors	27	25
	<hr/> <hr/>	<hr/> <hr/>

5. Employees and directors

Employees

The monthly average number of personnel, excluding directors, employed by the company during the year was 9 (2018: 9). The aggregate payroll costs split by category has been included within note 4.

Directors

The directors' emoluments were as follows:

	2019 £'000	2018 £'000
Aggregate emoluments	150	145
company contributions to defined contribution schemes	5	5
	<hr/>	<hr/>
	155	150
	<hr/> <hr/>	<hr/> <hr/>

Post-employment benefits are accruing for £nil (2018: £nil) under a defined benefit scheme.

6. Finance income

	2019 £'000	2018 £'000
Bank interest income	932	1,049
Pension interest	1,161	910
	<hr/>	<hr/>
Total finance income	2,093	1,959
	<hr/> <hr/>	<hr/> <hr/>

Notes to the financial statements *(continued)*

7. Tax (charge) / credit on (loss) / profit

Tax income included in profit or loss

	2019	2018
	£'000	£'000
Current tax:		
UK Corporation tax on (loss) / profit for the year	-	-
Adjustment in respect of prior periods in relation to group relief receivable	(460)	-
Total current tax	(460)	-
Deferred tax:		
Origination and reversal of timing differences	3,625	(3,292)
Adjustment in respect of prior periods	-	(487)
Total deferred tax	3,625	(3,779)
Tax (charge) / credit on (loss) / profit	3,165	(3,779)

Tax (credit) / expense included in other comprehensive income

	2019	2018
	£'000	£'000
Deferred tax:		
Origination and reversal of temporary differences	(2,299)	5,021
Total tax (credit) / expense included in other comprehensive income	(2,299)	5,021

Notes to the financial statements *(continued)*

7. Tax (charge) credit on (loss) / profit (continued)

The tax (charge) / credit for the period is higher (2018: lower) to the standard rate of corporation tax in the UK for the year ended 30 September 2019 of 19% (2018: 19%). The differences are explained below:

	2019 £'000	2018 £'000
(Loss) / profit on ordinary activities before tax	(15,218)	15,736
(Loss) / profit multiplied by the standard rate of tax in the UK of 19% (2018:19%)	(2,511)	2,990
Effects of:		
Fixed assets differences	4	4
Expenses not deductible for tax purposes	1,520	114
Income not taxable for tax purposes	(1,303)	(3,014)
Amounts credited directly to equity or otherwise transferred	1,889	(1,193)
Deferred tax charged directly to equity	2,299	(5,021)
Group relief surrendered	1,425	1,577
Adjustment in respect of prior periods in relation to group relief receivable	(460)	(487)
Deferred tax not recognised	337	1,407
Adjust closing deferred tax to average rate of 19%	(652)	(617)
Adjust opening deferred tax to average rate of 19%	617	461
	<hr/>	<hr/>
Tax charge / (credit)	3,165	(3,779)
	<hr/> <hr/>	<hr/> <hr/>

Factors that may affect future current and total tax charges

The tax rate for the current period is lower than the prior period due to changes in the UK Corporation tax rate which decreased from 20% to 19% from 1 April 2018.

Further reductions to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2016 on 2 July 2016. These reduce the main rate to 17% from 1 April 2020. The deferred tax assets and liabilities have been updated to reflect the reduction in the rates.

Notes to the financial statements *(continued)*

8. Property, plant and equipment

	Plant, equipment, fixtures and fittings £'000
<i>Cost</i>	
At beginning of year	263
Additions	-
Disposals	-
At end of year	263
<i>Accumulated Depreciation</i>	
At beginning of year	158
Depreciation charge	38
Disposals	-
At end of year	196
<i>Net book value</i>	
At 30 September 2019	67
At 30 September 2018	105

Notes to the financial statements (continued)

9. Investments

	2019		2018	
	Shares in group undertakings £'000	Total £'000	Shares in group undertakings £'000	Total £'000
Cost				
At 1 October	471,278	471,278	466,356	466,356
Additions	3,533	3,533	4,922	4,922
Disposals	(2,120)	(2,120)	-	-
At 30 September	472,691	472,691	471,278	471,278
Accumulated impairment				
At 1 October	272,582	272,582	269,582	269,582
Impairment charge	10,883	10,883	3,000	3,000
Disposals	(2,120)	(2,120)	-	-
At 30 September	281,345	281,345	272,582	272,582
Net book amount at 30 September	191,346	191,346	198,696	198,696

During the year the company acquired no additional companies, but additional investments were made in existing holdings.

The disposal in the year relates to the dissolution of Berco (UK) Limited on 27 November 2018.

A list of subsidiaries in whom the company holds investments can be found in note 19.

The company has impaired a number of its investments in the year by £10,883,099 (2018:£3,000,000) being the investment of £5,000,000 in thyssenkrupp Aufzuge Limited, £4,000,000 in thyssenkrupp Rothe Erde UK Ltd, £1,763,000 in Hytrac Lifts Limited and £120,000 in thyssenkrupp Industrial Solutions Oil & Gas Limited. Berco UK Limited was dissolved on 27th November 2018.

The net carrying value of the investment in thyssenkrupp Materials (UK) Ltd is £102,718,000 (2018: £102,718,000) and is reviewed for impairment on an annual basis. No impairment was required in the year. In performing this review, the directors have used pre-tax discount rates of between 5% and 6% for each of the company's three divisions. This impairment review uses the cash flows extracted from the company's budgets and forecasts for 5 years, an appropriate long term growth rate into perpetuity, and a pre-tax discount rate that reflects the risks specific to the cash generating unit. Sensitivity analysis has been performed and the forecast cash flows would need to be reduced by 13% or the discount rate increased by 1% for an impairment to be required.

During the year the company received dividends of £6,860,000 from subsidiary undertakings (2018: £15,863,000).

Notes to the financial statements *(continued)*

10. Debtors

	2019 £'000	2018 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	56,174	64,845
Other receivables	582	522
Prepayments and accrued income	1,952	2,199
Corporation tax receivable	-	-
	<u>58,708</u>	<u>67,566</u>

Amounts owed by group undertakings represent group cash pool facility balances which are unsecured and are repayable on demand, bearing interest at variable rates.

Amounts owed by group undertakings are stated after loss allowances of £nil (2018: £nil).

	2019 £'000	2018 £'000
Amounts falling due after more than one year:		
Pension asset (note 13)	48,075	41,853
Deferred tax asset (note 12)	311	578
	<u>48,386</u>	<u>42,431</u>

11. Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Amounts falling due after one year:		
Trade creditors	524	161
Deferred and contingent consideration	-	1,150
Accruals and deferred income	732	1,137
	<u>1,256</u>	<u>2,448</u>

Amounts due to group undertakings are unsecured, interest free and are repayable on demand.

	2019 £'000	2018 £'000
Amounts falling due more one year:		
Pension liability (note 13)	(1,692)	(5,710)
	<u>(1,692)</u>	<u>(5,710)</u>

Notes to the financial statements *(continued)*

12. Deferred tax

The provision for deferred tax consists of the following deferred tax liabilities / (assets):

The movement in the deferred tax provision is as follows:

	2019 £'000	2018 £'000
Deferred tax assets due after more than 12 months	(311)	(578)
Deferred tax liabilities due after more than 12 months	8,173	7,115
Total deferred tax provision	7,862	6,537

	Pension surplus £'000	Total £'000
At 1 October 2017	5,328	5,328
Credited to the income statement	(4,043)	(4,043)
Charged directly to other comprehensive income	5,830	5,830
At 30 September 2018	7,115	7,115
Charged to the income statement	3,938	3,938
Charged directly to other comprehensive income	(2,880)	(2,880)
At 30 September 2019	8,173	8,173

Notes to the financial statements (*continued*)

12. Deferred tax (continued)

Deferred tax assets

	Pension deficit	Accumulated	Capital	Total
	£'000	Losses	Allowances	£'000
		£'000	£'000	
At 1 October 2017	-	-	(33)	(33)
Charged / (credited) to the income statement	259	-	4	263
Charged / (credited) directly to other comprehensive income	(808)	-	-	(808)
	<u>(549)</u>	<u>-</u>	<u>(29)</u>	<u>(578)</u>
At 30 September 2018	(549)	-	(29)	(578)
Charged / (credited) to the income statement	(320)	-	6	(314)
Charged / (credited) directly to other comprehensive income	581	-	-	581
	<u>(288)</u>	<u>-</u>	<u>(23)</u>	<u>(311)</u>
At 30 September 2019	(288)	-	(23)	(311)

The unrecognised deferred tax assets at 30 September are:

	2019	2018
	£'000	£'000
Pension deficit	-	-
Accumulated losses	<u>2,285</u>	<u>1,282</u>
	<u>2,285</u>	<u>1,282</u>

Notes to the financial statements (*continued*)

13. Pensions

The company operates a number of pension schemes for its employees:

Defined benefit scheme

On 1 March 2016, all schemes excluding Camford and Elevators Founders were de-sectionalised into a sole employer, thyssenkrupp UK Plc. Then on 30 September 2016 Elevators Founders was transferred into thyssenkrupp UK Plc. As a result of the de-sectionalisation, thyssenkrupp 2006 pension plan consisted of four schemes tk UK 1 (formally Tallent Senior, QDF, Birmid, Garfield, Roballo, Woodhead and Cross Hullers Sections), tk UK 2 (formerly Elevators, Hammond and Champness, Palmers and Tallent Staff sections), Camford and Elevators Founders. However, on 30 September 2018 thyssenkrupp UK 2 scheme merged into thyssenkrupp UK 1 scheme now leaving three defined benefit schemes.

The transfer into the tkUK 2006 Plan of thyssenkrupp Accessibility, the remaining defined benefit pension scheme in the UK, is not now expected to occur in the foreseeable future.

The establishment of the tkUK 2006 Plan has achieved ongoing long term cost savings due to standardisation of overall processes, has enhanced timely reporting and control of liability risks and is providing increased assurance to Plan participants as to the security of their retirement benefits.

Consistent with the treatment in previous years, it is assumed that the company will be able to derive economic benefit from the existing IAS 19 surplus or any future IAS 19 surplus that may arise for all plans except the Camford scheme where the company does not have an unconditional right to recoup any surplus arising in these sections.

Under IAS19 'Employee Benefits', at 30 September 2019 the combined assets and liabilities of the defined benefits schemes of thyssenkrupp UK Plc have been set out below:

2019 (£'000)					
	Assets	Liabilities	Unrecognised asset due to asset ceiling	Liability due to MFR*	Total
tk UK 1	465,184	(422,761)	-	-	42,423
Camford	216,402	(205,025)	(5,507)	(7,562)	(1,692)
Elevators Founders	24,673	(19,021)	-	-	5,652
	706,259	(646,807)	(5,507)	(7,562)	46,383

2018 (£'000)					
	Assets	Liabilities	Unrecognised asset due to asset ceiling	Liability due to MFR*	Total
tk UK 1	393,973	(356,228)	-	-	37,745
Camford	178,223	(164,705)	(8,493)	(10,735)	(5,710)
Elevators Founders	11,963	(7,855)	-	-	4,108
	584,159	(528,788)	(8,493)	(10,735)	36,143

*Minimum Funding Requirement

thyssenkrupp UK Plc and thyssenkrupp AG have given funding guarantees to the trustees of the tkUK 2006 Plan in respect of all present and future obligations and liabilities for all Sections of the tkUK 2006 Plan, enforceable by the trustees, should any of the Section Employers or Associated Employers fail to meet their obligations to the Plan.

The latest full actuarial valuation of the all schemes were carried out at 30 September 2016.

Notes to the financial statements (*continued*)

13. Pensions (*continued*)

Following the decision of the high court on 1 November 2019 the company is required to equalise guaranteed minimum pensions ("GMP") for both men and women. The financial impact of the GMP equalisation has been estimated at £11,700,000 using "Method C2" as put forward by the High Court and allowing for all back payments and has been recognised in the income statement as a past service cost in the year ended 30 September 2019.

On 1 January 2009, the defined benefit pension schemes were closed to new entrants. At the same time, the company established a defined contribution scheme to provide benefits to new employees.

The scheme pensions are updated in line with the retail price index.

Plan assets held in the fund are governed by local regulations and practice in the United Kingdom. Responsibility for the governance of the plan – including investment decisions and contribution schedules – lies jointly with the company and the board of directors of the fund.

The risks of the schemes are as follows:

(a) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The plan holds a significant proportion of equities, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the company intends to reduce the level of investment risk by investing more in assets that better match the liabilities. The first stage of this process was completed in 2015 with the sale of a number of equity holdings and purchase of a mixture of government and corporate bonds. The government bonds represent investments in UK government securities only. The corporate bonds are securities with an emphasis on the UK.

However, the company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity investment is an appropriate element of the group's long term strategy to manage the plans efficiently.

(b) Changes in bond yields

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

(c) Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

(d) Inflation risk

The pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

Notes to the financial statements (continued)

13. Pensions (continued)

Post-employment benefits

A comprehensive actuarial valuation of the company pension scheme, using the projected unit basis, was carried out at 30 September 2015 for the Camford and Elevators founders schemes and 29 February 2016 for the various elements of the tk UK 1 and tk UK 2 schemes, by Aon Hewitt Limited, independent consulting actuaries. Adjustments to the valuation at that date have been made based on the following assumptions:

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

	2019	2018
Expected rate of salary increases		N/A
Expected rate of increase of pensions in payment	3.10%	3.20%
Discount rate	1.80%	2.80%
Rate of inflation		
- RPI	3.20%	3.30%
- CPI	2.20%	2.20%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in the UK. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65:

	2019 years	2018 years
Longevity at age 65 for current pensioners		
- Men	21.1	21.1
- Women	23.2	23.1
Longevity at age 65 for future pensioners		
- Men	22.1	22.1
- Women	24.6	24.6

The remainder of the pension note on pages 26 to 30 sets out the assets, liabilities and movements for each of the pension schemes that have been held by thyssenkrupp UK Plc during the year ended 30 September 2019.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions are shown below:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5%	Decrease by 8.5%	Increase by 9.5%
Pension growth rate	0.5%	Increase by 1.8%	Decrease by 1.7%
Life expectancy	1 year	Increase by 4.5%	Decrease by 5.0%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as when calculating the pension liability recognised within the statement of financial position.

Notes to the financial statements (continued)

13. Pensions (continued)

Camford scheme

Reconciliation of scheme assets and liabilities:

	Assets £'000	Liabilities £'000	Total £'000
At 1 October 2018	178,223	(164,705)	(5,710)
Benefits paid	(6,842)	6,842	-
Employer contributions	3,882	-	3,882
Current service cost	(295)	(4,600)	(4,895)
Interest income / (expense)	4,980	(4,552)	428
Remeasurement gains / (losses)	29,954	(31,510)	(1,556)
Secured pensions in payment*	6,500	(6,500)	-
At 30 September 2019	216,402	(205,025)	11,377
MFR (IFRIC 14)	-	(7,562)	(7,562)
Unrecognised asset ceiling**	(5,507)	-	(5,507)
Recognised at 30 September 2019	210,895	(212,587)	(1,692)

*Secured pensions in payment relates to annuities purchased in the trustees' name to meet benefits due to specific pensioners. The value of policies is taken to equal the value of liabilities that they cover.

** The company does not have an unconditional right to recoup any surplus arising in the Camford scheme.

Total cost recognised as an expense:

	2019 £'000	2018 £'000
Current service cost	(295)	(359)
Past Service Cost	(4,600)	-
Interest cost	(110)	160
	(5,005)	(199)

The fair value of the plan assets was:

	2019 £'000	2018 £'000
Equity instruments	44,399	45,941
Bonds	139,863	110,877
Gilts	-	-
Cash	17,679	1,682
Absolute Return Fund	-	-
Diversified Growth Fund	-	-
Others	7,961	19,723
Unrecognised asset ceiling	(5,507)	(8,493)
	204,395	169,730

The return on the plan assets were:

	2019 £'000	2018 £'000
Interest income	4,980	4,618
Remeasurements	-	-
Total return on plan assets	4,980	4,618

Notes to the financial statements (continued)

13. Pensions (continued)

tk UK 1 scheme

Reconciliation of scheme assets and liabilities:

	Assets £'000	Liabilities £'000	Total £'000
At 1 October 2018	393,973	(356,228)	37,745
Benefits paid	(21,279)	21,279	-
Employer contributions	7,853	-	7,853
Current service cost	(602)	-	(602)
Interest income / (expenses)	10,957	(9,801)	1,156
Past service cost	-	(7,000)	(7,000)
Secured pensions in payment*	10,200	(10,200)	-
Remeasurement gains / (losses)	64,082	(60,811)	3,271
At 30 September 2019	465,184	(422,761)	42,423

*Secured pensions in payment relates to annuities purchased in the trustees' name to meet benefits due to specific pensioners. The value of policies is taken to equal the value of liabilities that they cover.

Total cost recognised as an expense:

	2019 £'000	2018 £'000
Current service cost	(602)	(369)
Past service cost	(7,000)	-
Interest cost	1,156	501
	(6,446)	132

The fair value of the plan assets were:

	2019 £'000	2018 £'000
Equity instruments	104,943	92,778
Bonds	298,726	253,786
Gilts	-	-
Cash	33,381	3,559
Absolute Return Fund	-	-
Diversified Growth Fund	-	-
With Profits	-	-
Others	17,934	43,850
	454,984	393,973

The return on the plan assets was:

	2019 £'000	2018 £'000
Interest income	10,957	7,330
Remeasurements	-	-
Total return on plan assets	10,957	7,330

Notes to the financial statements *(continued)*

13. Pensions (continued)

tk UK 2 scheme

Reconciliation of scheme assets and liabilities:

	Assets £'000	Liabilities £'000	Total £'000
At 1 October 2018 and 30 September 2019	-	-	-

Total cost recognised as an expense:

	2019 £'000	2018 £'000
Current service cost	-	(229)
Past service cost	-	-
Interest cost	-	149
	-	(80)

The return on the plan assets was:

	2019 £'000	2018 £'000
Interest income	-	3,043
Remeasurements	-	-
Total return on plan assets	-	3,043

Notes to the financial statements (continued)

13. Pensions (continued)

Elevators Founders scheme

Reconciliation of scheme assets and liabilities:

	Assets £'000	Liabilities £'000	Total £'000
At 1 October 2018	11,963	(7,855)	4,108
Benefits paid	(284)	284	-
Employer contributions	30	-	30
Current/past service cost	(34)	(100)	(134)
Interest income / (expense)	334	(219)	115
Secured pensions in payment*	9,500	(9,500)	-
Remeasurement gains / (losses)	3,164	(1,631)	1,533
At 30 September 2019	24,673	(19,021)	5,652

*Secured pensions in payment relates to annuities purchased in the trustees' name to meet benefits due to specific pensioners. The value of policies is taken to equal the value of liabilities that they cover.

Total cost recognised as an expense during the year was £19,000 (2018: £69,000).

The fair value of the plan assets were:

	2019 £'000	2018 £'000
Equity instruments	2,539	2,674
Cash	1,706	1,126
Derivatives	125	-
Bonds	10,410	6,828
Others	393	1,335
	15,173	11,963

The return on the plan assets was:

	2019 £'000	2018 £'000
Interest income	334	316
Remeasurements	-	-
Total return on plan assets	334	316

Defined contribution scheme

Following the closure of the defined benefit scheme to new entrants, the company provides a defined contribution scheme for its employees.

The amount recognised as an expense for the defined contribution scheme was:

	2019 £000	2018 £000
Current period contributions	39	67

Notes to the financial statements *(continued)*

14. Called up share capital

Ordinary shares of £1 each

Allocated and fully paid	2019 £'000	2018 £'000
At 1 October 2017, 30 September 2018 and 30 September 2019	76,145	76,145

15. Contingent liabilities

tk UK PLC have given a parent company guarantee to the trustees of the thyssenkrupp Accessibility Limited Retirement and Benefits Scheme (Accessibility Scheme) in respect of all present and future obligations and liabilities, enforceable by the trustees, should thyssenkrupp Access Limited, the Principal Employer to the Accessibility Scheme fail to meet its obligations to the Accessibility scheme.

16. Post balance sheet events

In November 2019, the company sold its investment in thyssenkrupp Aufzüge Limited, SDV Escalators Limited, Hytrac Lifts Limited, thyssenkrupp Access Limited and Lift and Engineering Services Limited to a fellow subsidiary undertaking of thyssenkrupp AG, being thyssenkrupp Elevators International Holding B.V. for a consideration of £110.8 million. After having made a £27.0 million capital contribution to thyssenkrupp Aufzüge Limited prior to this sale, the profit on disposal of subsidiary undertakings before transaction costs was £47.3 million.

17 Changes in accounting policies – transition to IFRS 9 and 15

The company has adopted IFRS 9 'Financial instruments' (which replaces IAS 39 'Financial Instruments') and IFRS 15 'Revenue from Contracts with Customers' (which replaces IAS 18 'Revenue') from 1 October 2018. No changes in accounting policies or adjustments to the amounts recognised in the financial statements have been made as a result of the transition. In accordance with the transitional provisions in IFRS 15, comparative figures have not been restated. There is no impact on the company's opening retained earnings balance as a result of applying IFRS 9 and 15.

18. Ultimate parent company and immediate parent undertaking

The company regarded by the directors as being the ultimate controlling company and the immediate parent undertaking is thyssenkrupp AG which is incorporated in Germany. This is the largest and smallest group within which is consolidated. The consolidated financial statements of thyssenkrupp AG can be obtained from thyssenkrupp, Allee 1, Postfach 45063, 45143 Essen, Germany.

Notes to the financial statements (continued)

19. Related Undertakings

The following companies are related undertakings of thyssenkrupp UK Plc. All companies are wholly owned with the exception of those marked with (*) which are indirectly owned. (1) These companies have been sold after the year-end, as disclosed in note 16.

All of the subsidiary companies listed following represent 100% investment in ordinary shares and are incorporated in Great Britain.

<u>REGISTERED OFFICE ADDRESS</u>	<u>DESCRIPTION</u>	<u>COMPANY NAME</u>
Coxs Lane, Cradley Heath, B64 5QU	Stockholders, traders and processors of metal	thyssenkrupp Materials (UK) Ltd
Third Floor, Friars Gate 1,1011 Stratford Road, Solihull, B90 4BN	Dormant	thyssenkrupp Materials UK Holdings Ltd
The Lookout, 4 Bull Close Road, Lenton, Nottingham NG7 2UL	Holding company whose subsidiaries manufacture, install and service lifts and escalators.	thyssenkrupp Aufzuge Limited (1)
The Lookout, 4 Bull Close Road, Lenton, Nottingham NG7 2UL	Manufacture, installation of service lifts and escalators.	thyssenkrupp Elevators UK Limited (*) (1)
The Lookout, 4 Bull Close Road, Lenton, Nottingham NG7 2UL	Installation and service of lifts and escalators.	thyssenkrupp Elevators Ireland (*) (1)
Third Floor, Friars Gate 1,1011 Stratford Road, Solihull, B90 4BN	Holding Company	thyssenkrupp Automotive UK Limited
Unit E3 Eagle Court, De Havilland Avenue, Preston Farm Business Park, Stockton On Teses. TS18 3TB	Installation and maintenance of lifts and stairlifts.	thyssenkrupp Access Limited (1)
Mill Hill, North East Industrial Estate, Peterlee, County Durham, SR8 2HR	Manufacture and sale of slewing rings and other bearings	thyssenkrupp Rothe Erde UK Ltd
Unit 5 The Felbridge Centre, East Grinstead, West Sussex, RH19 1XP	Project management within the automotive industry.	thyssenkrupp System Engineering Limited
Third Floor, Friars Gate 1,1011 Stratford Road, Solihull, B90 4BN	Dormant	thyssenkrupp Mannex UK Limited
Third Floor, Friars Gate 1,1011 Stratford Road, Solihull, B90 4BN	Design and construction for the cement industry.	Polysius Limited
Llewellyn House, Harbourside Business Park, Harbourside Road, Port Talbot, Wales, SA13 1SB	Dormant	thyssenkrupp Industrial Solutions Oil and Gas Limited
16 Portersfield Road, Cradley Heath, Warley, B64 7BN	Manufacture, installation of service lifts and escalators	Lift and Engineering Services Limited (1)
Third Floor, Friars Gate 1,1011 Stratford Road, Solihull, B90 4BN	Dormant	Hytrac Lifts Limited (1)
Third Floor, Friars Gate 1,1011 Stratford Road, Solihull, B90 4BN	Instalation and service of Escalators	SDV Escalators Ltd (1)
Plot nos.98 & 99, Bengaluru Aerospace SEZ Park, KIADB Industrial Area, Budigere, Sulibele Post, Bengaluru 562129, Karnataka, India.	Stockholders, traders and processors of metal	thyssenkrupp Aerospace India Private Ltd
Jalostamontie 1, 42300 Jämsänkoski Finland	Stockholders, traders and processors of metal	thyssenkrupp Aerospace Finland OY
NSW,Australia,Commercial,Wetherill Park, NSW 2164	Stockholders, traders and processors of metal	thyssenkrupp Aerospace Australia PTY