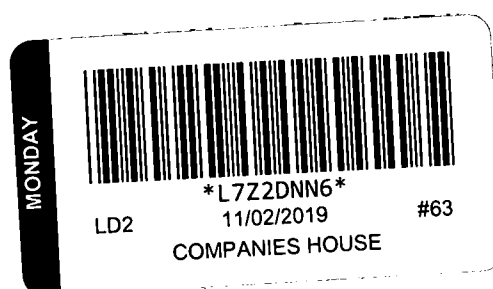


**Swanke Hayden Connell International Limited**

**Annual report**

**For the year ended 30 September 2018**



**Registered number England & Wales 2222545**

# Swanke Hayden Connell International Limited

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# Swanke Hayden Connell International Limited

## Company information

### Directors

RS Fry  
JNE Thompson  
BA Wright

### Registered office

10 Bonhill Street  
London  
EC2A 4PE

### Registered number

England & Wales 2222545

### Auditor

BDO LLP  
55 Baker Street  
London  
W1U 7EU

### Bankers

Coutts & Co  
440 Strand  
London  
WC2R 0QS

# Swanke Hayden Connell International Limited

## Directors' report

### Principal activity

The principal activity of the Company is the provision of architectural and interior design services. The Company consists of a parent Company operating in the UK, with a branch in Moscow that no longer trades.

The directors expect all trading to materially cease within the next 12 months.

In preparing this directors' report advantage has been taken of the small companies' exemption.

### Directors

The following directors held office during the year

RS Fry  
JNE Thompson  
BA Wright

### Dividends

The directors do not recommend the payment of a dividend for the year ended 30 September 2018.

### Statement as to disclosure of information to auditor

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is 'unaware'. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

### Independent auditors

The auditors, BDO LLP have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the annual general meeting.

The Directors' report was approved by the Board on 29 January 2019 and signed on its behalf by



BA Wright  
Director

# **Swanke Hayden Connell International Limited**

## **Directors' responsibilities in the preparation of financial statements**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Swanke Hayden Connell International Limited**

## **Independent auditor's report to the members of Swanke Hayden Connell International Ltd**

### **Opinion**

We have audited the financial statements of Swanke Hayden Connell International Limited ("the Company") for the year ended 30 September 2018 which comprise the statement of profit and loss and other comprehensive income, the statement of financial position, the statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

- 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.

### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

# Swanke Hayden Connell International Limited

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors report and from the requirement to prepare a Strategic report.

## **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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.

# Swanke Hayden Connell International Limited

## Auditor's 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 auditor's 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 at the Financial Reporting Council's website at:  
<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*boo ul.*

Tim Neathercoat (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London

Date *29 January 2019*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Swanke Hayden Connell International Limited

## Statement of profit and loss and other comprehensive income for the year ended 30 September 2018

| Continuing operations  | Note | 2018<br>£'000 | 2017<br>£'000 |
|--|------|---------------|---------------|
| Turnover   | 3    | 22            | 60            |
| Other operating income   | 4    | -             | 524           |
| Staff costs  | 7    | (6)           | -             |
| Depreciation   |      | (2)           | (43)          |
| Other operating charges  |      | (94)          | (515)         |
| Operating (loss) / profit  |      | (80)          | 26            |
| (Loss) / profit before taxation  | 5    | (80)          | 26            |
| Taxation   | 9    | (9)           | (14)          |
| (Loss) / profit after taxation   |      | (89)          | 12            |
| Foreign currency exchange gain / (loss) on<br>retranslation of reserves of overseas branches |      | 67            | (38)          |
| Total comprehensive deficit  |      | (22)          | (26)          |

# Swanke Hayden Connell International Limited

Company registration number 2222545

## Statement of financial position as at 30 September 2018

|                                       | Note | 2018<br>£'000 | 2017<br>£'000 |
|---------------------------------------|------|---------------|---------------|
| Fixed assets                          |      |               |               |
| Tangible assets                       | 10   | 1             | 3             |
| Investments                           | 11   | 175           | 175           |
| Total fixed assets                    |      | 176           | 178           |
| Current assets                        |      |               |               |
| Trade and other receivables           | 12   | 2,898         | 2,926         |
| Cash at bank and in hand              |      | 8             | 25            |
| Total current assets                  |      | 2,906         | 2,951         |
| Trade and other payables              | 13   | (2,405)       | (2,430)       |
| Net current assets                    |      | 501           | 521           |
| Total assets less current liabilities |      | 677           | 699           |
| <b>Net assets</b>                     |      | <b>677</b>    | <b>699</b>    |
| Capital and reserves                  |      |               |               |
| Called up share capital               | 15   | 309           | 309           |
| Capital redemption reserve            | 16   | 191           | 191           |
| Profit and loss account               |      | 44            | 133           |
| Foreign currency translation reserve  | 16   | 133           | 66            |
| <b>Equity shareholders' funds</b>     |      | <b>677</b>    | <b>699</b>    |

The financial statements on pages 8 to 22 were approved by the Board of Directors and authorised for issue on 29 January 2019 and are signed on its behalf by

BA Wright

BA Wright  
Director

# Swanke Hayden Connell International Limited

Company registration number 2222545

## Statement of changes in equity as at 30 September 2018

|                             | Called up<br>share<br>capital<br>£'000 | Capital<br>redemption<br>reserve<br>£'000 | Profit and<br>loss<br>account<br>£'000 | Foreign<br>currency<br>translation<br>reserve<br>£'000 | Total<br>equity<br>£'000 |
|-----------------------------|--|---|--|--|--------------------------|
| <b>At 30 September 2016</b> | <b>309</b>                             | <b>191</b>                                | <b>121</b>                             | <b>104</b>   | <b>725</b>               |
| Total comprehensive income  | -                                      | -   | 12                                     | (38)   | (26)                     |
| <b>At 30 September 2017</b> | <b>309</b>                             | <b>191</b>                                | <b>133</b>                             | <b>66</b>  | <b>699</b>               |
| Total comprehensive loss    | -                                      | -   | (89)                                   | 67   | (22)                     |
| <b>At 30 September 2018</b> | <b>309</b>                             | <b>191</b>                                | <b>44</b>                              | <b>133</b>   | <b>677</b>               |

# Swanke Hayden Connell International Limited

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

### 1 Authorisation of financial statements and statement of compliance with FRS101

The financial statements of Swanke Hayden Connell International Limited (the "Company") for the year ended 30 September 2018 were authorised for issue by the board of directors on 29 January 2019 and the balance sheet was signed on the board's behalf by B A Wright. Swanke Hayden Connell International Limited is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The principal accounting policies adopted by the Company are set out in note 2.

### 2 Accounting policies

#### 2.1 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in Sterling (£). The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- 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 paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

# Swanke Hayden Connell International Limited

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

### 2.2 Going Concern

The Company has prepared and reviewed forecasts based on which the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The Directors have also obtained confirmation from the ultimate parent company, Aukett Swanke Group Plc, that they will continue to provide ongoing financial support to the Company and will not demand payment of the amount owed to Group undertakings for a period of twelve months.

Given the level of support available, the directors have prepared the financial statements on the going concern basis.

### 2.3 Critical accounting estimates and judgements

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Recognition of contractual revenue

Revenue from contracts is assessed on an individual basis with revenue earned being ascertained based on the stage of completion of the contract which is estimated using a combination of the milestones in the contract and the proportion of total time expected to be required to undertake the contract which had been performed.

Estimates of the total time expected to be required to undertake the contracts are made on a regular basis and subject to management review. These estimates may differ from the actual results due to a variety of factors such as efficiency of working, accuracy of assessment of progress to date and client decision making.

#### Recognition of fee claim revenue

The nature of the project work undertaken by the Company means sometimes the scale and scope of a project increases after work has commenced. Subsequent changes to the scale and scope of the work may require negotiation with the clients for variations.

Advance agreement of the quantum of variation fees is not always possible, in particular when the timescale for project completion is changing or where the cost of variations cannot be determined until the work has been undertaken.

In such circumstances the revenue recognised is limited to the amounts considered both probably recoverable, and capable of reliable measurement, taking into account all the relevant circumstances of the individual project and client.

# Swanke Hayden Connell International Limited

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

### 2.4 Significant accounting policies

#### Turnover

Turnover represents the value of services performed for customers under contract (excluding value added taxes). Turnover from contracts is assessed on an individual basis with turnover earned being ascertained based on the stage of completion of the contract which is estimated using a combination of the milestones in the contract and the proportion of total time expected to be required to undertake the contract which had been performed.

The amount by which turnover exceeds progress billings is classified as amounts recoverable on contracts and included in receivables. To the extent progress billings exceed relevant turnover, the excess is classified as payments on account and included in payables.

Turnover is only recognised when there is a contractual right to consideration and any turnover earned can be estimated reliably. Variations in contract work, claims and incentive payments are only recognised when it is probable they will result in turnover and they are capable of being measured reliably.

#### Rental Income

Rental income on sublet property is credited to the profit and loss account in the year in which it accrues.

#### Foreign currency translation

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Gains and losses arising on retranslation are included in the profit and loss account for the year.

On consolidation, the assets and liabilities of the Company's overseas branch are translated from their functional currency at exchange rates prevailing at the balance sheet date. Profit and loss items are translated from their functional currency at the average rates for the year. Exchange differences arising on the retranslation of reserves are recognised in the foreign currency translation reserve through other comprehensive income.

#### Leases and asset finance arrangements

Where asset finance arrangements result in substantially all the risks and rewards of ownership resting with the company, the arrangement is treated as a finance lease with the assets included in the statement of financial position.

Such assets are initially measured at the present value of the minimum asset finance payments and the present value of future payments is shown as a liability. The interest element of these arrangements is charged to the income statement over the period of the arrangement in proportion to the balance of capital payments outstanding.

All other lease arrangements are treated as operating leases and the annual rentals are charged to the income statement on a straight line basis over the lease term.

Where a rent free period is received in respect of a property lease the incentive is considered an integral part of the agreement, and the cost of the lease net of the incentive is charged to the income statement on a straight line basis over the lease term.

# **Swanke Hayden Connell International Limited**

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

### **Employee benefit obligations**

Costs in respect of defined contribution pension arrangements are charged to the profit and loss account on an accruals basis in line with the amounts payable in respect of the accounting period. The Company has no defined benefit pension arrangements.

### **Provisions**

Provisions are recognised when a present legal obligation has arisen as a result of a past event which it is probable will result in an outflow of economic benefits that can be reliably estimated.

Where the effect of the time value of money is material, the provision is based on the present value of future outflows, discounted at the pre tax discount rate that reflects the risks specific to the liability.

### **Tangible fixed assets**

All tangible fixed assets are stated at historical cost of acquisition less depreciation and any impairment provisions. Historical cost of acquisition includes expenditure that is directly attributable to the acquisition of the items.

Depreciation of tangible fixed assets is calculated to write off the cost of acquisition over the expected useful economic lives using the straight line method and over the following number of years:

Short leasehold improvements – unexpired term of lease  
Furniture and equipment – 4 to 5 years

### **Investments**

Investments in subsidiary undertakings are stated at cost plus incidental costs of acquisition, less any provision for diminution in value.

### **Financial instruments**

The initial recognition and measurement of financial assets are within the scope of IAS 39 and are classified as financial assets at fair value through the income statement. Financial assets and financial liabilities are recognised in full in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition. Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, 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. Other financial assets classified as fair value through the statement of comprehensive income are measured at fair value.

#### **Receivables:**

Short term receivables are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

# **Swanke Hayden Connell International Limited**

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

### **Payables:**

Short term trade payables are measured at transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

### **Derecognition of financial assets and liabilities:**

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all of the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is liable to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation in the contract is discharged, cancelled or expires.

### **Equity instruments:**

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### **Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred taxation is measured on a non-discounted basis at the average tax rates that would apply when the timing differences are expected to reverse, based on tax rates and laws enacted by the balance sheet date.

### **Dividends**

Dividend payments are recognised as liabilities once they are no longer at the discretion of the Company.

# Swanke Hayden Connell International Limited

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

### 3 Revenue

The Company's revenue was all derived from its principal activity and the geographical split of turnover based on the location of project sites was:

|                                     | 2018<br>£'000 | 2017<br>£'000 |
|-------------------------------------|---------------|---------------|
| United Kingdom                      | 22            | 60            |
| Continental Europe including Russia | -             | -             |
| Total                               | 22            | 60            |

### 4 Other operating income

Other operating income is stated after crediting:

|  | 2018<br>£'000 | 2017<br>£'000 |
|--|---------------|---------------|
| Property income                                    | -             | 308           |
| Management charge income from other group entities | -             | 216           |
| Total  | -             | 524           |

### 5 Profit before taxation

The profit before taxation is stated after charging / (crediting):

|  | 2018<br>£'000 | 2017<br>£'000 |
|--|---------------|---------------|
| Depreciation of tangible fixed assets      | 2             | 43            |
| Dilapidations provision                    | -             | (25)          |
| Foreign currency exchange losses / (gains) | 68            | (40)          |
| Operating lease rentals:                   |               |               |
| Land and buildings                         | -             | 329           |

# Swanke Hayden Connell International Limited

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

### 6 Auditor's remuneration

During the period the Company incurred the following costs in relation to the Company's auditor and its associates:

|  | 2018<br>£'000 | 2017<br>£'000 |
|--|---------------|---------------|
| Fees payable to the Company's auditor for the audit of the Company's annual accounts | 16            | 16            |

### 7 Employee information and staff costs

The average monthly number of persons (including directors) employed by the Company during the period was:

|                | 2018<br>Number | 2017<br>Number |
|----------------|----------------|----------------|
| Professional   | -              | -              |
| Administrative | 2              | 1              |
| Total          | 2              | 1              |

Staff costs for above persons were:

|                       | 2018<br>£'000 | 2017<br>£'000 |
|-----------------------|---------------|---------------|
| Wages and salaries    | 2             | -             |
| Social security costs | -             | -             |
| Pension contributions | 4             | -             |
| Total                 | 6             | -             |

During the year ended 30 September 2016, most staff employed by the Company were transferred to other members of the Aukett Swanke Group. From this date, the Company was charged a management fee for the use of staff to service its existing contracts. For the period ending 30 September 2018 the 2 people employed were located in the company's overseas branch.

# Swanke Hayden Connell International Limited

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

### 8 Directors' emoluments

|  | 2018<br>£'000 | 2017<br>£'000 |
|--|---------------|---------------|
| Aggregate emoluments                           | -             | -             |
| Amounts paid to money purchase pension schemes | -             | -             |
| Total  | -             | -             |

During the years ended 30 September 2018, all directors were remunerated by other members of the Aukett Swanke Group and no specific allocation of their remuneration has been made to this Company.

The highest paid director received emoluments of £nil (2017: £nil) and pension contributions of £nil in the period (2017: £nil).

### 9 Taxation

The taxation charge for the period was as follows:

|  | 2018<br>£'000 | 2017<br>£'000 |
|--|---------------|---------------|
| Current tax:                                   |               |               |
| UK corporation tax on profits of the period    | -             | -             |
| Adjustments in respect of previous periods     | -             | -             |
| Overseas corporation tax                       | -             | -             |
| Total current tax charge                       | -             | -             |
| Deferred taxation:                             |               |               |
| Origination and reversal of timing differences | 9             | 14            |
| Total deferred tax charge (note 14)            | 9             | 14            |
| Total taxation                                 | 9             | 14            |

The standard rate of corporation tax in the United Kingdom is 19% (2017: 19%).

# Swanke Hayden Connell International Limited

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

The tax assessed for the period differs from the United Kingdom standard rate as explained below:

|   | 2018<br>£'000 | 2017<br>£'000 |
|---|---------------|---------------|
| (Loss) / profit before taxation   | (80)          | 26            |
| (Loss) / profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2017: 19%) | (15)          | 5             |
| Effects of:   |               |               |
| Expenses not deductible for tax purposes  | 4             | 9             |
| Impact on deferred tax of change in UK tax rate   | -             | -             |
| Deferred tax assets de-recognised   | 20            | -             |
| Total taxation  | 9             | 14            |

### 10 Tangible fixed assets

|   | Furniture and<br>equipment<br>£'000 | Total<br>£'000 |
|---|-------------------------------------|----------------|
| Cost                                    |                                     |                |
| At 1 October 2017 and 30 September 2018 | 1,316                               | 1,316          |
| Depreciation                            |                                     |                |
| At 1 October 2017                       | 1,313                               | 1,313          |
| Charge for the period                   | 2                                   | 2              |
| At 30 September 2018                    | 1,315                               | 1,315          |
| Net book value                          |                                     |                |
| At 30 September 2018                    | 1                                   | 1              |
| At 30 September 2017                    | 3                                   | 3              |

# Swanke Hayden Connell International Limited

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

### 11 Investments

|   | £'000 |
|---|-------|
| Cost or valuation                       |       |
| At 1 October 2017 and 30 September 2018 | 218   |
| Amounts provided                        |       |
| At 1 October 2017                       | (43)  |
| Impairment                              | -     |
| At 30 September 2018                    | (43)  |
| Net book value                          |       |
| At 30 September 2018                    | 175   |
| At 30 September 2017                    | 175   |

The Company has beneficial ownership of 100% of the ordinary share capital of Swanke Hayden Connell Mimarlik A.S., a company incorporated in Turkey whose registered office is Kore Sehıtları 34, Deniz Is Hani, 34394 Zincirlikuyu, Istanbul, Turkey. The principal activity of the company is the provision of architectural and interior design services.

### 12 Trade and other receivables

|  | 2018<br>£'000 | 2017<br>£'000 |
|--|---------------|---------------|
| Amounts falling due after more than one year |               |               |
| Deferred tax (note 14)                       | 50            | 59            |
|  | 50            | 59            |
| Amounts falling due within one year          |               |               |
| Trade receivables                            | 4             | 13            |
| Amounts recoverable on contracts             | -             | -             |
| Amounts owed by other group undertakings     | 2,752         | 2,753         |
| Other receivables                            | -             | 1             |
| Prepayments and accrued income               | 92            | 100           |
|  | 2,848         | 2,867         |
| Total  | 2,898         | 2,926         |

Amounts owed by other group undertakings are non-interest bearing and repayable on demand.

# Swanke Hayden Connell International Limited

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

### 13 Trade and other payables

|                                    | 2018<br>£'000 | 2017<br>£'000 |
|------------------------------------|---------------|---------------|
| Payments on account                | 3             | 26            |
| Trade payables                     | 120           | 125           |
| Amounts owed to group undertakings | 2,262         | 2,270         |
| Other taxation and social security | -             | -             |
| Other payables                     | -             | -             |
| Corporation tax                    | -             | -             |
| Accruals                           | 20            | 9             |
| Total                              | 2,405         | 2,430         |

Amounts owed to group undertakings are non interest bearing and repayable on demand.

### 14 Deferred tax asset

A deferred tax asset of £50,000 has been recognised at 30 September 2018 (2017: £59,000).

|                                  | 2018<br>£'000 | 2017<br>£'000 |
|----------------------------------|---------------|---------------|
| Tax depreciation on fixed assets | 50            | 59            |
| Tax losses                       | -             | -             |
| Other timing differences         | -             | -             |
| Total                            | 50            | 59            |

|                                  | £'000 |
|----------------------------------|-------|
| At 30 September 2017             | 59    |
| Profit and loss account (note 9) | (9)   |
| At 30 September 2018             | 50    |

### 15 Called up share capital

|  | 2018<br>£'000 | 2017<br>£'000 |
|--|---------------|---------------|
| Authorised, allotted, called up and fully paid<br>309,150 (2017: 309,150) ordinary shares of £1 each | 309           | 309           |

The Company's issued ordinary share capital comprised a single class of ordinary share. Each share carries the right to one vote at general meetings of the Company.

# Swanke Hayden Connell International Limited

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

### 16 Reserves

Called up share capital:

The balance classified as equity share capital includes the total net proceeds (both nominal value and share premium) on issue of the Company's equity share capital, comprising £1 ordinary shares.

Capital redemption reserve:

The balance of £191,000 (2017: £191,000) relates to the Company's purchase of own shares in prior periods.

Foreign currency translation reserve:

The balance relates to cumulative exchange differences arising on the translation of the net assets of the Company's Moscow branch.

### 17 Guarantees, contingent liabilities and other commitments

A cross guarantee and offset agreement is in place between the Company and other UK members of the Aukett Swanke group in respect of the loan and overdraft facilities from Coutts & Co. At 30 September 2018 the loans and overdrafts of related undertakings guaranteed by the Company totalled £553,000 (2017: £1,004,000).

In common with other firms providing professional services, the Company is subject to the risk of claims of professional negligence from clients. The Company maintains professional indemnity insurance in respect of these risks but is exposed to the cost of excess deductibles on any successful claims. The Directors assess each claim and make accruals for excess deductibles where, on the basis of professional advice received, it is considered that a liability is probable.

### 18 Related party transactions

The Company trades with Aukett & Heese Frankfurt GmbH, a joint venture incorporated in Germany which is 50% owned by Aukett Swanke Group Plc. During the period, the Company received services of £nil (2017: £7,000) and owed £nil (2017: £nil) at the balance sheet date.

### 19 Ultimate parent company

The ultimate parent company and controlling party is Aukett Swanke Group Plc, which is the parent company of the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements of Aukett Swanke Group Plc may be obtained from the company's registered office at 10 Bonhill Street, London, EC2A 4PE or from its website at [www.aukettswanke.com](http://www.aukettswanke.com).