

Swanke Hayden Connell Europe Limited

Annual report

For the year ended 30 September 2018



Registered number England & Wales 05571861

Swanke Hayden Connell Europe Limited

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Swanke Hayden Connell Europe Limited

Company Information

Directors

RS Fry
JNE Thompson
BA Wright

Registered office

10 Bonhill Street
London
EC2A 4PE

Registered number

England & Wales 5571861

Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Bankers

Coutts & Co
440 Strand
London
WC2R 0QS

Swanke Hayden Connell Europe Limited

Directors' Report

Principal activity

The Company's principal activity is to act as a holding company, and as such it has not traded during the year. Its subsidiary provides architectural and interior design services within Europe.

Business review

The Company has not traded in the year as it acts as a holding company for its subsidiary, Swanke Hayden Connell International Limited. The subsidiary has a minimal trading activity which is likely to materially cease within the next 12 months.

Aukett Swanke Group Plc is the ultimate controlling party and manages the Group's operations on a segmental basis. The development, performance and position of Aukett Swanke Group Plc's activities are discussed in the Group's annual report, which does not form part of this report.

The Directors have obtained confirmation from 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 this group undertaking for a period of twelve months. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

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

Directors

The following directors have held office during the year:

RS Fry
JNE Thompson
BA Wright

Dividends

The Directors do not recommend the payment of a dividend.

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 has 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 Europe 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 Europe Limited

Independent Auditor's report to the members of Swanke Hayden Connell Europe Limited

Opinion

We have audited the financial statements of Swanke Hayden Connell Europe 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 Europe Limited

Independent Auditor's report to the members of Swanke Hayden Connell Europe 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 Europe Limited

Independent Auditor's report to the members of Swanke Hayden Connell Europe 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.

BDO LLP

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 Europe Limited

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

Continuing operations	Note	2018 £'000	2017 £'000
Turnover		-	-
Other operating charges	7	(28)	(370)
Operating loss		(28)	(370)
Loss on ordinary activities before taxation		(28)	(370)
Taxation	6	-	-
Loss after tax		(28)	(370)
Other comprehensive income		-	-
Total comprehensive deficit		(28)	(370)

Swanke Hayden Connell Europe Limited

Statement of financial position as at 30 September 2018

Company registration number 5571861

	Note	2018 £'000	2017 £'000
Fixed assets		-	-
Investments	7	686	714
Total fixed assets		686	714
Trade and other payables	8	(124)	(124)
Net current liabilities		(124)	(124)
Total assets less current liabilities		562	590
Net assets		562	590
Capital and reserves			
Called up share capital	9	660	660
Capital redemption reserve	10	280	280
Profit and loss account		(378)	(350)
Equity shareholders' funds		562	590

The financial statements on pages 8 to 16 were approved by the Board of Directors and authorised for issue on 29 January 2019 and are signed on its behalf by



BA Wright
Director

Swanke Hayden Connell Europe Limited

Statement of changes in equity at 30 September 2018

	Called up share capital £'000	Capital redemption reserve £'000	Profit and Loss account £'000	Total Equity £'000
At 30 September 2016	660	280	20	960
Total comprehensive deficit	-	-	(370)	(370)
At 30 September 2017	660	280	(350)	590
Total comprehensive deficit	-	-	(28)	(28)
At 30 September 2018	660	280	(378)	562

Swanke Hayden Connell Europe 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 Europe 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 Europe 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 Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Aukett Swanke Group Plc. The results of the company are included in the consolidated financial statements of Aukett Swanke Group Plc which are available from 36-40 York Way, London, N1 9AB.

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 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 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;

Swanke Hayden Connell Europe Limited

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

- 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.

2.2 Going Concern

The Directors have 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 undertaking 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.

2.4 Significant accounting policies

Turnover

The Company does not trade and as such does not generate turnover.

Investments

Investments in subsidiaries, associates and joint ventures are held at historical cost less any applicable provision for impairment.

Impairment of non financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

Foreign currency translation

The Company's financial statements are presented in Sterling, which is also the Company's functional currency.

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

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

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.

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.

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.

De-recognition of financial assets and liabilities:

A financial asset is de-recognised 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.

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

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.

3 Auditor's remuneration

The audit fees for the UK members of the Aukett Swanke Group have been charged entirely to Aukett Swanke Limited. The fee that would have been charged to this Company would have been approximately £1,000 (2017: £1,000).

4 Employee information and staff costs

The Company had no employees during either the current or previous year.

5 Directors' emoluments

All Directors in the period were employed by other members of the Aukett Swanke Group and no specific allocation of their remuneration has been made to this Company.

6 Taxation

The taxation charge for the year was as follows:

	2018 £'000	2017 £'000
Current tax:		
UK corporation tax on profits of the year	-	-
Adjustments in respect of previous periods	-	-
Total current tax charge	-	-
Deferred taxation:		
Origination and reversal of timing differences	-	-
Adjustments in respect of previous periods	-	-
Total deferred tax	-	-
Total taxation charge	-	-

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

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

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

	2018 £'000	2017 £'000
Loss before taxation	(28)	(370)
Loss before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2017: 19%)	(5)	(70)
Effects of:		
Expenses not deductible for tax purposes	5	70
Total tax charge for the year	-	-

7 Fixed asset investments

	£'000
Cost or valuation	
At 1 October 2017 and 30 September 2018	1,084
Amounts provided	
At 1 October 2017	370
Charge	28
At 30 September 2018	398
Net book value	
At 30 September 2018	686
At 1 October 2017	714

The Company owns 100% of the ordinary share capital of Swanke Hayden Connell International Limited, a Company incorporated in England & Wales whose registered office is 10 Bonhill Street, London, EC2A 4PE.

A provision for impairment has been made against the Company's investment in Swanke Hayden Connell International Limited as the entity is no longer generating new revenue and is expected to materially cease trading within the next 12 months and therefore the recoverable amount is forecast to be lower than the original cost of this investment.

8 Trade and other payables

	2018 £'000	2017 £'000
Amounts due to group undertakings	124	124
Total	124	124

Balances due to group undertakings are unsecured, non-interest bearing and repayable on demand.

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

9 Called up share capital

	2018 £'000	2017 £'000
Authorised, allotted, called up and fully paid 660,000 (2017: 660,000) ordinary shares of £1 each	660	660

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.

10 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 £280,000 (2017: £280,000) relates to the companies purchase of own shares in prior periods.

11 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.