

Company Registration No. 06994738 (England and Wales)

AEDAS LONDON LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
PAGES FOR FILING WITH REGISTRAR



AEDAS LONDON LIMITED

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AEDAS LONDON LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Non-current assets					
Property, plant and equipment	4		55,719		65,439
Current assets					
Trade and other receivables	5	1,388,455		960,308	
Cash and cash equivalents		1,961		5,101	
		<u>1,390,416</u>		<u>965,409</u>	
Current liabilities	6	<u>(8,264,211)</u>		<u>(6,197,817)</u>	
Net current liabilities			(6,873,795)		(5,232,408)
Net liabilities			<u>(6,818,076)</u>		<u>(5,166,969)</u>
Equity					
Called up share capital	7		1		1
Retained earnings			(6,818,077)		(5,166,970)
Total equity			<u>(6,818,076)</u>		<u>(5,166,969)</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 30/09/19 and are signed on its behalf by:



F W P McGoldrick
Director

Company Registration No. 06994738

AEDAS LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Aedas London Limited is a private company limited by shares incorporated in England and Wales. The registered office is Ivory House, St Katharine Docks, London, E1W 1AT.

1.1 Accounting convention

These financial statements have been prepared in accordance with the historical cost convention and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

The company meets its day to day working capital requirements through existing cash reserves and loans from the company's parent companies.

After making enquiries and obtaining the necessary assurances from the Company's ultimate parent that sufficient resources will be made available to meet liabilities as they fall due for at least a period of twelve months following the reporting date should the company's income not be sufficient, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In addition, the company's parent companies have indicated that they will continue to provide financial support to the company for at least a period of twelve months following the date of approval of these financial statements. This is due to the UK being seen as a potential market for group development with the immediate focus being on developing the architectural business. Accordingly, they continue to prepare the financial statements on a going concern basis.

1.3 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided, including recharged costs, in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

AEDAS LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	33% straight line
Fixtures and fittings	20% straight line
Computers	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company only has financial instruments which are classified as basic financial instruments.

Short-term debtors and creditors are measured at the settlement value. Any losses from impairment are recognised in profit and loss.

Bank loans are initially recorded at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method.

1.7 Taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

AEDAS LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Judgements and key sources of estimation uncertainty

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Revenue recognition

The company uses some estimates in revenue recognition where contracts for the provision of professional services are incomplete at the year end. Revenue is recognised by reference to the stage of completion of each project, the costs incurred and the estimated costs to complete.

Trade receivables bad debt allowance

The trade receivables allowance for bad debts is based on the best estimate of the amount of probable losses in existing trade receivables. The allowance is determined based on historical collection experience and the review in each period of the status of the outstanding trade receivables, while taking into consideration current customer information, subsequent collection history and other relevant data.

Non current assets

Estimates are made by the directors in determining depreciation rates for the tangible fixed assets of the company. This is based upon the expected useful life of each asset and any expected residual value that an asset will retain at the end of its useful economic life.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 25 (2017 - 24).

AEDAS LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

4 Property, plant and equipment

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2018	384,543	850,421	1,234,964
Additions	11,088	12,499	23,587
Disposals		(766,229)	(766,229)
At 31 December 2018	395,631	96,691	492,322
Depreciation and impairment			
At 1 January 2018	384,543	784,982	1,169,525
Depreciation charged in the year	1,540	31,767	33,307
Eliminated in respect of disposals		(766,229)	(766,229)
At 31 December 2018	386,083	50,520	436,603
Carrying amount			
At 31 December 2018	9,548	46,171	55,719
At 31 December 2017		65,439	65,439

5 Trade and other receivables

	2018	2017
	£	£
Amounts falling due within one year:		
Trade receivables	965,659	630,272
Amounts owed by group undertakings	25,913	21,916
Other receivables	396,883	308,120
	1,388,455	960,308

AEDAS LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

6 Current liabilities

	2018 £	2017 £
Bank loans and overdrafts	1,712,688	1,249,199
Trade payables	72,658	92,495
Amounts owed to group undertakings	5,649,103	3,949,253
Taxation and social security	83,173	72,087
Other payables	746,589	834,783
	<u>8,264,211</u>	<u>6,197,817</u>

Amounts owed to group undertakings include a short term loan from the company's ultimate parent company Aedas International Limited totalling £4,287,326 (2017: £2,608,294). The loan is repayable on demand and incurs interest at a rate of 2.25% per annum.

7 Called up share capital

	2018 £	2017 £
Ordinary share capital Issued and fully paid 1 ordinary share of £1 each	<u>1</u>	<u>1</u>

8 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2018 £	2017 £
	<u>7,373,864</u>	<u>8,011,802</u>

Lease payments recognised as an expense in the year are £637,938.

Aedas International Limited have guaranteed the operating lease commitment of the company.

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was qualified and the auditor reported as follows:

AEDAS LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2018**

9 Audit report information

(Continued)

Qualified opinion on financial statements

We have audited the financial statements of Aedas London Limited (the 'company') for the year ended 31 December 2018 which comprise , the statement of financial position, the statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 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 qualified opinion

During the course of our audit, we have been unable to obtain sufficient and appropriate audit evidence concerning the completeness of the company's income for the year ended 31 December 2018. Although we have been able to satisfy ourselves that income as recorded in the accounting records has been accurately reflected in these financial statements, we have been unable to conclude whether the company's income is complete due a lack of appropriate audit evidence. As a result, we have also not been able to conclude that cut off has been accurately applied to income as at 31 December 2018. In addition we have been unable to obtain sufficient and appropriate audit evidence concerning the recoverability of some of the company's debtors as at 31 December 2018.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRS Ethical Standard. We believe that the audit evidence we have obtained is sufficient and appropriate to form a basis for our qualified opinion.

The senior statutory auditor was Jonathan Healey FCA.

The auditor was Lindey Francis Ferguson Limited.

10 Parent company

At 31 December 2018, the directors consider the immediate parent to be Aedas (Architects) Limited, which is incorporated in the British Virgin Islands.

At 31 December 2018, the directors consider the ultimate controlling party of the company to be Aedas International Limited, which is incorporated in Hong Kong.

The ultimate holding company prepares consolidated financial statements which include their share of the results for the year.