

Company Registration No. 07464442 (England and Wales)

**AEDAS INTERIORS LONDON LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**



# **AEDAS INTERIORS LONDON LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	I K Griffiths F W P McGoldrick L W MacWatt
<b>Company number</b>	07464442
<b>Registered office</b>	Ivory House St Katharine Docks London E1W 1AT
<b>Auditor</b>	KPMG LLP 15 Canada Square London E14 5GL

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# **AEDAS INTERIORS LONDON LIMITED**

## **CONTENTS**

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	<b>Page</b>
<b>Directors' report</b>	<b>1 - 2</b>
<b>Directors' responsibilities statement</b>	<b>3</b>
<b>Independent auditor's report to the members of Aedas Interiors London Limited</b>	<b>4 - 5</b>
<b>Statement of comprehensive income</b>	<b>6</b>
<b>Statement of financial position</b>	<b>7</b>
<b>Statement of changes in equity</b>	<b>8</b>
<b>Statement of cash flows</b>	<b>9</b>
<b>Notes to the financial statements</b>	<b>10 - 19</b>

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# **AEDAS INTERIORS LONDON LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors present their annual report and financial statements for the year ended 31 December 2015.

### **Principal activities**

The principal activity of the company continued to be that of providing design services including space analysis, space planning, interior design, concept design, refurbishment and new build design.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

I K Griffiths

V K K Liew

(Resigned 19 September 2016)

F W P McGoldrick

L W MacWatt

### **Results and dividends**

The results for the year are set out on page 6.

No ordinary dividends were paid during the year (2014: Nil). The directors do not recommend payment of a final dividend.

### **Disabled persons**

The Company is committed to providing equality of opportunity and seeking to attract employees from all sections of the community. They actively encourage disabled workers to apply for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitude.

### **Auditor**

The auditor, KPMG LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

### **Going Concern**

The directors believe that the company is a going concern on the basis that there is sufficient cash at group level for the business to continue for a period of at least 12 months from the date of approval of these financial statements.

### **Employee Involvement**

The Company's policy is to consult and discuss with employees on any matters likely to affect employees' interests.

Information on matters of concern to employees is given through the information bulletins, reports and presentations, which seek to achieve a common awareness on the part of all employees of their contribution towards the achievement of the organisation's strategic objectives and business plan and the financial and economic factors affecting the Company's performance.

# **AEDAS INTERIORS LONDON LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



L W MacWatt

Director

30109116

# **AEDAS INTERIORS LONDON LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT** **FOR THE YEAR ENDED 31 DECEMBER 2015**

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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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), 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, subject to any material departures disclosed and explained in the financial statements; 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 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AEDAS INTERIORS LONDON LIMITED**

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We have audited the financial statements of Aedas Interiors London Limited for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Statement Of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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.

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

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF AEDAS INTERIORS LONDON LIMITED**

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

We have nothing to report in respect of the following matters where 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 company is entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.

**Andrew Turner (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP**

30/09/16 .....

**Chartered Accountants**  
**Statutory Auditor**

15 Canada Square  
London  
E14 5GL



# AEDAS INTERIORS LONDON LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	2014 £
Revenue	3	1,649,447	582,744
Cost of sales		(927,923)	(354,197)
<b>Gross profit</b>		<b>721,524</b>	<b>228,547</b>
Administrative expenses		(785,366)	(449,619)
<b>Loss on ordinary activities before taxation</b>		<b>(63,842)</b>	<b>(221,072)</b>
Tax on loss on ordinary activities	6	-	-
<b>Loss on ordinary activities after taxation</b>		<b>(63,842)</b>	<b>(221,072)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive expense for the year</b>		<b>(63,842)</b>	<b>(221,072)</b>

The income statement has been prepared on the basis that all operations are continuing operations.

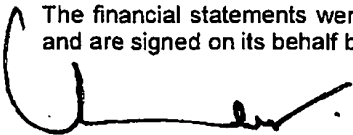
# AEDAS INTERIORS LONDON LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Property, plant and equipment	7		106,769		102,395
<b>Current assets</b>					
Trade and other receivables	9	770,091		519,566	
Cash at bank and in hand		245,612		102,565	
		1,015,703		622,131	
<b>Current liabilities</b>	10	(1,917,673)		(1,230,885)	
<b>Net current liabilities</b>			(901,970)		(608,754)
<b>Net liabilities</b>			(795,201)		(506,359)
<b>Non-current liabilities</b>	11		-		(225,000)
<b>Net liabilities</b>			(795,201)		(731,359)
<b>Equity</b>					
Called up share capital	12		2		2
Retained earnings			(795,203)		(731,361)
<b>Shareholders' deficit</b>			(795,201)		(731,359)

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

  
L W MacWatt  
Director

Company Registration No. 07464442

# **AEDAS INTERIORS LONDON LIMITED**

## **STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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	<b>Called up Share capital £</b>	<b>Retained earnings £</b>	<b>Total Equity £</b>
<b>Balance at 1 January 2014</b>	2	(510,289)	(510,287)
<b>Year ended 31 December 2014:</b>			
Loss and total comprehensive expense for the year	-	(221,072)	(221,072)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2014</b>	2	(731,361)	(731,359)
<b>Year ended 31 December 2015:</b>			
Loss and total comprehensive income for the year	-	(63,842)	(63,842)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2015</b>	2	(795,203)	(795,201)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# AEDAS INTERIORS LONDON LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

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	Notes	2015 £	£	2014 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	16		187,798		217,697
<b>Investing activities</b>					
Purchase of property, plant and equipment		(44,751)		(115,969)	
<b>Net cash used in investing activities</b>			(44,751)		(115,969)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			143,047		101,728
Cash and cash equivalents at beginning of year			102,565		837
<b>Cash and cash equivalents at end of year</b>			<u>245,612</u>		<u>102,565</u>

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# **AEDAS INTERIORS LONDON LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

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### **1 Accounting policies**

#### **Company information**

Aedas Interiors London Limited is a 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.

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 £.

These financial statements for the year ended 31 December 2015 are the first financial statements of Aedas Interiors London Limited prepared in accordance with FRS 102. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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 parents 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. 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, including recharged costs, provided 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 expected costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

# AEDAS INTERIORS LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 1 Accounting policies

(Continued)

#### 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.

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 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 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.

# AEDAS INTERIORS LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 1 Accounting policies

(Continued)

##### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

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. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# AEDAS INTERIORS LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.8 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.

### 1.9 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.

### 1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

### 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.



# AEDAS INTERIORS LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 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.

##### **Realisation of deferred tax**

Deferred tax assets and liabilities are determined based upon the net tax effects of the difference between the company's financial statements carrying amounts and the tax basis of assets and liabilities. These are measured using the applicable corporation tax rate expected to apply to taxable profit in the year in which the differences arise.

##### **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 Revenue

An analysis of the company's revenue is as follows:

	2015 £	2014 £
<b>Turnover</b>		
Fee income	1,615,168	554,903
Reimbursed expenses	34,279	27,841
	<u>1,649,447</u>	<u>582,744</u>

# AEDAS INTERIORS LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 3 Revenue (Continued)

#### Revenue analysed by geographical market

	2015 £	2014 £
United Kingdom	1,032,905	523,412
Outside EU	616,542	59,332
	<u>1,649,447</u>	<u>582,744</u>

### 4 Operating loss

	2015 £	2014 £
Operating loss for the year is stated after charging/(crediting):		
Exchange losses	13,216	413
Fees payable to the company's auditor for the audit of the company's financial statements	3,300	3,300
Depreciation of owned property, plant and equipment	40,377	13,574
Operating lease charges	121,135	165,243
	<u>178,028</u>	<u>182,530</u>

### 5 Employees

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

	2015 Number	2014 Number
Technical	9	5
Administration	2	1
	<u>11</u>	<u>6</u>

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	535,835	255,077
Social security costs	56,734	25,863
	<u>592,569</u>	<u>280,940</u>

The directors are remunerated by the ultimate parent company, Aedas International Limited, for their services to the Group as a whole. No remuneration is payable specifically for their services as directors to Aedas Interiors London Limited as this is considered not material to the company and no amounts are recharged in respect of their emoluments to the company.

# AEDAS INTERIORS LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2015

#### 6 Tax on loss on ordinary activities

Changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and 18% from 1 April 2020. These changes were substantially enacted on 26 October 2015.

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2015 £	2014 £
Loss before taxation	(63,842)	(221,072)
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2014: 20.00%)	(12,768)	(44,214)
Tax effect of expenses that are not deductible in determining taxable profit	1,624	360
Unutilised tax losses carried forward	12,019	54,497
Permanent capital allowances in excess of depreciation	(875)	(10,643)
Tax expense for the year	-	-

#### 7 Property, plant and equipment

	Leasehold improvements £	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>				
At 1 January 2015	47,430	36,846	31,693	115,969
Additions	618	5,151	38,982	44,751
At 31 December 2015	48,048	41,997	70,675	160,720
<b>Depreciation and impairment</b>				
At 1 January 2015	6,100	4,054	3,420	13,574
Depreciation charged in the year	16,085	8,173	16,119	40,377
At 31 December 2015	22,185	12,227	19,539	53,951
<b>Carrying amount</b>				
At 31 December 2015	25,863	29,770	51,136	106,769
At 31 December 2014	41,330	32,792	28,273	102,395

#### 8 Financial instruments

	2015 £	2014 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	733,403	435,521

# AEDAS INTERIORS LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

		(Continued)
<b>8</b>	<b>Financial Instruments</b>	
	Carrying amount of financial liabilities	
	Measured at amortised cost	
		1,862,672      1,455,885

<b>9</b>	<b>Trade and other receivables</b>		
		2015	2014
	Amounts falling due within one year:	£	£
	Trade receivables	452,589	61,324
	Amounts recoverable on long term contracts	-	28,228
	Amounts owed by group undertakings	181,980	285,745
	Other receivables	98,834	88,452
	Prepayments and accrued income	36,688	55,817
		770,091	519,566

Amounts owed by group undertakings are unsecured, and repayable on demand. No interest is charges on these amounts.

<b>10</b>	<b>Current liabilities</b>		
		2015	2014
		£	£
	Trade payables	75,052	27,299
	Amounts owed to group undertakings	1,714,178	1,157,312
	Other taxation and social security	55,001	-
	Other payables	5,782	16,503
	Accruals and deferred income	67,660	29,771
		1,917,673	1,230,885

Amounts owed to group undertakings are unsecured, and repayable on demand.

<b>11</b>	<b>Non-current liabilities</b>		
		2015	2014
		£	£
	Amounts owed to immediate holding company	-	225,000

During the year, the financing arrangement with the Aedas (Interiors) Limited was reviewed and as result, all amounts due to them are now repayable on demand. The financing arrangements continue to be interest free.

# AEDAS INTERIORS LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 12 Share capital

	2015 £	2014 £
Ordinary share capital		
Issued and fully paid		
1 A Ordinary share of £1 each	1	1
1 B Ordinary share of £1 each	1	1
	<u>2</u>	<u>2</u>

The ordinary A and ordinary B shares rank pari passu in all respects.

### 13 Operating lease commitments

#### Lessee

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

	2015 £	2014 £
Within one year	120,578	120,578
Between one and five years	50,240	170,819
	<u>170,818</u>	<u>291,397</u>

The company currently sub-leases its previous offices at 65 Chandos Street, London at a rent of £136,305 per annum. The sub-lease expires on 14 April 2019 but since there is a break date of 14 April 2017 included within the agreement, the total future minimum sub-lease payments expected to be received under non-cancellable sub-leases amounts to £181,740 (2015 - £Nil).

# AEDAS INTERIORS LONDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 14 Related party transactions

#### Transactions with related parties

The company is exempt from disclosing transactions with other companies that are wholly owned within the Aedas International Limited group.

No guarantees have been given or received.

### 15 Controlling party

At 31 December 2015, the directors consider the immediate parent company to be Aedas (Interiors) Limited, which is incorporated in the British Virgin Islands, and the ultimate controlling party 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.

### 16 Cash generated from operations

	2015 £	2014 £
Loss for the year after tax	(63,842)	(221,072)
Adjustments for:		
Depreciation of property, plant and equipment	40,377	13,574
Movements in working capital:		
(Increase) in trade and other receivables	(250,525)	(368,049)
Increase in trade and other payables	461,788	793,244
Cash generated from operations	<u>187,798</u>	<u>217,697</u>

# AEDAS INTERIORS LONDON LIMITED

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
£	£	£
<b>Revenue</b>		
Fee income	1,615,168	554,903
Recoverable expenses recharged	34,279	27,841
	<u>1,649,447</u>	<u>582,744</u>
<b>Cost of sales</b>		
Non-recoverable and reproduction expenses	52,867	59,386
Wages and salaries	465,366	236,807
Social security costs	50,973	24,334
Other staff costs	35,976	14,508
Consultancy fees and direct costs	322,741	19,162
	<u>(927,923)</u>	<u>(354,197)</u>
<b>Gross profit</b>	<u>721,524</u>	<u>228,547</u>
<b>Administrative expenses</b>		
Wages and salaries	58,524	18,270
Social security costs	5,761	1,529
Temporary staff	11,945	-
Staff recruitment costs	5,875	-
Staff welfare	2,882	191
Management and services charges	184,416	73,413
Rent	120,552	165,243
Rates	46,441	-
Property repairs and maintenance	13,822	2,110
Computer running costs	2,316	17,290
Leasing - plant and machinery	583	-
Travelling expenses	26,716	31,258
Postage, courier and delivery charges	6,358	8,848
Professional subscriptions	-	504
Legal and professional fees	14,576	69,201
Accountancy	20,684	-
Audit fees	3,300	3,300
Bank charges	3,389	2,013
Bad and doubtful debts	166,054	-
Insurance	1,349	715
Printing and stationery	11,129	-
Advertising	4,145	35,353
Telecommunications	12,098	3,407
Entertaining	8,118	1,798
Sundry expenses	740	1,189
Depreciation	40,377	13,574
Loss on foreign exchange	13,216	413
	<u>(785,366)</u>	<u>(449,619)</u>
<b>Loss on ordinary activities before taxation</b>	<u>(63,842)</u>	<u>(221,072)</u>