
AQUILA FINANCE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JULY 2019

AQUILA FINANCE LIMITED
REGISTERED NUMBER: 09242341

BALANCE SHEET
AS AT 30 JULY 2019

	Note	2019 £	2018 £
Current assets			
Debtors: amounts falling due after more than one year	4	136,658,104	138,934,322
Debtors: amounts falling due within one year	4	21,622,042	24,510,112
Cash at bank and in hand	5	1,570,493	526,468
		159,850,639	163,970,902
Creditors: amounts falling due within one year	6	(23,298,788)	(25,062,556)
Net current assets		136,551,851	138,908,346
Total assets less current liabilities		136,551,851	138,908,346
Creditors: amounts falling due after more than one year	7	(136,658,104)	(138,934,323)
Net liabilities		(106,253)	(25,977)
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account		(106,353)	(26,077)
		(106,253)	(25,977)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 March 2020.

.....
A D Chambers

Director

The notes on pages 2 to 8 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JULY 2019**

1. General information

Aquila Finance Limited is a company incorporated in England and Wales. The registered office is 6a High Street, Chelmsford, England, CM1 1BE.

The principal activity of the company is to obtain and provide finance to the rest of the Aquila Group.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

After reviewing the most recent projections and having carefully considered the ongoing challenges facing retail and the retail property sector, particularly in light of the continuing spread of Covid-19, the Directors have a reasonable expectation that the Group will be able to work closely with its tenants and loan providers during the forthcoming periods so that the Group will have adequate resources to continue in operational existence for the foreseeable future. It is for this reason the directors continue to adopt the going concern basis of accounting in preparing these financial statements.

2.3 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.4 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.6 Debtors

Short term debtors 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JULY 2019

2. Accounting policies (continued)

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Creditors

Short term creditors are measured at the 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JULY 2019

2. Accounting policies (continued)

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

3. Employees

The average monthly number of employees, including directors, during the year was 4 (2018 - 3).

AQUILA FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JULY 2019

4. Debtors

	2019 £	2018 £
Due after more than one year		
Amounts owed by group undertakings	<u>136,658,104</u>	<u>138,934,322</u>
Due within one year		
Amounts owed by group undertakings	21,274,540	24,459,004
Other debtors	347,402	51,008
Called up share capital not paid	100	100
	<u>21,622,042</u>	<u>24,510,112</u>

5. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>1,570,493</u>	<u>526,468</u>

AQUILA FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JULY 2019**

6. Creditors: Amounts falling due within one year

	2019	<i>2018</i>
	£	<i>£</i>
Bank loans	2,276,219	<i>2,318,808</i>
Trade creditors	77,970	<i>190</i>
Amounts owed to group undertakings	20,944,599	<i>22,743,558</i>
	<u>23,298,788</u>	<u><i>25,062,556</i></u>

The following liabilities were secured:

	2019	<i>2018</i>
	£	<i>£</i>
Bank loans	<u>2,276,219</u>	<u><i>2,318,808</i></u>

Details of security provided:

Aquila Finance Limited ("the borrower") is a borrower under a facility agreement. Under the agreement, ABSL1 Limited, Aquila Open Space Limited, Eagle 456 Limited, Aquila EHS Limited, Aquila Chelmsford Limited, Aquila BTE 1 Limited, Aquila BTE 2 Limited, Aquila 1516 Limited, Aquila Real Estate Limited, Aquila House Property Limited, Aquila Developments Limited, Aquila Estates Limited, ABSL Holdings Limited and Aquila MB2 Limited, ("the guarantors") are jointly and severally liable for the loan. The loan is secured on the shares and assets owned by the borrower and guarantors. A D Chambers, D Freedman and D Chambers are directors of the borrower and guarantors.

AQUILA FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JULY 2019**

7. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Bank loans	<u>136,658,104</u>	<u>138,934,323</u>

The following liabilities were secured:

	2019 £	2018 £
Bank loans	<u>136,658,104</u>	<u>138,934,323</u>

Details of security provided:

Aquila Finance Limited ("the borrower") is a borrower under a facility agreement. Under the agreement, ABSL1 Limited, Aquila Open Space Limited, Eagle 456 Limited, Aquila EHS Limited, Aquila Chelmsford Limited, Aquila BTE 1 Limited, Aquila BTE 2 Limited, Aquila 1516 Limited, Aquila Real Estate Limited, Aquila House Property Limited, Aquila Developments Limited, Aquila Estates Limited, ABSL Holdings Limited and Aquila MB2 Limited, ("the guarantors") are jointly and severally liable for the loan. The loan is secured on the shares and assets owned by the borrower and guarantors. A D Chambers, D Freedman and D Chambers are directors of the borrower and guarantors.

8. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year		
Bank loans	2,276,219	2,318,808
Amounts falling due 1-2 years		
Bank loans	2,286,411	2,276,219
Amounts falling due 2-5 years		
Bank loans	6,810,731	6,819,569
Amounts falling due after more than 5 years		
Bank loans	127,560,962	129,838,535
	<u>138,934,323</u>	<u>141,253,131</u>

AQUILA FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JULY 2019**

9. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>1,570,493</u>	<u>526,468</u>

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand.

10. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
100 (2018 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

11. Related party transactions

The company has taken advantage of the exemption in Section 33 Related Party Disclosures of FRS 102 not to disclose transactions with members of the group headed by Aquila House Holdings Limited, on the grounds that they are with companies that are wholly owned within the group.

12. Controlling party

At the year end, the company was a wholly owned subsidiary of Aquila MB2 Limited. The ultimate parent company is Aquila House Holdings Limited, a company controlled by A D Chambers.

13. Auditors' information

The auditors' report on the financial statements for the year ended 30 July 2019 was unqualified.

The audit report was signed on 25 March 2020 by Christopher Taylor (Senior statutory auditor) on behalf of Adler Shine LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.