

Company Registration No. 07028799 (England and Wales)

SPACE GROUP (EUROPE) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2018



SPACE GROUP (EUROPE) LIMITED

COMPANY INFORMATION

Director	RJ Charlton
Secretary	N McGlew
Company number	07028799
Registered office	Spaceworks Benton Road Newcastle upon Tyne Tyne & Wear NE7 7LX
Auditor	RSM UK Audit LLP Chartered Accountants 1 St. James' Gate Newcastle upon Tyne NE1 4AD
Bankers	Santander UK Plc 6 South Administration Block Bridle Road Bootle Merseyside L30 4GB National Westminster Bank plc 16 Northumberland Street Newcastle upon Tyne NE1 7EL

SPACE GROUP (EUROPE) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2018

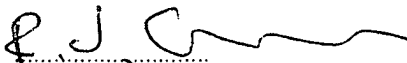
The director presents the strategic report for the year ended 30 June 2018.

Fair review of the business

The company is an intermediary holding company that owns 100% of Space Architecture (Europe) Limited. The company receives dividends from its subsidiary and makes distributions to the parent company Brunton Holdings Limited.

For the year ended 30 June 2018, the profit after tax generated by the company's subsidiary was £1,020,107 (2017: £936,936) and the net assets at 30 June 2018 amounted to £3,750,575 (2017: £2,956,791).

On behalf of the board



RJ Charlton

Director

15-11-18

SPACE GROUP (EUROPE) LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2018

The director presents his annual report and financial statements for the year ended 30 June 2018.

Principal activities

The principal activity of the company continued to be that of a holding company.

Director

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

RJ Charlton

Results and dividends

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

Ordinary dividends were paid amounting to £226,323. The director does not recommend payment of a further dividend.

Auditor

The auditor, RSM UK Audit LLP, are 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, each director has taken all the necessary steps that he ought to have taken as a director in order to make himself aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



RJ Charlton

Director

Date: 15/11/18

SPACE GROUP (EUROPE) LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

The director is responsible for preparing the Strategic Report and the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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 SPACE GROUP (EUROPE) LIMITED

Opinion

We have audited the financial statements of Space Group (Europe) Limited (the 'company') for the year ended 30 June 2018 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 June 2018 and of its profit 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. 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.

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 strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPACE GROUP (EUROPE) LIMITED (CONTINUED)

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 strategic report and the director's report.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement set out on page 3, the director is 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 director is 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 director either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 on the Financial Reporting Council's website at: <http://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.

RSM UK Audit LLP

Iain Corner FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
NE1 4AD

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20.11.18

SPACE GROUP (EUROPE) LIMITED


STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 £	2017 £
Investment income	2	226,323	213,324
Profit on ordinary activities before taxation		<u>226,323</u>	<u>213,324</u>
Taxation	3	-	-
Profit for the financial year		<u>226,323</u>	<u>213,324</u>
Retained earnings at 1 July 2017		-	-
Dividends	4	(226,323)	(213,324)
Retained earnings at 30 June 2018		<u>-</u>	<u>-</u>

SPACE GROUP (EUROPE) LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Investments	5		413,697		413,697
Current assets					
Debtors	7	3		3	
Creditors: amounts falling due within one year	8	(304,194)		(304,194)	
Net current liabilities			(304,191)		(304,191)
Total assets less current liabilities			109,506		109,506
Capital and reserves					
Called up share capital	9		73,004		73,004
Capital redemption reserve			36,502		36,502
Total equity			109,506		109,506

The financial statements were approved and signed by the director and authorised for issue on 15/11/18



 RJ Charlton
 Director

SPACE GROUP (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

Company information

Space Group (Europe) Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Spaceworks, Benton Road, Newcastle upon Tyne, Tyne & Wear, NE7 7LX.

The company's principal activities and nature of its operations are disclosed in the Director's Report.

Accounting convention

These financial statements have been prepared in accordance with 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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Reduced disclosures

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Brunton Holdings Limited. These consolidated financial statements are available from its registered office, Spaceworks, Benton Road, Newcastle upon Tyne, NE7 7LX.

Consolidation

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Space Group (Europe) Limited is a wholly owned subsidiary of Brunton Holdings Limited and the results of Space Group (Europe) Limited are included in the consolidated financial statements of Brunton Holdings Limited which are available from Spaceworks, Benton Road, Newcastle upon Tyne, NE7 7LX.

Going concern

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

SPACE GROUP (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies (Continued)

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Financial instruments

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

Financial instruments are recognised 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 other debtors, 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments, 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.

SPACE GROUP (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies (Continued)

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.

Basic financial liabilities

Basic financial liabilities, including amounts owed to group undertakings, 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 payments discounted at a market rate of interest.

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

Derecognition of financial liabilities

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of 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.

2 Interest receivable and similar income

	2018 £	2017 £
Income from fixed asset investments		
Income from shares in group undertakings	226,323	213,324

SPACE GROUP (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

3 Taxation

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	226,323	213,324
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	43,001	42,665
Tax effect of income not taxable in determining taxable profit	(43,001)	(42,665)
Taxation charge for the year	-	-

4 Dividends

	2018 £	2017 £
Final paid	226,323	213,324

5 Fixed asset investments

	Notes	2018 £	2017 £
Investments in subsidiaries	6	413,697	413,697

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 July 2017 & 30 June 2018	413,697
Carrying amount	
At 30 June 2018	413,697
At 30 June 2017	413,697

SPACE GROUP (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

6 Subsidiaries

Details of the company's subsidiaries at 30 June 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Space Architecture (Europe) Limited	Spaceworks, Benton Park Road, Benton, Newcastle upon Tyne, NE7 7LX	Architectural and technical consultancy services	Ordinary	100.00	-

7 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Other debtors	3	3
	<u>3</u>	<u>3</u>

8 Creditors: amounts falling due within one year

	2018 £	2017 £
Amounts due to group undertakings	304,194	304,194
	<u>304,194</u>	<u>304,194</u>

9 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
73,004 Ordinary shares of £1 each	73,004	73,004
	<u>73,004</u>	<u>73,004</u>

The company's Ordinary shares have attached to them full voting and dividend rights. They also have the right to return of capital and to share in surplus capital on winding up or other repayments of capital.

10 Reserves

Reserves of the company represent the following:

Capital redemption reserve

The nominal value of shares repurchased and still held at the year end.

SPACE GROUP (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

11 Ultimate controlling party

The ultimate parent company is Brunton Holdings Limited, a company incorporated in the United Kingdom, by virtue of its holding of the entire share capital of Space Group (Europe) Limited.

Brunton Holdings Limited is the largest and smallest company for which consolidated accounts including Space Architecture (Europe) Limited are prepared. The consolidated accounts of Brunton Holdings Limited are available from Spaceworks, Benton Road, Newcastle upon Tyne, NE7 7LX.

The ultimate controlling party is Mr R J Charlton by virtue of his holding of the majority of the share capital of Brunton Holdings Limited, the ultimate parent company.

SPACE GROUP (EUROPE) LIMITED

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 30 JUNE 2018

THE FOLLOWING PAGES DO NOT FORM PART OF THE FINANCIAL STATEMENTS

SPACE GROUP (EUROPE) LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2018

	£	2018 £	£	2017 £
Investment revenues				
Dividends receivable from group companies	226,323		213,324	
		<u>226,323</u>	<u>213,324</u>	<u>213,324</u>
Profit before taxation		<u>226,323</u>		<u>213,324</u>
