

Alpha Works (Birmingham) Limited

Report and Financial Statements

Year Ended

31 December 2018

Registered Number 10600167

Registered in England and Wales



Alpha Works (Birmingham) Limited

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Alpha Works (Birmingham) Limited

Company Information

Directors Andrew Woods
 Gerard Versteegh
 Jaysal Atara
 Thomas Gaynor
 Jonathan Kenny (resigned on 24 May 2019)

Registered office Sloane Square House
 1 Holbein Place
 London
 SW1W 8NS

Company number 10600167

Auditors BDO LLP
 55 Baker Street
 London W1U 7EU

Alpha Works (Birmingham) Limited

Directors' report for the year ended 31 December 2018

The directors present their report together with the audited financial statements for the year ended 31 December 2018.

Principal activity

The company's principal activity is providing flexible working spaces to its licensees.

Results and dividends

The statement of comprehensive income is set out on page 7 and shows a loss for the period.

The directors do not propose the payment of a dividend for the period.

Following the Referendum held on 23 June 2016, we are operating in a period of increased economic and political uncertainty and is likely to remain so for some time. The triggering of Article 50 in 2017, set a leaving date of 29 March 2019 which was subsequently extended to 12 April 2019 and then 31 October 2019. Whilst we continue to presume that the United Kingdom will leave the European Union, we remain no more certain as to the form and therefore the exact impact that departure will have. As a largely domestically focused business operating in sterling, the Company is more exposed to the implications of Brexit on the UK economy than more diverse businesses. As the uncertainty over the leaving date, and the form that leaving the European Union will take persists, the risk of a detrimental affect on the United Kingdom's economy increases, requiring a continued cautious response. We continue to believe that our more regionally focused strategy is well suited to the political and economic climate and whilst Brexit-related headwinds may impact our occupational markets, clarity of the full extent of any departure will not be known for some years. We will continue to monitor and evaluate possible impacts on the Company as Brexit becomes a reality, being aware that the uncertainty is likely to generate opportunities for the business.

Directors

The directors of the company during the year and to the date of this report were:

Andrew Woods
Gerard Versteegh
Jaysal Atara
Thomas Gaynor
Jonathan Kenny (resigned on 24 May 2019)

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable laws 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 (Financial Reporting Standard 102). 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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.

Alpha Works (Birmingham) Limited

Directors' report for the year ended 31 December 2018 (*Continued*)

Statement of directors' responsibilities (continued)

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.

Disclosure of information to auditors

Each directors has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant audit information that they know of which they know the auditors are unaware of.

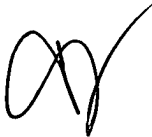
Reappointment of auditors

The company has elected to dispense with the obligation to appoint auditors annually and accordingly BDO LLP, having expressed their willingness to continue in office, will be the auditors of the company for the forthcoming financial year under the provision of section 487 of the Companies Act 2006.

Small companies' provision statement

This report has been prepared in accordance with the special provision of the Companies Act 2006 relating to small companies.

Approved by the Board on 23.6.19 and signed on its behalf by:



.....
Jaysal Atara
Director

Alpha Works (Birmingham) Limited

Report of the independent auditors

Opinion

We have audited the financial statements of Alpha Works (Birmingham) Limited (the 'Company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, the statement of changes in equity, 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 Financial Reporting Standard 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 31 December 2018 and of its loss for the period 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.

In connection with our audit of the financial statements, our responsibility is to read the other information, including the directors' report 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.

Alpha Works (Birmingham) Limited

Report of the independent auditors (*Continued*)

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 period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have 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 directors' 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 director's report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

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.

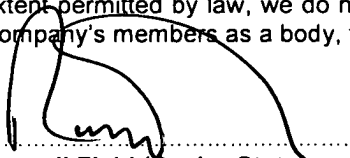
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Alpha Works (Birmingham) Limited

Report of the independent auditors (*Continued*)

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.



.....
Russell Field (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
55 Baker Street
London
W1U 7EU
United Kingdom

Date 27 June 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Alpha Works (Birmingham) Limited

Statement of comprehensive income for the year ended 31 December 2018

	Note	Year ended 31 December 2018 £	Period ended 31 December 2017 £
Turnover		1,063,578	419,046
Cost of sales		(44,321)	(16,145)
Gross profit		1,019,257	402,901
Administrative expenses		(1,104,341)	(686,979)
Operating loss	4	(85,084)	(284,078)
Taxation	5	-	-
Loss and total comprehensive loss for the year/period		(85,084)	(284,078)

The notes on pages 10 to 15 form part of these financial statements

Alpha Works (Birmingham) Limited

Statement of changes in equity at 31 December 2018

	Share capital £	Share Premium £	Retained Earnings £	Total Equity £
Balance on 1 January 2018	1,200	1,198,800	(284,078)	915,922
Share capital issued	300	-	-	300
Shares issued at premium	-	299,700	-	299,700
Comprehensive loss for the year	-	-	(85,084)	(85,084)
Balance at 31 December 2018	<u>1,500</u>	<u>1,498,500</u>	<u>(369,162)</u>	<u>1,130,838</u>

	Share capital £	Share Premium £	Retained Earnings £	Total Equity £
Balance on incorporation at 3 February 2017	-	-	-	-
Capital introduced	1,200	-	-	1,200
Shares issued at premium	-	1,198,800	-	1,198,800
Comprehensive loss for the period	-	-	(284,078)	(284,078)
Balance at 31 December 2017	<u>1,200</u>	<u>1,198,800</u>	<u>(284,078)</u>	<u>915,922</u>

The notes on pages 10 to 15 form part of these financial statements

Alpha Works (Birmingham) Limited

Company Registration Number 10600167

Statement of financial position at 31 December 2018

	Note	2018 £	2017 £
Tangible Fixed Assets			
Property, plant and equipment	6	1,156,909	795,108
Current assets			
Debtors	7	169,861	86,338
Cash at bank and in hand		492,789	399,952
		<u>662,650</u>	<u>486,290</u>
Creditors: amounts falling due within one year	8	<u>(688,721)</u>	<u>(365,476)</u>
Net current assets		<u>(26,071)</u>	<u>120,814</u>
Net assets		<u>1,130,838</u>	<u>915,922</u>
Capital and reserves			
Called up share capital	9	1,500	1,200
Share premium account	10	1,498,500	1,198,800
Retained earnings	10	<u>(369,162)</u>	<u>(284,078)</u>
Total shareholders' funds		<u>1,130,838</u>	<u>915,922</u>

These financial statements were approved by the Board and authorised for issue on 27.6.19.


.....
Jaysal Atara
Director

The notes on pages 10 to 15 form part of these financial statements

Alpha Works (Birmingham) Limited

Notes to the financial statements for the year ended 31 December 2018

1 Accounting policies

Company information

Alpha Works (Birmingham) Limited is a limited company incorporated in England and Wales. The principal activity is set out in the directors' report and the address of the registered office is given on the contents page. The prior year comparative is for an 11 month period from incorporation on 3 February 2017 to 31 December 2017.

Basis of preparation

The financial statements have been prepared in accordance with Section 1A of FRS 102, "The Financial Reporting Standard applicable in the United Kingdom and the 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 pound.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the company's management to exercise judgement in applying the company's accounting policies. The principal accounting policies adopted are set out below:

Disclosure exemptions

In preparing the company's financial statements, advantage has been taken of the following disclosure exemptions available under FRS 102:

- No cash flow statement has been presented as the company's cash flows are included within the consolidated financial statements of ASE Holdings S.A.R.L.
- Disclosures in relation to the company's financial instruments have not been presented as equivalent disclosures have been provided in the consolidated financial statements of ASE Holdings S.A.R.L. for the group as a whole.

Turnover

Turnover comprises rent receivable and sales of other services in the period, exclusive of value added tax and is accounted for on an accrual basis.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

Alpha Works (Birmingham) Limited

Notes to the financial statements for the year ended 31 December 2018 (*Continued*)

1 Accounting policies (continued)

Property, plant and equipment

Tangible fixed assets are stated at historical cost less accumulated depreciation and impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives using the straight line method from the month the asset is brought into use on the following bases:

Asset Class	Depreciation rate
Leasehold Improvements	Shorter of term of lease or useful life
Furniture, fittings and equipment	5 years
Computer equipment	2 years

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the group is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Financial assets and liabilities

Financial assets including other debtors are initially measured at transaction price (including transaction costs) and subsequently held at cost less any impairment. Financial liabilities including trade creditors, accruals, amounts due to related parties and other creditors are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Leased assets

The company has no assets which are financed by leasing agreements that give rights approximating to ownership ('financing leases').

As such, all leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors may be 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 period.

No material estimates or judgements have been necessary in the preparation of these financial statements.

2 Employees

The company did not employ any members of staff in the period.

Alpha Works (Birmingham) Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (Continued)

3 Directors' remuneration

No director received any emoluments from the company in respect of the current year or preceding period.

4 Operating loss

	2018 £	2017 £
Arrived after charging		
Auditors' remuneration	5,400	5,200
Depreciation	177,344	100,499
Operating leases - land and buildings	286,136	140,397
	<u> </u>	<u> </u>

5 Taxation

Taxation on loss on ordinary activities

	2018 £	2017 £
Current tax		
UK corporation tax	-	-
	<u> </u>	<u> </u>
 Total current tax	 -	 -
	<u> </u>	<u> </u>

Factors affecting current tax charge for the period

The tax assessed for the year is based on the applicable rate of corporation tax in the UK of 19% (2017: 19.25%).

The tax reconciliation is provided below:

	2018 £	2017 £
Loss on ordinary activities before taxation	(85,084)	(284,078)
	<u> </u>	<u> </u>
Corporation tax at applicable rate at 19% (2017: 19.25%)	(16,166)	(54,685)
Expenses not deductible for tax purposes	79	38
Depreciation in excess of capital allowances	15,864	7,489
Losses not recognised	223	47,158
	<u> </u>	<u> </u>
 Total current tax	 -	 -
	<u> </u>	<u> </u>

Alpha Works (Birmingham) Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (Continued)

6 Tangible Fixed Assets

	Computer Equipment £	Leasehold Improvements £	Furniture, fittings and equipment £	TOTAL £
Cost				
At 3 February 2017	-	-	-	-
Additions	-	711,521	184,086	895,607
At 31 December 2017	-	711,521	184,086	895,607
At 1 January 2018	-	711,521	184,086	895,607
Additions	712	535,422	3,010	539,144
At 31 December 2018	712	1,246,943	187,096	1,434,751
Accumulated Depreciation				
At 3 February 2017	-	-	-	-
Depreciation	-	(53,364)	(47,135)	(100,499)
At 31 December 2017	-	(53,364)	(47,135)	(100,499)
At 1 January 2018	-	(53,364)	(47,135)	(100,499)
Depreciation	(119)	(115,716)	(61,508)	(177,343)
At 31 December 2018	(119)	(169,080)	(108,643)	(277,842)
Net book value				
At 3 February 2017	-	-	-	-
At 31 December 2017	-	658,157	136,951	795,108
At 31 December 2018	593	1,077,863	78,453	1,156,909

7 Debtors

	2018 £	2017 £
Trade debtors	12,259	14,491
Provision for impairment of trade receivables	(4,458)	-
Net trade receivables	7,801	14,491
Other debtors	-	13,994
Taxation and social security	113,910	30,023
Prepayments	48,150	27,830
Total debtors	169,861	86,338

Alpha Works (Birmingham) Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (Continued)

8 Creditors due within one year

	2018 £	2017 £
Trade creditors	30,113	32,893
Accruals and deferred income	503,286	178,711
Amounts due to related parties	-	73,050
Other creditors	155,322	80,822
	<hr/>	<hr/>
Total creditors due within one year	688,721	365,476
	<hr/>	<hr/>

9 Share capital

Authorised, called up, allotted and fully paid

	2018 Number	2018 £
Ordinary shares of £1 each	1,500	1,500
	<hr/>	<hr/>
	2017 Number	2017 £
Ordinary shares of £1 each	1,200	1,200
	<hr/>	<hr/>

On 19 June 2018, 300 ordinary shares of £1 was issued for a consideration of £300,000 (2017: 1 ordinary share of £1 was issued on corporation for a consideration of £1,000. A further 1,199 ordinary shares of £1 was issued for a consideration of £1,199,000).

10 Reserves

	Share premium account £	Profit and loss account £
At 1 January 2018	1,198,800	(284,078)
Loss for the period	-	(85,084)
Issue of shares	299,700	-
	<hr/>	<hr/>
At 31 December 2018	1,498,500	(369,162)
	<hr/>	<hr/>

Alpha Works (Birmingham) Limited

Notes forming part of the financial statements
for the year ended 31 December 2018 (Continued)

10. Reserves (continued)

	Share premium account	Profit and loss account
	£	£
At 3 February 2017	-	-
Loss for the period	-	(284,078)
Issue of shares	1,198,800	-
	<u>1,198,800</u>	<u>(284,078)</u>
At 31 December 2017	<u>1,198,800</u>	<u>(284,078)</u>

11 Leases

Operating lease- lessor

The company earns rental income from letting office space to licensees under non-cancellable operating leases. The future minimum lease payments receivable by the company under such lease are as follows:

	2018 £	2017 £
Within one year	442,102	352,861

Operating lease- lessee

The company has outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	430,367	283,166
Between two and five years	1,721,468	1,132,664
Over five years	1,553,545	1,216,450
	<u>3,705,380</u>	<u>2,632,280</u>

12 Related party disclosures

The company has taken advantage of the FRS 102 exemption from the requirement to disclose transactions with the group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

13 Immediate parent, ultimate parent company and controlling party

The ultimate parent company is ASE Holdings S.A.R.L, a company registered in Luxembourg. ASE Holdings S.A.R.L is the parent of the largest and smallest group for which consolidated accounts are publically available and in which the results of the company are consolidated. These accounts are available from that company's registered address which is 8, Rue Lou Hemmer, L-1748 Luxembourg-Findel, Grand-Duchy of Luxembourg.