

**Company Registration No. 3710962**

**Amshold Group Limited**

**Report and Financial Statements**

**Year ended 30 June 2012**

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# **Amshold Group Limited**

## **Report and financial statements 2012**

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# **Amshold Group Limited**

## **Report and financial statements 2012**

### **Officers and professional advisers**

#### **Directors**

Lord Alan M Sugar  
Louise J Baron  
Andrew N Cohen  
Daniel P Sugar  
Simon Sugar  
Mike E Ray  
Claude M Littner  
Roger G Adams

#### **Secretary**

Michael E Ray

#### **Registered Office**

Amshold House  
Goldings Hill  
Loughton  
Essex  
IG10 2RW

#### **Bankers**

Lloyds TSB Bank plc  
City Office  
11-15 Monument Street  
London  
EC3V 9JA

#### **Solicitors**

Herbert Smith  
Exchange House  
Primrose Street  
London  
EC2A 2HS

Kingsley Napley LLP  
Knights Quarter  
14 St John's Lane  
London  
EC1M 4AJ

#### **Auditor**

Deloitte LLP  
London

# **Amshold Group Limited**

## **Directors' report (continued)**

The directors present their annual report and the audited financial statements for the year ended 30 June 2012

### **Principal activities**

Amshold Group Limited, a Company registered in England and Wales, is the ultimate parent company of the Amshold Group of companies

The Group is engaged in property trading and investment, aircraft chartering, media activities and the provision of management services. The directors do not anticipate any significant changes to the Group's activities in the foreseeable future

### **Business review**

The result for the year after taxation was a profit of £10,037,000 (2011 £26,383,000). The profit and loss account for the year is set out on page 8. The larger profit in the previous year was due to the sale of properties within that period.

The major key performance indicator used by management in assessing the success of the Group and property sector is the growth in net assets. Group net assets grew to £352,011,000 (2011 £257,880,000). After 30 June 2012 the Group completed the purchase of two further investment properties.

As a consequence of agreeing a new dry leasing arrangement on 1 February 2012 the revenues earned from the aircraft chartering business have increased significantly to £799,000 (2011 £52,000).

During the year the Group received media, management service and other revenues totalling £2,681,000 (2011 £3,266,000). The Group continues to look for new and to expand existing sources of income from its media operations.

During the year the Group repaid a bank loan of £97,440,000 resulting in no external bank debt at 30 June 2012 (2011 £97,440,000). On 5 July 2012 the Group obtained a bank loan of £16,500,000 representing less than 5% gearing of the Group's net assets (30 June 2011 38%).

During the year the Company purchased Amshold House, Goldings Hill, Loughton and after completing development work on the property moved its head office to this property in October 2012. This property is now the registered office of the Company.

By having a stable, strong management team together with our own financial resources and the facilities available from our bankers, we retain the ability to continue to actively and aggressively pursue Real Estate and other commercially viable propositions.

### **Going concern**

The directors have reviewed the current and projected financial position of the Company, making reasonable assumptions about future trading prospects.

On the basis of this review, and after making due enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

# **Amshold Group Limited**

## **Directors' report (continued)**

### **Financial risks**

The directors considered the risks attached to the Group's and Company's financial instruments and have taken a prudent approach in their consideration of the various risks attached to the financial instruments of the Group and Company. The Group's and Company's exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of assets, liabilities and the financial statements.

The director's policy on hedging is to hedge all financial risks where it is feasible and cost effective to do so. During the prior year, the Group took the decision to close out a swap arrangement it had in conjunction with a bank loan. On 8 September 2011 the Group repaid the bank loan.

### **Dividends**

The directors do not propose the payment of a dividend (2011: £nil).

### **Directors**

The directors who held office throughout the year are listed on page 1 with the exception of the following changes on 7 February 2012:

Colin T Sandy resigned

Roger G Adams was appointed

On 7 February 2012 Colin T Sandy resigned as Company Secretary and Michael E Ray was appointed as Company Secretary.

### **Directors' indemnities**

The directors and officers of the Company are covered by a Group wide indemnity insurance policy taken out by Amshold Group Limited.

### **Fixed assets**

There are no significant differences between the book value of fixed assets and their net realisable value at the balance sheet date.

### **Donations**

During the year the Group made political donations of £53,244 (2011: £9,560) and charitable donations of £nil (2011: £2,850).

## **Amshold Group Limited**

### **Directors' report (continued)**

#### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006

A resolution to re-appoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting

Approved by the Board and signed on its behalf by



M E Ray

Director

19 December 2012

# **Amshold Group Limited**

## **Directors' responsibilities statement**

The directors are responsible for preparing the Annual 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 elected to prepare Group financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 Amshold Group Limited**

We have audited the Group and parent company financial statements of Amshold Group Limited for the year ended 30 June 2012 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated note of historical cost profits and losses, the consolidated and parent company balance sheets, the consolidated cash flow statement and the related notes 1 to 27. 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).

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' responsibility statement, 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 Group's and parent 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. 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 Group's and parent company's affairs as at 30 June 2012 and of the Group's 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.

### **Opinion on other matter 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 to the members of Amshold Group Limited (continued)**

### **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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company's 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



Andrew Clark FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

19 December 2012

## Amshold Group Limited

### Consolidated profit and loss account For the year ended 30 June 2012

	Notes	2012 £'000	2011 £'000
<b>Group turnover</b>	2	19,303	52,159
Cost of sales		(1,610)	(26,694)
<b>Gross profit</b>		17,693	25,465
Administrative expenses	4	(5,095)	(2,501)
Other operating income		104	90
<b>Group operating profit</b>	2	12,702	23,054
Share of operating profit/(loss) in joint ventures		441	(118)
<b>Total operating profit</b>	4	13,143	22,936
Profit on disposal of investment properties	9	-	22,891
Interest receivable and similar income	5	594	1,324
Interest payable and similar charges	6	(1,610)	(15,025)
<b>Profit on ordinary activities before taxation</b>		12,127	32,126
Tax charge on profit on ordinary activities	7	(2,090)	(5,743)
<b>Retained profit for the financial year</b>	20	10,037	26,383

All Group operating profit derives from continuing activities

## **Amshold Group Limited**

### **Consolidated statement of total recognised gains and losses For the year ended 30 June 2012**

	<b>2012 £'000</b>	<b>2011 £'000</b>
Profit for the financial year	10,037	26,383
Tax charge on prior year revaluation gains	-	(6,467)
Net unrealised surplus on revaluation of property	<u>84,094</u>	<u>1,662</u>
Total recognised gains and losses relating to the year	<u><u>94,131</u></u>	<u><u>21,578</u></u>

### **Consolidated note of historical cost profits and losses For the year ended 30 June 2012**

	<b>2012 £'000</b>	<b>2011 £'000</b>
Reported profit on ordinary activities before taxation	<u>12,127</u>	<u>32,126</u>
Historical cost profit on ordinary activities before taxation	<u>12,127</u>	<u>61,459</u>
Historical cost profit on ordinary activities retained after taxation	<u><u>10,037</u></u>	<u><u>49,249</u></u>

# Amshold Group Limited

## Consolidated balance sheet 30 June 2012

	Notes	2012 £'000	2011 £'000
<b>Fixed assets</b>			
Intangible fixed assets			
Negative goodwill	8	(6,568)	(6,592)
Tangible fixed assets			
Investment properties	9	324,920	190,603
Investment property under development	9	-	37,385
Other	10	17,378	16,688
Investments			
Other investments	11	7,012	6,994
		<u>349,310</u>	<u>251,670</u>
<b>Current assets</b>			
Properties held for resale	13	17,194	17,604
Debtors	14	11,931	9,706
Cash at bank and in hand	15	14,107	120,942
		<u>43,232</u>	<u>148,252</u>
<b>Creditors: amounts falling due within one year</b>	16	(20,069)	(120,962)
<b>Net current assets</b>		<u>23,163</u>	<u>27,290</u>
<b>Total assets less current liabilities</b>		<u>365,905</u>	<u>272,368</u>
<b>Provisions for liabilities</b>	17	(13,894)	(14,488)
<b>Net assets</b>		<u>352,011</u>	<u>257,880</u>
<b>Capital and reserves</b>			
Called up share capital	18	24	24
Merger reserve		59,134	59,134
Revaluation surplus/(deficit)	19	47,408	(36,686)
Profit and loss account	20	245,445	235,408
<b>Shareholders' funds</b>	21	<u>352,011</u>	<u>257,880</u>

The Group financial statements of Amshold Group Limited, registered number 3710962, were approved by the board of directors and authorised for issue on 19 December 2012. They were signed on its behalf by

*M E Ray*

M E Ray

Director

# Amshold Group Limited

## Company balance sheet 30 June 2012

	Notes	2012 £'000	2011 £'000
<b>Fixed assets</b>			
Investments	11	104,105	104,104
Tangible assets	10	1,758	214
		<u>105,863</u>	<u>104,318</u>
<b>Current assets</b>			
Debtors	14	292,005	126,287
Cash at bank and in hand	15	10,921	117,073
		<u>302,926</u>	<u>243,360</u>
<b>Creditors, amounts falling due within one year</b>	16	<u>(132,048)</u>	<u>(119,436)</u>
<b>Net current assets</b>		<u>170,878</u>	<u>123,924</u>
<b>Total assets less current liabilities</b>		<u>276,741</u>	<u>228,242</u>
<b>Provisions for liabilities</b>	17	<u>(11,676)</u>	<u>(12,666)</u>
<b>Net assets</b>		<u>265,065</u>	<u>215,576</u>
<b>Capital and reserves</b>			
Called up share capital	18	24	24
Merger reserve		59,134	59,134
Profit and loss account	20	205,907	156,418
<b>Shareholders' funds</b>	21	<u>265,065</u>	<u>215,576</u>

The Company financial statements of Amshold Group Limited, registered number 3710962, were approved by the board of directors and authorised for issue on 19 December 2012. They were signed on its behalf by

*M E Ray*

M E Ray  
Director

# Amshold Group Limited

## Consolidated cash flow statement For the year ended 30 June 2012

	Notes	2012 £'000	2011 £'000
<b>Net cash inflow from operating activities</b>	23	22,443	49,516
<b>Returns on investments and servicing of finance</b>			
Interest received		594	1,324
Interest paid		(10,770)	(6,233)
<b>Net cash outflow from returns on investments and servicing of finance</b>		(10,176)	(4,909)
<b>Taxation</b>			
Corporation tax paid		(7,590)	(9,715)
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets		(1,656)	(16,839)
Proceeds from sale of fixed assets		-	8,870
Sale/(Purchase) of fixed asset investments		422	(39)
Payments to acquire investment properties		(12,838)	(2,596)
Proceeds from sale of investment properties		-	86,009
<b>Net cash (outflow)/inflow from investing activities</b>		(14,072)	75,405
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(9,395)	110,297
<b>Financing</b>			
Repayment of bank loans		(97,440)	(42,318)
<b>Net cash outflow from financing</b>		(97,440)	(42,318)
<b>(Decrease)/Increase in cash</b>	23	(106,835)	67,979

# **Amshold Group Limited**

## **Notes to the financial statements For the year ended 30 June 2012**

### **1. Accounting policies**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. Compliance with the Statement of Standard Accounting Practice 19 "Accounting for investment properties" requires departure from the requirements of the Companies Act 2006 relating to depreciation and an explanation of the departure is given below. The particular accounting policies adopted by the directors are described below, and have been applied consistently in the current and preceding years.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain freehold properties.

#### **Going concern**

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the director's report. This describes the financial position of the Group, its cash flows, liquidity position and borrowing facilities, and its exposure to credit risk and liquidity risk.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility.

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### **Consolidation**

The Group financial statements consolidate those of the parent company and all its subsidiary undertakings drawn up to 30 June each year. Investments in associates and joint ventures are accounted for using the equity method. The consolidated profit and loss account includes the Group's share of the associates' profits less losses while the Group's share of net assets of the associates is shown in the consolidated balance sheet. The results of associates sold in the period are equity accounted for the period up to disposal.

#### **Goodwill**

Purchased goodwill arising on acquisition is capitalised and amortised through the profit and loss account on a straight line basis over its estimated useful life. In respect of all existing goodwill, this is estimated to be 20 years. Provision is made for any impairment. Negative goodwill arising on acquisition is credited to the balance sheet and released through the profit and loss account as the underlying assets are realised.

#### **Turnover**

Turnover comprises the invoiced value of goods and services supplied by the Group, rental income and the value of property sales, dilapidation receipts, insurance recoveries, media activities and management charges, all excluding sales taxes, value added tax and trade discounts.

#### **Revenue**

Income is recognised as it accrues and sales of properties held for resale are recognised on completion. Rent increases arising from rent reviews are taken into account when such reviews have been agreed with tenants. Rent free periods are similarly spread on a straight line basis over the lease term.

#### **Investment properties**

In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus net of tax or deficit is transferred to revaluation reserve. No depreciation is provided in respect of investment properties.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principles set out in SSAP 19. The directors consider that, as these

# Amshold Group Limited

## Notes to the financial statements For the year ended 30 June 2012

### 1. Accounting policies (continued)

#### Investment properties (continued)

properties are held not for consumption but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view

If this departure from the Act had not been made, the profit for the financial year and the preceding financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified. Sales of investment properties are recognised on exchange of contract.

#### Investment property under development

Development properties are recognised at cost less provision for any impairment and are not valued at the year end.

#### Other tangible fixed assets

Other tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is calculated to write off the cost, less estimated residual values, of tangible fixed assets over their estimated useful lives. The annual depreciation rates and methods are as follows:

Aircraft	5% on a straight line basis
Aircraft Engines	Straight line basis over 10 years
Aircraft frames	Straight line basis over 20 years
Office equipment	20% - 25% on a straight line basis

#### Investments

Investments held as fixed assets by the Company are stated at cost, less any provision for impairment in value. Investments in associated undertakings and joint ventures are accounted for under the equity method. Current asset investments are included in the balance sheet at the lower of cost and net realisable value.

#### Properties held for resale

Properties held as dealing stocks and other stocks and work in progress are included in the balance sheet at the lower of cost and net realisable value. Cost includes appropriate property purchase expenses.

#### Operating leases

Rentals payable under operating lease rentals are charged to the profit and loss account on a straight-line basis over the lease term.

#### Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The Finance Act 2012, which provides for a reduction in the main rate of corporation tax from 24% to 23% effective from 1 April 2013, was substantively enacted on 3 July 2012. As it was not substantively enacted at the balance sheet date, this rate reduction is not yet reflected in these financial statements in accordance with FRS 21, as it is a non-adjusting event occurring after the reporting period.



# **Amshold Group Limited**

## **Notes to the financial statements For the year ended 30 June 2012**

### **1. Accounting policies (continued)**

#### **Taxation (continued)**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

#### **Foreign currencies**

Transactions in foreign currencies are translated at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

#### **Finance Costs**

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount. Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the costs and expenditure of the asset. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

#### **Financial liabilities**

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

#### **Bank borrowings**

Interest bearing bank loans are recorded as the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in profit and loss account using the effective rate of interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period which they arise.

# Amshold Group Limited

## Notes to the financial statements For the year ended 30 June 2012

### 2. Segmental analysis

The turnover, operating profit/(loss) and shareholders' funds attributable to the different classes of the Group's business are

	Turnover		Operating profit/(loss)		Shareholders' funds	
	2012	2011	2012	2011	2012	2011
	£'000	£'000	£'000	£'000	£'000	£'000
Aircraft chartering	799	52	(461)	189	14,774	15,913
Property trading and investment	15,823	48,841	12,748	18,896	334,744	128,737
Provision of management, media and other Group activities	2,681	3,266	415	3,969	2,493	113,230
	<u>19,303</u>	<u>52,159</u>	<u>12,702</u>	<u>23,054</u>	<u>352,011</u>	<u>257,880</u>

All turnover arises in the United Kingdom

### 3. Information regarding directors and employees of the Group and Company

#### Directors' emoluments

	2012	2011
	£'000	£'000
Aggregate emoluments	<u>1,301</u>	<u>1,264</u>

The emoluments of the highest paid director were £518,153 (2011 £343,303)

3 directors were members of a pension scheme to which the Company contributed in the current year (2011 nil) There are no share option schemes in the Group or its subsidiaries

	2012	2011
	£'000	£'000
<b>Staff costs during the year (including directors)</b>		
Wages and salaries	1,942	2,096
Social security costs	259	258
Pension costs	51	-
	<u>2,252</u>	<u>2,354</u>
	<b>Number</b>	<b>Number</b>
<b>Average number of persons employed (excluding directors)</b>	<u>13</u>	<u>14</u>

# Amshold Group Limited

## Notes to the financial statements For the year ended 30 June 2012

### 4. Group operating profit

	2012 £'000	2011 £'000
<b>Total operating profit is stated after charging/(crediting)</b>		
Profit on disposal of fixed assets	-	(1,123)
Amortisation		
Negative goodwill	(24)	(3,369)
Depreciation		
Owned assets	966	828
Auditor's remuneration		
Fees paid to the Company's auditor for the audit of the Company's annual accounts	17	18
Fees paid to the Company's auditor for the audit of subsidiaries	53	57
Fees paid to the Company's auditor for tax, secretarial and other services	40	87
	<u>          </u>	<u>          </u>

### 5. Interest receivable and similar income

Interest receivable and similar income can be split as follows

	2012 £'000	2011 £'000
Bank and other interest	538	1,268
Income from fixed asset investments	56	56
	<u>          </u>	<u>          </u>
	594	1,324
	<u>          </u>	<u>          </u>

### 6. Interest payable and similar charges

Interest payable and similar charges can be split as follows

	2012 £'000	2011 £'000
Bank loans and overdrafts	(1,280)	(6,090)
Swap breakage cost	-	(8,807)
Exchange losses on foreign currency balances	(330)	(128)
	<u>          </u>	<u>          </u>
	(1,610)	(15,025)
	<u>          </u>	<u>          </u>

During the previous year the Company took the decision to close out a swap arrangement it had in conjunction with a bank loan

# Amshold Group Limited

## Notes to the financial statements For the year ended 30 June 2012

### 7 Tax charge on profit on ordinary activities

#### (i) Analysis of tax charge on profit on ordinary activities

	2012 £'000	2011 £'000
United Kingdom corporation tax at 25.5% (2011: 27.5%) based on the profit for the year	2,718	7,133
Adjustments in respect of prior years	(34)	-
Total current tax charge	2,684	7,133
Origination and reversal of timing differences	508	(379)
Adjustment in respect of prior years	58	110
Effects of decrease in tax rates on opening liability	(1,160)	(1,121)
Total deferred tax credit	(594)	(1,390)
Total tax charge on profit on ordinary activities	2,090	5,743

#### (ii) Factors affecting tax charge for the current year

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 25.5% (2011: 27.5%). The actual tax charge for the current and the previous year differs from the standard rate for the reasons set out in the following reconciliation:

	2012 £'000	2011 £'000
Profit on ordinary activities before taxation	12,127	32,126
Tax charge at 25.5% (2011: 27.5%)	3,093	8,837
Factors affecting charge		
Expenses not deductible for tax purposes	199	554
Income not taxable	(66)	(1,084)
Capital allowances in excess of depreciation	(508)	(14)
Effect of taxable profit on disposal	-	5,148
Effect of accounting profit on disposal	-	(6,295)
Adjustments in respect of prior years	(34)	-
Utilisation of tax losses	-	(9)
Marginal relief	-	(4)
Total current tax charge for year	2,684	7,133

# Amshold Group Limited

## Notes to the financial statements For the year ended 30 June 2012

### 8. Intangible fixed assets

	<b>Group negative goodwill £'000</b>
<b>Cost:</b>	
At 1 July 2011	(13,038)
At 30 June 2012	(13,038)
<b>Accumulated amortisation</b>	
At 1 July 2011	6,446
Credit for the year	24
At 30 June 2012	6,470
<b>Net book value</b>	
At 30 June 2012	(6,568)
At 30 June 2011	(6,592)

### 9. Investment properties

	<b>Group Freehold £'000</b>
At valuation	
At 1 July 2011	227,988
Additions	12,838
Disposals	-
Surplus on revaluation in the year	84,094
At 30 June 2012	324,920
Representing properties valued at cost	282,664
Plus net surplus	42,256
	324,920

The majority of the investment properties were valued by the directors at 30 June 2012 on a valuation prepared internally by a Company director, a qualified chartered surveyor, on an open market basis. The remaining properties were valued externally at 30 June 2012. The external valuation basis is market value, conforms to RICS Valuation Professional Standards and was arrived at by reference to market evidence of the transaction prices for similar properties. The external valuer is a qualified independent valuer who holds a recognised and relevant professional qualification and has recent experience in the relevant location and type of property being valued.

The investment properties were valued at £324,920,000 as at 30 June 2012 (2011: £227,988,000). The revaluation surplus at 30 June 2012 was £42,256,000 (2011: £41,621,000 deficit).

During the previous year the Group sold two investment properties for a total value of £86,600,000 and after deducting the valuation brought forward totalling £63,119,000 and sales costs of £590,549, it derived a profit of £22,890,451.

# Amshold Group Limited

## Notes to the financial statements For the year ended 30 June 2012

### 9 Investment properties (continued)

The balance at 30 June 2012 includes investment property under development held at cost of £37,385,000 in relation to Harewood Place, Oxford Street. This development was completed during the current year.

### 10. Other tangible fixed assets

#### Group

	Aircraft £'000	Freehold Land & Buildings £'000	Office equipment £'000	Total £'000
<b>Cost</b>				
At 1 July 2011	17,065	-	537	17,602
Additions	-	1,642	14	1,656
Disposals	-	-	-	-
At 30 June 2012	17,065	1,642	551	19,258
<b>Accumulated depreciation</b>				
At 1 July 2011	595	-	319	914
Charge for the year	854	-	112	966
At 30 June 2012	1,449	-	431	1,880
<b>Net book value</b>				
At 30 June 2012	15,616	1,642	120	17,378
At 30 June 2011	16,470	-	218	16,688

#### Company

	Freehold Land & Buildings £'000	Office equipment £'000	Total £'000
<b>Cost</b>			
At 1 July 2011	-	524	524
Additions	1,642	14	1,656
Disposals	-	-	-
At 30 June 2012	1,642	538	2,180
<b>Accumulated depreciation</b>			
At 1 July 2011	-	310	310
Charge for the year	-	112	112
At 30 June 2012	-	422	422
<b>Net book value</b>			
At 30 June 2012	1,642	116	1,758
At 30 June 2011	-	214	214

# Amshold Group Limited

## Notes to the financial statements For the year ended 30 June 2012

### 11. Investments held as fixed assets

Group	Other investments £'000	Joint ventures £'000	Total £'000
Cost			
At 1 July 2011	6,361	633	6,994
Additions/(Reductions) to cost	2	(425)	(423)
Consolidated reduction to investment in subsidiary	-	-	-
Share of profits	-	441	441
At 30 June 2012	6,363	649	7,012

### Company

2012  
£'000

2011  
£'000

Investments held as fixed assets can be broken down as follows

Shares in subsidiary undertakings	13,048	13,048
Other investments	91,057	91,056
	104,105	104,104

The shares in subsidiary undertakings at 30 June 2012, represent the cost of its investment in Amsprop Limited, Amstar Media Limited and Amshold Securities Limited

Other investments include investments in Amscreen Limited, loan notes in Amshold Securities Limited and 1% preference shares in Viglen Technology Limited

Additional information in respect of subsidiary undertakings is given in note 12

# Amshold Group Limited

## Notes to the financial statements For the year ended 30 June 2012

### 12. Additional disclosure in respect of subsidiary undertakings

The Company's principal subsidiary undertakings are as follows

	Country of incorporation	Activity	Portion of ordinary shares held and voting rights %
Amsair Limited	Great Britain	Intermediate holding company	100
Amsair Executive Aviation Limited	Great Britain	Aircraft chartering	100
Amsair Aircraft limited	Great Britain	Aircraft chartering	100
Amsprop Limited	Great Britain	Intermediate holding company and property trading	100
Amsprop Investments Limited	Great Britain	Property investment	100
Amsprop Estates Limited	Great Britain	Property trading	100
Amsprop Central Limited	Great Britain	Property investment	100
Amsprop Regent Limited	Great Britain	Property investment	100
Amsprop Southbank Limited	Great Britain	Property investment	100
Amsprop Portland Limited	Great Britain	Property investment	100
Amsprop Oxford Limited	Great Britain	Property investment	100
Amsprop Euston Limited	Great Britain	Property investment	100
Amsprop Bishopsgate Limited	Great Britain	Property investment	100
Amshold Securities Limited	Great Britain	Administration of loan notes	100
ACL (1997) Limited	Great Britain	Investments and litigation	100
Amsprop Spain SL	Spain	Property trading	100
Amsprop US Holding Inc	United States	Property trading	100
Amstar Media Limited	Great Britain	Media	100
Amsprop City Properties Limited	Great Britain	Property investment	100
Amsgal Properties Limited	Great Britain	Property trading	100
Amsted Properties Limited	Great Britain	Property trading	100

The Company's only direct shareholdings at 30 June 2012 were Amsprop Limited, Amstar Media Limited, Amsair Limited and Amshold Securities Limited. During the year an application was made to dissolve subsidiary undertakings Amsprop Properties Limited and Amsprop Mayfair Limited and since the year end the application for Amsprop Properties Limited has been approved by the Registrar of Companies.

### 13. Properties held for resale

	Group	
	2012 £'000	2011 £'000
Properties held for resale	17,194	17,604
	<u>17,194</u>	<u>17,604</u>

The difference between the balance sheet value of properties held for resale and their estimated replacement cost at 30 June 2012 is £5,409,000 (2011 £6,631,000). The replacement cost is higher than carrying value.



# Amshold Group Limited

## Notes to the financial statements For the year ended 30 June 2012

### 14. Debtors

	Company		Group	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Trade debtors	32	62	758	515
Other debtors	4,836	4,477	7,471	7,328
Amounts due from subsidiary undertakings	285,652	119,628	-	-
Prepayments and accrued income	506	694	3,702	1,863
Corporation tax	666	1,426	-	-
Other taxes	313	-	-	-
	<u>292,005</u>	<u>126,287</u>	<u>11,931</u>	<u>9,706</u>

Within Group other debtors at 30 June 2012, an amount of £1,361,000 (2011 £1,417,000) is expected to be recovered in greater than one year. Other debtors at 30 June 2012 for both the the Company and the Group includes £455,000 loaned, at commercial rates of interest, to Amsvest Limited, a company ultimately controlled by Lord Sugar.

### 15. Cash at bank and in hand

	Company		Group	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Company cash at bank and in hand	10,921	117,073	11,721	118,986
Tenant deposits	-	-	2,386	1,956
	<u>10,921</u>	<u>117,073</u>	<u>14,107</u>	<u>120,942</u>

### 16. Creditors: amounts falling due within one year

	Company		Group	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	-	-	-	97,440
Trade creditors	79	38	449	71
Amounts payable to Group undertakings	121,275	119,101	-	-
Corporation tax	-	-	490	5,395
Other taxes and social security costs	88	-	981	973
Other creditors	10,540	58	13,623	3,505
Accruals and deferred income	66	239	4,526	13,578
	<u>132,048</u>	<u>119,436</u>	<u>20,069</u>	<u>120,962</u>

Other creditors at 30 June 2012 for both the the Company and the Group includes £10,508,000 borrowed, at commercial rates of interest, from Amsprop London Limited, a company ultimately controlled by Lord Sugar.

# Amshold Group Limited

## Notes to the financial statements For the year ended 30 June 2012

### 17. Provisions for liabilities – deferred tax

	Company		Group	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
At 1 July	12,666	-	14,488	15,886
Credit to the profit and loss account	(990)	(991)	(594)	(1,398)
Liability subsumed from immediate subsidiary	-	13,657	-	-
	<u>11,676</u>	<u>12,666</u>	<u>13,894</u>	<u>14,488</u>
At 30 June				
	<u>11,676</u>	<u>12,666</u>	<u>13,894</u>	<u>14,488</u>
<b>Analysis of deferred tax provision:</b>				
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Capital allowances that are in excess of/(less than) depreciation	(30)	(16)	2,188	1,806
Potential gain on fixed asset investment	11,706	12,682	11,706	12,682
	<u>11,676</u>	<u>12,666</u>	<u>13,894</u>	<u>14,488</u>

The Group's freehold property has been revalued in accordance with SSAP19, Accounting for investment properties. It is the Group's intention to retain the freehold property for the foreseeable future. No deferred tax has been provided on the net surplus arising on revaluation as the capital gain would only crystallise if the property were sold. The value of the associated unrecognised deferred liability at 30 June 2012 is estimated to be £10,142,000 (2011 £10,878,000 deferred tax asset).

### 18. Called up share capital

	2012	2011
	£'000	£'000
<b>Authorised:</b>		
1,000,000 (2010 1,000,000) ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Called up, allotted and fully paid:</b>		
24,400 (2010 24,400) ordinary shares of £1 each	<u>24</u>	<u>24</u>

# Amshold Group Limited

## Notes to the financial statements For the year ended 30 June 2012

### 19. Revaluation surplus/(deficit) – the Group

	£'000
At 1 July 2011	(36,686)
Surplus on revaluation of investment property during the year	84,094
At 30 June 2012	<u>47,408</u>

### 20 Profit and loss account

	Company £'000	Group £'000
At 1 July 2011	156,418	235,408
Profit for the year	49,489	10,037
At 30 June 2012	<u>205,907</u>	<u>245,445</u>

### 21. Reconciliation of movements in consolidated shareholders' funds/(deficit)

	Company		Group	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
At 1 July	215,576	(1,269)	257,880	239,917
Profit retained for the year	49,489	157,711	10,037	26,383
Tax charge on prior year revaluation gains	-	-	-	(6,467)
Unrealised surplus on revaluation of property	-	-	84,094	1,662
Release of other reserve	-	-	-	(275)
Consolidated reduction to investment in subsidiary	-	-	-	(4,253)
Permanent diminution reversal	-	-	-	913
Merger reserve subsumed from immediate subsidiary	-	59,134	-	-
At 30 June	<u>265,065</u>	<u>215,576</u>	<u>352,011</u>	<u>257,880</u>

### 22. Profit for the financial year

As permitted by Section 408 of the Companies Act 2006, the profit and loss of the parent company is not presented as part of these financial statements. The profit before tax for the year ended 30 June 2012 accounted for in the books of the parent company was £48,632,000 (2011 profit before tax of £156,665,000)

# Amshold Group Limited

## Notes to the financial statements For the year ended 30 June 2012

### 23. Notes to the consolidated cash flow statement

#### (a) Reconciliation of operating profit to net cash inflow from operating activities

	2012 £'000	2011 £'000
Group operating profit (including joint venture)	13,143	22,936
Reversal of permanent diminution	-	913
Depreciation charge	966	828
Share of joint venture (profits)/losses	(441)	118
Profit on disposal of fixed assets	-	(1,123)
Negative goodwill amortisation	(24)	(3,369)
Decrease in properties held for resale	410	25,351
(Increase)/Decrease in debtors	(2,225)	4,791
Increase/(Decrease) in creditors	10,614	(929)
Net cash inflow from operating activities	<u>22,443</u>	<u>49,516</u>

#### (b) Reconciliation of net cash flow to movement in net funds/(debt)

	2012 £'000	2011 £'000
(Decrease)/Increase in cash in the year	(106,835)	67,979
Decrease in loans	97,440	42,318
Change in net debt resulting from cash flows	<u>(9,395)</u>	<u>110,297</u>
Net funds/(debt) at 1 July	23,502	(86,795)
Net funds at 30 June	<u>14,107</u>	<u>23,502</u>

#### Analysis of net (debt)/funds

	At 1 July 2011 £'000	Cash flows £'000	At 30 June 2012 £'000
Cash at bank and in hand	120,942	(106,835)	14,107
Bank loans falling due within one year	(97,440)	97,440	-
Net (debt)/funds	<u>23,502</u>	<u>(9,395)</u>	<u>14,107</u>

### 24. Financial commitments

There were no financial commitments at the year end

# **Amshold Group Limited**

## **Notes to the financial statements For the year ended 30 June 2012**

### **25. Related party transactions**

During the year the Company received a preference share dividend totalling £55,910 from Viglen Technology Limited, a company ultimately controlled by Lord Sugar. During the year the Company purchased computer equipment from Viglen Technology Limited totalling £20,561.

During the year the Company acquired a further 1,390 shares for £1,390 in Amscreen plc, a company ultimately controlled by Lord Sugar.

During the year the Company sold management services to Amsprop London Limited, a company ultimately controlled by Lord Sugar, totalling £50,000. During the year the Company borrowed funds from Amsprop London Limited at commercial rates of interest. At 30 June 2012 the Company owed Amsprop London Limited £10,507,813.

During the year the Company loaned funds to Amsvest Limited, a company ultimately controlled by Lord Sugar, at commercial rates of interest. At 30 June 2012 Amsvest Limited owed the Company £455,000.

### **26. Controlling party**

The Company is wholly owned by Lord Sugar.

### **27. Post balance sheet events**

On 6 July 2012 the Group completed the purchase of 5 Cheapside, London, EC2V 6LP for £20,750,000.

On 31 July 2012 the Company completed the purchase of The George, 159 High Street, Wanstead, E11 2RL for £2,535,000.

On 5 July 2012, the Company loaned at commercial rates of interest, £250,000 to Amsvest Limited, a company wholly owned by Lord Sugar.

On 5 July 2012 the Group obtained a bank loan of £16,500,000 from Svenska Handelsbanken AB. Both the Company that obtained the loan, Amsprop Portland Limited, and Company have provided guarantees against this loan including a property owned by Amsprop Portland Limited. These funds were obtained to fund property purchases elsewhere in the Group.