

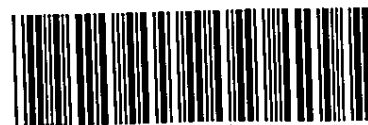
Company Registration No. 3710962

Amshold Group Limited

Report and Financial Statements

30 June 2010

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Amshold Group Limited

Report and financial statements 2010

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Amshold Group Limited

Officers and professional advisers

Directors

Lord Sugar (appointed 24 May 2010)
L J Baron
C T Sandy
A N Cohen
D P Sugar
S Sugar
M E Ray
C M Littner

Secretary

C T Sandy

Registered Office

West Wing
Sterling House
Langston Road
Loughton
Essex, IG10 3TS

Bankers

Lloyds TSB Bank Plc
City Branch
11-15 Monument Street
London, EC3V 9JA

Solicitors

H Montlake & Co
197 High Road
Ilford
Essex, IG1 1LX

Herbert Smith
Exchange House
Primrose Street
London, EC2A 2HS

Kingsley Napley
Knights Quarter
14 St Johns Street
London EC1M 4AJ

Auditors

Deloitte LLP
Chartered Accountants
London

Amshold Group Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2010

Principal activities and review of performance

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 aircraft chartering, property trading and investment, 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

The subsidiaries involved in the acquisition and development of land and buildings for resale or to hold as investments, are working hard to minimise the effect of the current recession and down turn in the market whilst still attempting to acquire buildings where there is perceived add on value

The key performance indicators used by management in assessing the success of the business are rental income, market value and net realisable value of the properties. In the year to 30 June 2010 the business showed promising performance in these key performance indicators, with rental income across the group increasing to £18,659,000 (2009 £16,155,000). The total value of investment properties held increased to £286,849,000 at 30 June 2010 (2009 £253,657,000). During the year the Group sold a property at Josselin Road, Basildon

During the year we continued to let vacant premises without changing our criteria regarding the quality of the tenant

Using the key performance indicators above, and our strong financial position, management can be very flexible in determining whether properties should be refurbished, redeveloped, sold or held until conditions improve. Actively using this approach ensures that returns can be maximised

The aircraft chartering operations have been scaled back but what remains is performing well given current market conditions and it is not envisaged that the nature and conduct of these operations will change in the foreseeable future

There are plans in place to close the immediate subsidiary, Amshold Limited, as soon as the legal technicalities can be resolved. It is thought that closure will happen before the next year end. The assets and liabilities of this company will be subsumed by Amshold Group Limited

Future prospects

By having a stable, strong management team together with our own financial resources and the facilities available from our bankers, we have the ability to move into the property and aviation markets when conditions become more favourable. We believe that this will be in the foreseeable future as vendors either recognise the fragility of the current market and cut their losses or are forced to do so. Conversely, companies with prominent properties and first class tenants, who are under no pressure to sell, can command higher prices on their properties as interest rates are at a record low and investment institutions have money to invest. This gives us great confidence for future growth prospects

Amshold Group Limited

Directors report (continued)

Principal risks and uncertainties

Following some retracement in values, property prices remain under pressure in the current market. This could provide attractive opportunities. The estates team will remain diligent in seeking acquisitions that can provide future growth from active management given the current uncertainties in the property market.

The Group had external bank debt of £139,758,000 (2009 £141,716,000) at the balance sheet date which is a combination of fixed and floating debt. Since the balance sheet date the Group has reduced its indebtedness to the bank to £97,440,000. The directors consider that the company comfortably operates within its banking covenants and has continued to do so since the year end. As far as our banking covenants are concerned, if there were to be a substantial rise in interest rates this would not present any difficulties to the Group.

The company carefully manages tenant arrears and voids. Tenant bad debts during the year amounted to £nil due to the active management of debtors. Void periods are likewise minimised due to active management and careful selection of properties and tenants in the first instance. The Group's profit for the year is presented on page 8. The directors do not propose payment of a dividend (2009 £nil). The company operates a strict creditor's payment policy.

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.

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.

Directors

The directors who served throughout the year, except as noted, are listed on page 1.

Charitable donation

During the year the Group made political donations of £400,000 (2009 £nil) and charitable donations of £50 (2009 £1,000).

Amshold Group Limited

Directors report (continued)

Information to auditors

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 auditors are 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 auditors are aware of that information

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

Auditors

A resolution to re-appoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting


Approved by the Board of Directors
and signed on behalf of the Board



C T Sandy

Secretary

3 December 2010



Amshold Group Limited

Statement of directors' responsibilities

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 the 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 judgments 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 auditors' 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 2010 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 sheet, 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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities 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 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 (APB'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.

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 2010 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 auditors' 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

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

3 December 2010

Amshold Group Limited

Consolidated profit and loss account Year ended 30 June 2010

	Notes	2010 £'000	2009 £'000
Group turnover	1,2	22,495	20,564
Cost of sales		(3,077)	(5,477)
Gross profit		19,418	15,087
Administrative expenses		(5,648)	(5,798)
Other operating income		244	49
Group operating profit		14,014	9,338
Share of operating loss in joint ventures		(94)	(444)
Total operating profit	2,4	13,920	8,894
Net interest payable and similar charges	5	(5,582)	(4,586)
Profit on ordinary activities before taxation		8,338	4,308
Tax charge on profit on ordinary activities	6	(2,221)	(1,430)
Retained profit for the financial year	21	6,117	2,878

All groups operating profit derives from continuing activities

Amshold Group Limited

Consolidated statement of total recognised gains and losses Year ended 30 June 2010

	2010 £'000	2009 £'000
Profit for the financial year	6,117	2,878
Net unrealised surplus/(deficit) on revaluation of property	30,749	(71,767)
Total recognised gains and losses relating to the year	<u>36,866</u>	<u>(68,889)</u>

Consolidated note of historical cost profits and losses Year ended 30 June 2010

	2010 £'000	2009 £'000
Reported profit on ordinary activities before taxation	<u>8,338</u>	<u>4,308</u>
Historical cost profit on ordinary activities before taxation	<u>8,338</u>	<u>4,308</u>
Historical cost profit on ordinary activities retained after taxation	<u>6,117</u>	<u>2,878</u>

Amshold Group Limited

Consolidated balance sheet As at 30 June 2010

	Note	2010 £'000	2009 £'000
Fixed assets			
Intangible fixed assets			
Negative goodwill	7	(10,528)	(10,824)
Tangible fixed assets			
Investment properties	8	252,053	223,362
Investment property under development	8	34,796	30,295
Other	9	8,423	9,120
Investments			
Other investments	10	11,894	11,120
		<u>307,166</u>	<u>273,897</u>
Current assets			
Properties held for resale	12	43,229	43,446
Debtors	13	14,498	6,981
Investments	14	-	5,861
Cash at bank and in hand		53,113	64,348
		<u>110,840</u>	<u>120,636</u>
Creditors: amounts falling due within one year	15	(54,235)	(22,830)
Net current assets		<u>56,605</u>	<u>97,806</u>
Total assets less current liabilities		<u>353,243</u>	<u>360,879</u>
Creditors: amounts falling due after more than one year	16	(97,440)	(141,716)
Provisions for liabilities	17	(15,886)	(16,112)
Net assets		<u>239,917</u>	<u>203,051</u>
Capital and reserves			
Called up share capital	18	24	24
Merger reserve		59,134	59,134
Other reserve		275	275
Revaluation deficit	19	(11,196)	(41,945)
Profit and loss account	20	191,680	185,563
Shareholders' funds	21	<u>239,917</u>	<u>203,051</u>

The group financial statements of Amshold Group Limited, registered number 3710962, were approved by the Board of Directors on 3 December 2010

Signed on behalf of the Board of Directors

C T Sandy
Director

Amshold Group Limited

Company balance sheet As at 30 June 2010

	Note	2010 £'000	2009 £'000
Fixed assets			
Investments	10	766	24
Tangible assets		311	400
		<u>1,077</u>	<u>424</u>
Current assets			
Amounts owed by group undertakings		13,545	18,494
Other debtors		1,269	501
Cash at bank and in hand		25,707	25,252
		<u>40,521</u>	<u>44,247</u>
Creditors: amounts falling due within one year	15	<u>(42,867)</u>	<u>(622)</u>
Net current (liabilities)/assets		<u>(2,346)</u>	<u>43,625</u>
Creditors, amounts falling due after more than one year	16	<u>-</u>	<u>(44,276)</u>
Net liabilities		<u>(1,269)</u>	<u>(227)</u>
Capital and reserves			
Called up share capital	18	24	24
Profit and loss account		<u>(1,293)</u>	<u>(251)</u>
Shareholders' deficit		<u>(1,269)</u>	<u>(227)</u>

The company financial statements of Amshold Group Limited, registered number 3710962, were approved by the Board of Directors on 3 December 2010

Signed on behalf of the Board of Directors



C T Sandy
Director

Amshold Group Limited

Consolidated cash flow statement Year ended 30 June 2010

	Notes	2010 £'000	2009 £'000
Net cash inflow/(outflow) from operating activities	23	7,114	(8,620)
Returns on investments and servicing of finance			
Interest received		1,079	2,958
Interest paid		(6,635)	(7,546)
Net cash outflow from returns on investments and servicing of finance		(5,556)	(4,588)
Taxation			
Corporation tax paid		(7,753)	(9,793)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(15)	(747)
Proceeds from sale of fixed assets		-	271
Purchase of fixed asset investments		(774)	(568)
Payments to acquire investment properties		(2,443)	(6,549)
Proceeds from sale of fixed asset investments		-	59,544
Net cash (outflow)/inflow from investing activities		(3,232)	51,951
Net cash (outflow)/inflow before management of liquid resources and financing		(9,427)	28,950
Management of liquid resources			
Short term deposits released		5,861	259
		5,861	259
Financing			
Repayment of loan notes		(5,861)	(259)
(Repayment)/Drawdown of bank loans		(1,958)	22,000
Net cash (outflow)/inflow from financing		(7,819)	21,741
(Decrease)/Increase in cash	23	(11,385)	50,950

Amshold Group Limited

Notes to the accounts Year ended 30 June 2010

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 accounts Year ended 30 June 2010

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 10,000 flying hours
Aircraft frames	Straight line basis over 17.5 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 Financial Act 2010, which provides for a reduction in the main rate of corporation tax from 28% to 27% effective from 1 April 2011, was substantively enacted on 21 July 2010. As it was not substantively enacted at the balance sheet date, the rate reduction is not yet reflected in these financial statements. The impact of the rate reduction, which will be reflected in the next reporting period, is not likely to materially affect the balances disclosed.

Amshold Group Limited

Notes to the accounts Year ended 30 June 2010

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 accounts Year ended 30 June 2010

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	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Aircraft chartering	1,020	1,746	(447)	(630)	14,853	8,291
Property trading and investment	20,957	18,117	15,565	10,351	213,905	185,196
Provision of management, media and other group activities	518	701	(1,104)	(383)	11,159	9,564
	<u>22,495</u>	<u>20,564</u>	<u>14,014</u>	<u>9,338</u>	<u>239,917</u>	<u>203,051</u>

All turnover arises in the United Kingdom

3 Information regarding directors and employees

Directors' emoluments for the group

	2010 £'000	2009 £'000
Aggregate emoluments	<u>1,155</u>	<u>1,563</u>

The emoluments of the highest paid director in the group were £385,404 (2009 £381,678)

No directors were members of a pension scheme to which the group contributed in either the current or preceding financial years. There are no share option schemes in the group or its subsidiaries.

Amshold Group Limited

Notes to the accounts Year ended 30 June 2010

3. Information regarding directors and employees (continued)

	2010 £'000	2009 £'000
Staff costs during the year (including directors) for the group		
Wages and salaries	1,955	1,918
Social security costs	245	238
	<u>2,200</u>	<u>2,156</u>
	Number	Number
Average number of persons employed (excluding directors) in the group	<u>15</u>	<u>12</u>

The above disclosures reflect information about the group Amshold Group Limited, the Company, had the following costs

Directors' emoluments for the company

	2010 £'000	2009 £'000
Aggregate emoluments	<u>24</u>	<u>-</u>

The emoluments of the highest paid director in the company were £23,748 (2009 £nil)

No directors were members of a pension scheme to which the company contributed in either the current or preceding financial years There are no share option schemes in the company

	2010 £'000	2009 £'000
Staff costs during the year (including directors) for the company		
Wages and salaries	114	-
Social security costs	15	-
	<u>129</u>	<u>-</u>
	Number	Number
Average number of persons employed (excluding directors) in the company	<u>2</u>	<u>-</u>

Amshold Group Limited

Notes to the accounts Year ended 30 June 2010

4. Total operating profit

	2010 £'000	2009 £'000
Total operating profit is stated after charging/(crediting)		
Loss on disposal of fixed assets	-	44
Amortisation		
Negative goodwill	(296)	(392)
Depreciation		
Owned assets	712	700
Auditors' remuneration		
Fees paid to the Company's auditor for the audit of the company's annual accounts	17	17
Fees paid to the Company's auditor for the audit of subsidiaries	54	63
Fees paid to the Company's auditor for tax, secretarial and other services	150	34
	<u>150</u>	<u>34</u>

5. Net interest payable and similar charges

Net interest payable and similar charges can be split as follows

	2010 £'000	2009 £'000
Interest receivable		
Bank interest	327	1,214
Income from fixed asset investments	56	1,746
Exchange gains on foreign currency balances	696	-
	<u>1,079</u>	<u>2,960</u>
Interest payable and similar charges		
Bank loans and overdrafts	(6,661)	(7,546)
Net interest payable and similar charges	<u>(5,582)</u>	<u>(4,586)</u>

Amshold Group Limited

Notes to the accounts Year ended 30 June 2010

6. Tax charge on profit on ordinary activities

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

	2010 £'000	2009 £'000
United Kingdom corporation tax at 28% (2009 28%) based on the profit for the year	2,700	13,391
Adjustments in respect of prior years	(253)	5
Current tax charge for year	2,447	13,396
Deferred taxation		
Timing differences, origination and reversal	(226)	(11,966)
	<u>2,221</u>	<u>1,430</u>

(ii) Factors affecting tax charge for the current year

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK of 28% (2009 28%) The differences are explained below

	2010 £'000	2009 £'000
Profit on ordinary activities before taxation	8,338	3,940
Tax at 28% (2009 28%) thereon	2,335	1,103
Effects of		
Expenses not deductible for tax purposes	813	347
Income not taxable	(168)	(16)
Capital allowances in excess of depreciation	(275)	(280)
Rate differences	-	126
Adjustments in respect of prior years	(253)	4
Chargeable gain crystallised	-	12,112
Utilisation of tax losses	(4)	-
Marginal relief	(1)	-
Current tax charge for year	<u>2,447</u>	<u>13,396</u>

Amshold Group Limited

Notes to the accounts Year ended 30 June 2010

7. Intangible fixed assets

	Group Negative goodwill £'000
Cost:	
At 1 July 2009	(13,605)
At 30 June 2010	(13,605)
Accumulated amortisation	
At 1 July 2009	2,781
Credit for the year	296
At 30 June 2010	3,077
Net book value	
At 30 June 2010	(10,528)
At 30 June 2009	(10,824)

8. Investment properties

	Group Freehold £'000
At valuation	
At 1 July 2009	253,657
Additions	2,443
Disposals	-
Surplus on revaluation in the year	30,749
At 30 June 2010	286,849
Representing	
Properties valued	
Cost	297,829
Net deficit	(10,980)
	286,849

The investment properties were valued at £286,849,000 as at 30 June 2010 (2009 £253,657,000) by the directors at market value. The revaluation deficit at 30 June 2010 was £10,980,000 (2009 £41,729,000 deficit).

The balance at 30 June 2010 includes investment property under development of £34,796,000 (2009 £30,295,000) in relation Harewood Place, Oxford Street. This development is expected to be completed in 2011.

Amshold Group Limited

Notes to the accounts Year ended 30 June 2010

9. Other tangible fixed assets

Group	Aircraft £'000	Office equipment £'000	Total £'000
Cost			
At 1 July 2009	10,508	515	11,023
Additions	-	15	15
Disposals	-	(1)	(1)
At 30 June 2010	10,508	529	11,037
Accumulated depreciation			
At 1 July 2009	1,795	108	1,903
Charge for the year	608	104	712
Elimination on disposals	-	(1)	(1)
At 30 June 2010	2,403	211	2,614
Net book value			
At 30 June 2010	8,105	318	8,423
At 30 June 2009	8,713	407	9,120

10. Investments held as fixed assets

Group	Other investments £'000	Joint ventures £'000	Total £'000
Cost			
At 1 July 2009	10,413	707	11,120
Additions	741	127	868
Share of losses	-	(94)	(94)
At 30 June 2010	11,154	740	11,894
Net book value			
At 30 June 2010	11,154	740	11,894
At 30 June 2009	10,413	707	11,120

Amshold Group Limited

Notes to the accounts Year ended 30 June 2010

10. Investments held as fixed assets (continued)

The company

	Shares in subsidiary undertakings	
	2010 £'000	2009 £'000
Investment at cost and net book value	766	24

The investment in the company's books represents the cost of its investment in Amscreen Limited and Amshold Limited (see note 11)

11. 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 %
Amshold Limited	Jersey	Intermediate holding company	100
Amsair Limited	Great Britain	Aircraft chartering	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	100
Amsprop Investments Limited	Great Britain	Property investment	100
Amsprop Estates Limited	Great Britain	Property trading	100
Amsprop Properties Limited	Great Britain	Property investment	100
Amsprop Mayfair Limited	Great Britain	Property investment	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	Manufacturing and marketing of computers, peripherals and software	100
Amstrad Computers 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	Television	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 2010 were Amshold Limited and Amstar Media Limited

Amshold Group Limited

Notes to the accounts Year ended 30 June 2010

12. Properties held for resale

	Group	
	2010	2009
	£'000	£'000
Properties held for resale	43,229	43,446
	<u>43,229</u>	<u>43,446</u>

The difference between the balance sheet value of properties held for resale and their estimated replacement cost is £7,125,046. The replacement cost is higher than carrying value.

13. Debtors

	Group	
	2010	2009
	£'000	£'000
Trade debtors	662	737
Other debtors	11,904	4,430
Corporation tax recoverable	-	9
Prepayments and accrued income	1,932	1,805
	<u>14,498</u>	<u>6,981</u>

Included in this balance are other debtors of £2,666,262 which are expected to be recovered in greater than 1 year.

14. Current asset investments

At June 2009, the investments were all cash deposits on fixed (six month) terms at Lloyds TSB Bank Plc that secure the loan notes issued by Amshold Securities Limited (formerly Learning Technology plc). The loan notes were redeemable at six monthly intervals at the option of the note holders by giving 30 days' notice. During the year the cash deposits were withdrawn and used to settle the loan notes which were redeemed. The deposits and loan notes are as follows:

	Group	
	2010	2009
	£'000	£'000
Cash deposits at Lloyds TSB Bank Plc	-	5,861
Loan notes secured by deposits		
	2010	2009
	£'000	£'000
Amshold Securities Limited Floating Rate Loan Notes 2009	-	5,857
Amshold Securities Limited Floating Rate Loan Notes 2010	-	4
	<u>-</u>	<u>5,861</u>

Amshold Group Limited

Notes to the accounts Year ended 30 June 2010

15. Creditors: amounts falling due within one year

	Company		Group	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	42,377	-	42,468	-
Loan notes	-	-	-	5,861
Trade creditors	54	3	187	366
Amounts payable to group undertakings	354	118	-	-
Current corporation tax	-	29	1,511	6,816
Other taxes and social security costs	-	-	906	1,141
Other creditors	-	388	3,938	2,928
Accruals and deferred income	82	84	5,225	5,718
	<u>42,867</u>	<u>622</u>	<u>54,235</u>	<u>22,830</u>

On April 2 2008 the Company obtained an uncommitted revolving credit facility of £100,000,000 to finance the purchase of additional properties. At 30 June 2010 an amount of £42,318,375 (2009 £44,275,875) had been drawn down towards the purchase and refurbishment of properties. The loan is secured by a fixed and floating charge over Amshold Group Ltd and certain subsidiaries. The total market value of assets given as security as at 30 June 10 was £262,227,087. The interest rate is 82.5 basis points above Libor for amounts drawn to 30 June 2010. Since the balance sheet date the drawn down amount has been repaid. The full facility of £100,000,000 is now considered to be committed and if drawn down, interest will be applied on that portion at 150.0 basis points above Libor. The facility is for 3 years until April 2011 and is repayable or subject to refinancing.

16. Creditors: amounts falling due after one year

	Group	
	2010	2009
	£'000	£'000
Bank Loans		
More than one year but not more than five years	97,440	44,276
More than five years	-	97,440
	<u>97,440</u>	<u>141,716</u>

On 8 September 2006 a bank loan was obtained to finance the purchase of an investment property in Amsprop Southbank Limited. The principal amount was for £97,440,000. The interest only repayment loan matures in 2013. The loan is secured on the investment property and a guarantee from Amshold Group Limited for the duration of the loan. The loan accrues interest at a rate of 5.18% plus 90 margin points per annum.

The creditor of £44,275,875 due in more than one year at 30 June 2009 was due to be repaid by April 2011. At 30 June 2010 this creditor amounting to £42,318,375, falls due within one year and is disclosed in Note 15.

Amshold Group Limited

Notes to the accounts Year ended 30 June 2010

17. Provisions for liabilities – the Group

	Deferred tax	
	2010	2009
	£'000	£'000
At 1 July	16,112	28,078
Profit and loss charge	(226)	(11,966)
At 30 June	<u>15,886</u>	<u>16,112</u>
Analysis of deferred tax provision		
	2010	2009
	£'000	£'000
Capital allowances in excess of depreciation	2,229	1,916
Trading stock provision	-	538
Potential gain on fixed asset investment	13,657	13,657
Short-term timing differences	-	1
	<u>15,886</u>	<u>16,112</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 deficit arising on revaluation as the capital loss would only crystallise if the property were sold. The value of the associated unrecognised deferred tax asset is estimated to be £3,074,400.

18. Called up share capital

	2010	2009
	£'000	£'000
Authorised:		
1,000,000 (2009: 1,000,000) ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid:		
24,400 (2009: 24,400) ordinary shares of £1 each	<u>24</u>	<u>24</u>

19. Revaluation deficit – the Group

	£'000
At 1 July 2009	(41,945)
Surplus on revaluation of investment property during the year	<u>30,749</u>
At 30 June 2010	<u>(11,196)</u>

Amshold Group Limited

Notes to the accounts Year ended 30 June 2010

20. Profit and loss account – the Group

	£'000
At 1 July 2009	185,563
Profit for the year	6,117
At 30 June 2010	<u>191,680</u>

21. Reconciliation of movements in consolidated shareholders' funds

	2010 £'000	2009 £'000
At 1 July	203,051	271,941
Profit retained for the year	6,117	2,878
Net unrealised surplus/(deficit) on revaluation of property	30,749	(71,767)
Prior year adjustments	-	(1)
At 30 June	<u>239,917</u>	<u>203,051</u>

22. Loss 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 loss before tax for the year ended 30 June 2010 accounted for in the books of the parent company was £1,313,000 (2009 £827,000). The loss in the year was group relieved to other subsidiary companies within the group.

23. Notes to the consolidated cash flow statement

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

	2010 £'000	2009 £'000
Group operating profit (including joint venture)	13,920	8,894
Depreciation charge	712	700
Loss on disposal of fixed assets	-	44
Negative goodwill amortisation	(300)	(393)
Decrease/(Increase) in stocks	217	(18,812)
(Increase)/Decrease in debtors	(7,517)	518
Increase/(Decrease) in creditors	82	(140)
Investment write off	-	569
Net cash inflow/(outflow) from operating activities	<u>7,114</u>	<u>(8,620)</u>

Amshold Group Limited

Notes to the accounts Year ended 30 June 2010

23 Notes to the consolidated cash flow statement (continued)

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

	2010 £'000	2009 £'000
(Decrease)/Increase in cash in the year	(11,385)	50,950
Decrease in current asset investments	(5,861)	(259)
Decrease in loan notes	5,861	259
Decrease/(Increase) in loans	1,958	(22,000)
Change in net debt resulting from cash flows	(9,427)	28,950
Net debt at 1 July	(77,368)	(106,318)
Net debt at 30 June	(86,795)	(77,368)

Analysis of net funds

	At 1 July 2009 £'000	Cash flows £'000	Other non- cash flows £'000	At 30 June 2010 £'000
Cash at bank and in hand	64,348	(11,235)	-	53,113
Overdrafts	-	(150)	-	(150)
	64,348	(11,385)	-	52,963
Bank loans falling due within one year	-	-	(42,318)	(42,318)
Bank loans falling due after more than one year	(141,716)	1,958	42,318	(97,440)
Current asset investments	5,861	(5,861)	-	-
Loan notes	(5,861)	5,861	-	-
	(77,368)	(9,427)	-	(86,795)

Other non-cash flows represent a bank loan that is due to repaid by April 2011

24. Financial commitments

There were no financial commitments at the year end

25. Related party transactions

In the previous financial year Amshold Limited, a wholly owned subsidiary of the Company, received fees totalling £120,000 from Amsprop Estates Limited in respect of the services of Lord Sugar. No fees were received in the current year.

26. Controlling party

The company is wholly owned by Lord Sugar. Lord Sugar was reappointed as a director on 24 May 2010.

Amshold Group Limited

Notes to the accounts Year ended 30 June 2010

27. Post balance sheet events

On 5th August 2010 the Group completed the sale of 125-139 Queen Street, Cardiff for £17,020,000 and on 31st August the Company completed the sale of 31-37 Islington High Street, London for £11,200,000 with the proceeds of these sales used to reduce the bank loan falling due within one year

On 18th October the Group completed the sale 6-8 Old Bond Street, London for £67,500,000 Part of the proceeds of this sale were used to repay the balance of the bank loan falling due within one year

On 1st July 2010 the employment contracts for the directors and staff of Amsprop Estates Limited were transferred to Amshold Group Limited

On 19th November 2010 the Group completed a trade in agreement, exchanging its current aircraft for a new one The sales price of the existing aircraft was US\$14,100,000 and the purchase price of the new aircraft was US\$26,667,000 The company has entered into an operating agreement with Titan Airways for the management of the new aircraft