

**Company Registration No. 08557403**

**Amshold Group Limited**

**Financial statements for the year ended**

**30 June 2015**

THURSDAY



\*A53XS37K\*

A31

31/03/2016

#121

COMPANIES HOUSE

# **Amshold Group Limited**

## **Annual Report and financial statements for the year ended 30 June 2015**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Strategic report</b>	<b>2</b>
<b>Directors' report</b>	<b>4</b>
<b>Directors' responsibilities statement</b>	<b>6</b>
<b>Independent auditor's report</b>	<b>7</b>
<b>Consolidated profit and loss account</b>	<b>9</b>
<b>Consolidated balance sheet</b>	<b>10</b>
<b>Company balance sheet</b>	<b>11</b>
<b>Consolidated statement of changes in equity</b>	<b>12</b>
<b>Company statement of changes in equity</b>	<b>12</b>
<b>Consolidated cash flow statement</b>	<b>13</b>
<b>Notes to the financial statements</b>	<b>14</b>

# **Amshold Group Limited**

## **Annual Report and financial statements for the year ended 30 June 2015**

### **Officers and professional advisers**

#### **Directors**

Lord Alan M Sugar  
Daniel P Sugar  
Simon Sugar  
Michael E Ray  
Roger G Adams

#### **Company secretary**

Michael E Ray

#### **Registered office**

Amshold House  
Goldings Hill  
Loughton  
Essex  
United Kingdom  
IG10 2RW

#### **Bankers**

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

#### **Solicitors**

Herbert Smith Freehills LLP  
Exchange House  
Prinrose Street  
London  
EC2A 2EG

#### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London  
United Kingdom

# Amshold Group Limited

## Strategic report

The directors present their Strategic report of Amshold Group Limited (the Group and Company) for the year ended 30 June 2015

This strategic report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Amshold Group Limited and its subsidiary undertakings when viewed as a whole.

### Principal activities

The principal activity of the Group is property trading and investment together with the provision of management services

### Business review

The Group continues to advance and develop its portfolio of properties

Since 30 June 2014 the Group has invested £64.0m on the purchase of three properties in London which are located at 186-188 City Road, The Lever Building, Clerkenwell and 2-4 Paul Street, Shoreditch

During the financial year the Group completed the refurbishment of The Sugar Building, 5 Cheapside, London. After the balance sheet date the Group simultaneously completed on a single lease for the entire office element of this property and sold the asset for almost 4 times the price it had paid for the property 3 years earlier. This demonstrates both the unprecedented strength in the market place and the ability of the Group to capitalise on these opportunities. In the same period part of our Haymarket property ownership, 18-21 Haymarket, London and 1, 3 & 5 Orange Street (acquired in November 2013) was sold in June 2015. On this sale, the Group made a profit amounting to more than 100% of its original purchase price whilst still retaining part of the freehold interest (22 Haymarket) for which it plans to derive further considerable value.

In addition to these sales, in the year to 30 June 2015 the Group sold its freehold property interests at Atlantic Works, Oakley Road Southampton, 1 St James Road Brentwood and Unit 7 Swan Court, Croydon. These properties were not considered to form part of our long term strategy for our property portfolio and it was believed prudent to dispose of these assets in the current buoyant marketplace.

The Group has now completed the conversion of a historically owned property in St James, London to residential. There are now 5 exclusive apartments available for sale which we anticipate generating significant revenue during the current financial period.

In Q1 of 2017 we anticipate the completion of our very exciting landmark re-development project located strategically on the corner of Liverpool Street and Bishopsgate in the heart of the City of London. This is the largest construction project undertaken to date by the Group and the finished retail office scheme is forecast to significantly boost both the future revenue streams and net asset value of the Group. From existing cash reserves at 30 June 2015 the Group was committed to spend a further £18.8m to complete this project.

With a strong and stable management team and with its vast internal cash resources the Group is extremely well positioned to continue to actively acquire viable real estate propositions that it feels will further enhance its portfolio.

The Group considers its key performance indicator of the business to be its net assets. The Group had a very strong performance in this year growing its net assets by £108.4m before dividends, representing a growth of 20.5% on the previous year. Net assets are now £627.2m (2014: £527.8m). This growth in net assets is due to a significant uplift in property valuations and retained profits in the financial year including the large profit on the Haymarket property.

## Amshold Group Limited

### Strategic report (continued)

The Group has adopted Financial Reporting Standard 102 (FRS 102) for the preparation of its accounts at 30 June 2015 and restated the prior year statements. The first material change that this brought to the Groups financial reporting was the passing of unrealised investment property revaluation movements directly through the profit and loss account rather than into a revaluation reserve within shareholders' funds. This alone has no affect on net assets. The second material change was the recognition of deferred taxation on this movement. Prior to adoption of FRS 102 this was not recognised but only disclosed. This has affected the reported net asset position. A full explanation of the transition to FRS 102 is shown in note 29.

At 30 June 2015 the Group had no debt. Due to the strength of the Group's property portfolio and balance sheet, the management team considers the Group to be in a healthy position should it require to raise any further funds.

#### Principal risks and uncertainties

##### *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, as a whole.

The Group's property valuations give consideration to both current rental levels and expected yields. These are susceptible to market forces and therefore liable to affect the net asset value of the Group. The Group mitigates its liquidity and cash flow risk by spreading its large cash deposits amongst several financial institutions and balancing the terms of its deposits according to its requirements.

The director's policy on hedging is to hedge all financial risks where it is feasible and cost effective to do so.

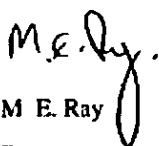
##### *Uncertainties*

The property market has shown great strength in recent years. This has provided opportunities for growth especially whilst interest rates remain at historic lows. Any increases in interest rates in the future will generate pressure on this growth. The London property market, in which the Group largely operates, is particularly strong and part of this strength is drawn from foreign investment. Any significant changes to the levels of this foreign investment will likely to affect the market prices further.

#### Future developments and subsequent events

The Group remains committed to enhancing its current portfolio of real estate assets by means of diligent active management of stock whilst at the same time aggressively endeavouring to acquire new quality real estate asset opportunities that would complement our existing Real Estate portfolio strategy. We are financially extremely well placed to do this but continue to be mindful of the current extremely buoyant market conditions.

Approved by the Board and signed on its behalf by



M. E. Ray  
Director

4 December 2015

# **Amshold Group Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 30 June 2015

### **Dividends**

The company paid a dividend of £9,000,000 on 26 June 2015 (2014: £nil)

### **Going concern**

As disclosed in the accounting policies, 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

### **Post balance sheet events**

Since 30 June 2015 the Group has been active in the property market. This activity is detailed in note 28 to the financial statements.

### **Employees**

Details of the number of employees and related costs can be found in note 3 to the financial statements

It is the Group's policy to promote equal opportunities in employment for both existing employees and applicants for employment. Every effort is made to ensure that applications for employment from disabled persons are fully and fairly considered having regard to their particular aptitudes and abilities and that disabled employees have equal opportunities in career development. In the event of an existing employee becoming disabled, every effort is made to ensure that their employment by the Group continues and that appropriate adjustments are made to their work environment

The Group has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the Group.

### **Directors**

The directors who held office for the Company since the date of incorporation to the end of the financial year are listed on page 1

### **Political donations**

During the year the Group made political donations of £43,479 (2014: £56,586)

## **Amshold Group Limited**

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

#### **Disclosure of information to the 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 ought to have taken as a director in order to make himself 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

#### **Auditor**

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

4 December 2015

## **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 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 to 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 2015 which comprise the consolidated profit and loss account, the consolidated and parent company balance sheets, the consolidated and parent company statement of changes in equity and the consolidated cash flow statement and the related notes 1 to 29. 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' 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 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 and to identify any information that is apparently materially incorrect based on or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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 and Strategic 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

4 December 2015

## Amshold Group Limited

### Consolidated profit and loss account For the year ended 30 June 2015

	Notes	2015 £'000	2014 £'000
Group turnover	2	16,997	17,661
Operating costs	4	(7,269)	(8,878)
Group operating profit before share of operating loss in joint ventures, fair value movement on investment property and profit on disposal of investment property		9,728	8,783
Share of operating loss in joint ventures		-	(77)
Fair value movement on investment property		95,298	90,191
Profit on disposal of investment properties	12	28,398	6,907
Total group operating profit		133,424	105,804
Finance income	5	611	1,431
Finance costs	6	(87)	(793)
Profit on ordinary activities before taxation		133,948	106,442
Tax charge on profit on ordinary activities	8	(25,584)	(16,196)
Profit for the financial year		108,364	90,246

As there are no other sources of comprehensive income other than the profit for the financial year, the group has not included a consolidated statement of comprehensive income. As a result of the Group adopting FRS102 the results for the prior year have been restated. These are explained in note 29 to the financial statements.

# Amshold Group Limited

## Consolidated balance sheet As at 30 June 2015

	Notes	2015 £'000	2014 £'000
<b>Fixed assets</b>			
Intangible fixed assets			
Negative goodwill	11	(6,256)	(6,476)
<b>Tangible fixed assets</b>			
Investment properties	12	541,923	430,979
Other tangible fixed assets	13	3,109	2,860
		<u>545,032</u>	<u>433,839</u>
<b>Current assets</b>			
Properties held for resale	16	37,104	14,460
Debtors due within one year	17	17,102	15,690
Cash at bank and in hand	18	108,053	135,995
		<u>162,259</u>	<u>166,145</u>
<b>Creditors: amounts falling due within one year</b>	19	(21,700)	(28,884)
<b>Net current assets</b>		<u>140,559</u>	<u>137,261</u>
<b>Total assets less current liabilities</b>		<u>679,335</u>	<u>564,624</u>
<b>Provisions for liabilities</b>	20	(52,125)	(36,778)
<b>Net assets</b>		<u>627,210</u>	<u>527,846</u>
<b>Capital and reserves</b>			
Called up share capital	21	35,523	35,523
Merger reserve		59,134	59,134
Profit and loss account		532,553	433,189
<b>Shareholders' funds</b>		<u>627,210</u>	<u>527,846</u>

As a result of the Group adopting FRS102 the results for the prior year have been restated. These are explained in note 29 to the financial statements

The Group financial statements of Amshold Group Limited, registered number 08557403, were approved by the board of directors and authorised for issue on 4 December 2015. They were signed on its behalf by

  
M. E. Ray  
Director

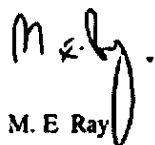
# Amshold Group Limited

## Company balance sheet As at 30 June 2015

	Notes	2015 £'000	2014 £'000
<b>Fixed assets</b>			
Investments	14	54,563	54,563
Tangible fixed assets	13	2,509	2,537
		<u>57,072</u>	<u>57,100</u>
<b>Current assets</b>			
Debtors due within one year	17	172,695	162,695
Cash at bank and in hand	18	84,792	88,755
		<u>257,487</u>	<u>251,450</u>
<b>Creditors: amounts falling due within one year</b>	19	(4,910)	(1,152)
<b>Net current assets</b>		<u>252,577</u>	<u>250,298</u>
<b>Total assets less current liabilities</b>		<u>309,649</u>	<u>307,398</u>
<b>Provisions for liabilities</b>		<u>(16)</u>	<u>(4)</u>
<b>Net assets</b>		<u>309,633</u>	<u>307,394</u>
<b>Capital and reserves</b>			
Called up share capital	21	35,523	35,523
Profit and loss account		<u>274,110</u>	<u>271,871</u>
<b>Shareholder's funds</b>		<u>309,633</u>	<u>307,394</u>

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements

The Company financial statements of Amshold Group Limited, registered number 08557403, were approved by the board of directors and authorised for issue on 4 December 2015. They were signed on its behalf by



M. E. Ray

Director

## Amshold Group Limited

### Consolidated statement of changes in equity At 30 June 2015

	Called up share capital £'000	Merger reserve £'000	Profit and loss account £'000	Shareholders funds' £'000
As at 30 June 2013	35,523	59,134	342,943	437,600
Profit for the financial year	-	-	90,246	90,246
As at 30 June 2014	35,523	59,134	433,189	527,846
Profit for the financial year	-	-	108,364	108,364
Dividends	-	-	(9,000)	(9,000)
As at 30 June 2015	35,523	59,134	532,553	627,210

## Amshold Group Limited

### Company statement of changes in equity At 30 June 2015

	Called up share capital £'000	Merger reserve £'000	Profit and loss account £'000	Shareholders funds' £'000
As at 30 June 2013	35,523	-	19,040	54,563
Profit for the financial year	-	-	252,831	252,831
As at 30 June 2014	35,523	-	271,871	307,394
Profit for the financial year	-	-	11,239	11,239
Dividends	-	-	(9,000)	(9,000)
As at 30 June 2015	35,523	-	274,110	309,633

## Amshold Group Limited

### Consolidated cash flow statement For the year ended 30 June 2015

	Notes	2015 £'000	2014 £'000
Net cash (outflow)/inflow from operating activities	23	(1,611)	121,745
<b>Cash flows from investing activities</b>			
Interest received and similar income		830	1,169
Payments to acquire tangible fixed assets		(568)	(75)
Proceeds from sale of fixed assets		265	-
Sale of fixed asset investments		-	5,840
Dividends paid		(9,000)	-
Net cash (outflow)/inflow from investing activities		(8,473)	6,934
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(16,500)	-
Net cash outflow from financing activities		(16,500)	-
<b>Taxation</b>			
Corporation tax paid		(1,295)	(8,749)
Net (decrease)/increase in cash and cash equivalents		(27,879)	119,930
Cash and cash equivalents at beginning of year		135,995	16,315
Effect of foreign exchange rate changes		(63)	(250)
Cash and cash equivalents at end of year		108,053	135,995

There are no cash equivalents at the beginning or the end of the year

# **Amshold Group Limited**

## **Notes to the financial statements For the year ended 30 June 2015**

### **1. Accounting policies**

The particular accounting policies adopted by the directors are described below, and have been applied consistently in the current and preceding years

#### **General information and basis of accounting**

Amshold Group Limited is a company incorporated in the United Kingdom with its registered office at Amshold House, Goldings Hill, Loughton, Essex, IG10 2RW

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information see note 29.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

Amshold Group Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside these consolidated financial statements.

#### **Going concern**

The Group's business activities, together with the factors likely to affect its future development, performance and financial position are set out in the strategic report and 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 financial statements

#### **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 joint ventures profits less losses while the Group's share of net assets of the joint ventures is shown in the consolidated balance sheet. The results of associates sold in the period are equity accounted for the period up to disposal.

#### **Negative goodwill**

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. The underlying assets are investment properties and properties held for resale. The Group considers it more appropriate to release the negative goodwill when these properties are sold and in proportion to their values at the time the negative goodwill arose

#### **Turnover**

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



# Amshold Group Limited

## Notes to the financial statements (continued) For the year ended 30 June 2015

### 1. Accounting policies (continued)

#### Turnover (continued)

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. Incentives on leases are similarly spread on a straight-line basis over the lease term up to the earliest possible break. In accordance with the transitional provisions of FRS 102, incentives on leases which were in existence prior to the date of transition on 1 July 2013 have been spread over the shorter of the lease term and the period to the first break clause.

#### Investment properties

Investment properties for which fair value can be measured reliably without undue cost of effort on an ongoing basis are measured at fair value annually with any change recognised in the profit and loss account.

#### Investment property under development

Investment properties under development are revalued annually with any change recognised in the profit and loss account.

#### 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 generally applicable are as follows:

Freehold Land and Buildings	Not depreciated
Motor Vehicles	25% on a reducing balance basis
Leasehold improvements	Over the shorter of the life of the lease and the useful life
Aircraft	Straight-line basis over 10 years
Office equipment	20% - 33% on a straight line basis

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

#### Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

##### i. Investments

Investments held as fixed assets by the Company, which entirely represent investments in group companies are stated at cost, less any provision for impairment in value. Investments in joint ventures are accounted for under the equity method.

##### ii. Financing 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.

##### iii. Financial liabilities

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

#### 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.

# **Amshold Group Limited**

## **Notes to the financial statements (continued) For the year ended 30 June 2015**

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

#### **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 and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

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

Unrelieved tax losses and other deferred tax assets are 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 measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to investment property is measured using the tax rates and allowances that apply to the sale of the asset

The tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income

#### **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

#### **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

#### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and factors that are considered to be relevant. Actual results may differ from these estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

The most significant judgements and estimations taken by directors are the valuations of investment properties and properties held for resale. Note 12 to the financial statements details the valuation methods for investment properties. Properties held for resale are similarly valued but then included in the balance sheet at the lower of cost and net realisable value.

## Amshold Group Limited

### Notes to the financial statements (continued) For the year ended 30 June 2015

#### 2. Turnover and segmental analysis

The turnover, operating profit and net assets of the Group are solely attributable to Property Trading and Investment and no other class of business

An analysis of Group Turnover is as follows:

	2015 £'000	2014 £'000
Turnover		
Rent	15,669	13,037
Sale of property	-	2,882
Other income	1,328	1,742
	<u>16,997</u>	<u>17,661</u>

All turnover, operating profit and net assets arise predominantly in the United Kingdom

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

##### Directors' emoluments

	2015 £'000	2014 £'000
Directors remuneration	1,189	1,185
Pensions contribution	26	37
	<u>1,215</u>	<u>1,222</u>

The emoluments of the highest paid director were £510,847 (2014: £510,501). One director was a member of a pension scheme to which the Group contributed in the current year (2014: one director). There are no share option schemes in the Group.

	2015 £'000	2014 £'000
Staff costs during the year (including directors)		
Wages and salaries	2,251	2,298
Social security costs	274	313
Pension costs	62	57
	<u>2,587</u>	<u>2,668</u>
Average staff numbers during the year (including directors)	<u>22</u>	<u>22</u>

# Amshold Group Limited

## Notes to the financial statements (continued) For the year ended 30 June 2015

### 4. Operating costs

	2015 £'000	2014 £'000
Changes in property stock valuations	2,013	(287)
Cost of property sales	-	1,484
Staff costs	2,587	2,668
Depreciation	87	100
Loss on sale of fixed assets	-	5
Amortisation of negative goodwill	(220)	(50)
Other operating charges	2,802	4,958
<b>Total operating costs</b>	<b>7,269</b>	<b>8,878</b>

### 5. Finance income

Interest receivable and similar income can be split as follows:

	2015 £'000	2014 £'000
Bank and other interest	611	1,431
	<b>611</b>	<b>1,431</b>

### 6. Finance costs

Interest payable and similar charges can be split as follows:

	2015 £'000	2014 £'000
Bank loans, other interest and overdrafts	(24)	(543)
Exchange losses on foreign currency balances	(63)	(250)
	<b>(87)</b>	<b>(793)</b>

# Amshold Group Limited

## Notes to the financial statements (continued) For the year ended 30 June 2015

### 7. Profit on ordinary activities before taxation is after charging

	2015 £'000	2014 £'000
<b>Fees payable to the Company's auditor for</b>		
Audit of the Company's financial statements	67	61
Audit of the Company's subsidiaries	6	5
Tax advisory, restructuring and other services	-	17
 <b>Depreciation</b>	 87	 100
<b>Loss on sale of fixed assets</b>	-	5
<b>Amortisation of negative goodwill</b>	(220)	(50)
<b>Profit on disposal of investment properties</b>	<u>28,398</u>	<u>6,907</u>

### 8. Tax charge on profit on ordinary activities

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

	2015 £'000	2014 £'000
<b>Corporation tax on profit on ordinary activities</b>	10,238	2,421
<b>Adjustments in respect of prior years</b>	(1)	(5)
 <b>Total current tax charge</b>	 <u>10,237</u>	 <u>2,416</u>
 <b>Deferred Tax</b>		
Origination and reversal of timing differences	260	(229)
Adjustment in respect of prior years	-	5
Profit on fair value movement of investment property	15,077	14,641
Effects of decrease in tax rates on opening liability	10	(637)
 <b>Total deferred tax</b>	 <u>15,347</u>	 <u>13,780</u>
 <b>Total tax charge on profit on ordinary activities</b>	 <u><u>25,584</u></u>	 <u><u>16,196</u></u>

# Amshold Group Limited

## Notes to the financial statements (continued) For the year ended 30 June 2015

### 8. Tax charge on profit on ordinary activities (continued)

#### (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 20.75% (2014: 22.50%). In the year to June 2015, the following tax rates have been used 21% to March 2015 and 20% from April 2015 to create an overall rate of 20.75%. 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.

	2015 £'000	2014 £'000
Profit on ordinary activities before taxation	133,948	106,442
Tax charge at 20.75% (2014: 22.50%).	27,795	23,949
Factors affecting charge		
Expenses not deductible for tax purposes	144	156
Income not taxable	-	(1,735)
Effects of indexation	(1,436)	(3,474)
Permanent differences	(384)	116
Effects of changes in tax rates	(449)	(2,815)
Utilisation of tax losses not previously recognised	(86)	(1)
Total tax charge for year	25,584	16,196

In the Budget on 8 July 2015, the UK Government proposed to further reduce the main rate of UK corporation tax to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. Existing temporary differences on which deferred tax has been provided may therefore unwind in periods subject to these reduced rates. These rate changes were included in the Finance Bill 2015 but this had not been substantively enacted as at the balance sheet date and therefore the deferred tax balance has been calculated at 20% (prior year: 20%).

### 9. Profit attributable to the Company

As permitted by Section 408 of the Companies Act 2006, the profit or loss of the parent company is not presented as part of these financial statements. The profit before tax for the year accounted for in the books of the parent company was £11,501,000 (2014: £252,872,000).

### 10. Dividends on equity shares

The Company declared and paid a dividend of £9,000,000 on 26 June 2015 (2014: £nil).

## Amshold Group Limited

### Notes to the financial statements (continued) For the year ended 30 June 2015

#### 11. Intangible fixed assets

	Group negative goodwill £'000
Cost:	
At 1 July 2014	(13,038)
Additions	-
At 30 June 2015	<u>(13,038)</u>
Accumulated amortisation	
At 1 July 2014	6,562
Amortisation during the year	<u>220</u>
At 30 June 2015	<u>6,782</u>
Net book value	
At 30 June 2015	<u>(6,256)</u>
At 30 June 2014	<u>(6,476)</u>

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

## Amshold Group Limited

### Notes to the financial statements (continued) For the year ended 30 June 2015

#### 12. Investment properties

	Group Freehold £'000
At valuation	
At 1 July 2014	430,979
Additions	71,909
Disposals	(35,517)
Transfer to properties held for sale	(20,746)
Surplus on revaluation in the year	95,298
At 30 June 2015	541,923
Representing properties at cost	309,315
Plus net valuation surplus	232,608
	541,923

The majority of the investment properties were valued by the directors at 30 June 2015 on a valuation prepared internally by a qualified chartered surveyor, on an open market basis. The remaining properties were valued externally at 30 June 2015. All valuations are at market value and conform to RICS Valuation Professional Standards and were arrived at by reference to market evidence of the transaction prices for similar properties. The external valuers were qualified, independent and held a recognised and relevant professional qualification together with recent experience in the relevant location and type of property being valued.

The investment properties were valued at £541,923,565 as at 30 June 2015 (2014: £430,979,432). The revaluation surplus at 30 June 2015 was £232,608,422 (2014: £154,289,224).

During the year the Group sold investment properties for a total consideration of £64,241,000 and after deducting the valuation brought forward totalling £35,517,000 and selling costs of £326,000, it derived a profit of £28,398,000.

On 17 September 2014 when the remaining tenants left the upper parts of an investment property the Group commenced converting them to residential apartments. As a result the Group now accounts for these upper parts as trading stock property for resale rather than investment property. The valuation of these upper parts at the time of transferring to properties held for sale was £20,746,000. The valuation was at market value and conformed to RICS Valuation Professional Standards and was arrived at by reference to market evidence of the transaction prices for similar properties.



# Amshold Group Limited

## Notes to the financial statements (continued) For the year ended 30 June 2015

### 13. Other tangible fixed assets

#### Group

	Aircraft £'000	Freehold Land and Buildings £'000	Motor vehicle £'000	Office equipment £'000	Total £'000
<b>Cost</b>					
At 1 July 2014	447	2,368	16	679	3,510
Exchange losses on opening balances	44	-	-	-	44
Additions	487	-	74	6	567
Disposal	(331)	-	-	(1)	(332)
At 30 June 2015	647	2,368	90	684	3,789
<b>Accumulated depreciation</b>					
At 1 July 2014	56	-	5	589	650
Exchange losses on opening balances	5	-	-	-	5
Charge for the year	51	-	3	33	87
Disposal	(61)	-	-	(1)	(62)
At 30 June 2015	51	-	8	621	680
<b>Net book value</b>					
At 30 June 2015	596	2,368	82	63	3,109
At 30 June 2014	391	2,368	11	90	2,860

## Amshold Group Limited

### Notes to the financial statements (continued) For the year ended 30 June 2015

#### 13 Other tangible fixed assets (continued)

##### Company

	Freehold Land and Buildings £'000	Motor vehicle £'000	Office equipment £'000	Total £'000
<b>Cost</b>				
At 1 July 2014	2,441	15	119	2,575
Additions	-	-	6	6
Disposal	-	-	(1)	(1)
<b>At 30 June 2015</b>	<b>2,441</b>	<b>15</b>	<b>124</b>	<b>2,580</b>
<b>Accumulated depreciation</b>				
At 1 July 2014	-	4	34	38
Disposal	-	-	(1)	(1)
Charge for the year	-	3	31	34
<b>At 30 June 2015</b>	<b>-</b>	<b>7</b>	<b>64</b>	<b>71</b>
<b>Net book value</b>				
At 30 June 2015	2,441	8	60	2,509
At 30 June 2014	2,441	11	85	2,537

#### 14 Investments held as fixed assets

##### Company

Investments held as fixed assets of £54,563,000 represent shares in subsidiary undertakings and represent the cost of its investment in Amsprop Limited, Amshold Securities Limited and Amsprop London Limited. Additional information in respect of subsidiary undertakings is given in note 15

## Amshold Group Limited

### Notes to the financial statements (continued) For the year ended 30 June 2015

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

The Company's subsidiary undertakings are as follows:

	Country of Incorporation	Activity	UK company registration number	Portion of ordinary shares held and voting rights %
Amsprop Limited	United Kingdom	Intermediate holding company	01873323	100
Amsprop Investments Limited	United Kingdom	Property investment	02477288	100
Amsprop Estates Limited	United Kingdom	Property trading	02801817	100
Amsprop Central Limited	United Kingdom	Property investment	04293793	100
Amsprop USA Holdings Limited	United Kingdom	Property investment	04293810	100
Amsprop Portland Limited	United Kingdom	Property investment	05893186	100
Amsprop Oxford Limited	United Kingdom	Property investment	05893332	100
Amsprop Euston Limited	United Kingdom	Property investment	05893262	100
Amsprop Bishopsgate Limited	United Kingdom	Property investment	05893192	100
Amshold Securities Limited	United Kingdom	Administration of loan notes	03337575	100
Amstrad Consumer Electronics Company	United Kingdom	Administration	03006504	100
ACL (1997) Limited	United Kingdom	Administration	00942631	100
Amsprop London Limited	United Kingdom	Property investment	02344929	100
Amsprop Spain SL	Spain	Property trading	-	100
Amsprop USA Holding Inc	United States	Property trading	-	100
Amshold International Limited	United Kingdom	Property trading	03710962	100
Amsprop City Properties Limited	United Kingdom	Property investment	04203471	100
Amstal Properties Limited	United Kingdom	Property trading	03058930	100

The Company's only direct shareholdings at 30 June 2015 were Amsprop Limited, Amshold Securities Limited and Amsprop London Limited

The above companies incorporated in the United Kingdom, except for Amshold Securities Limited, Amstrad Consumer Electronics Company and ACL (1997) Limited, are exempt from the requirements of the Companies Act relating to the audit of individual financial statements by virtue of s479A of the Companies Act 2006

#### 16. Properties held for resale

	Group	
	2015 £'000	2014 £'000
Properties held for resale	37,104	14,460

The difference between the balance sheet value of properties held for resale and their estimated replacement cost at 30 June 2015 is £12,803,132 (2014: £8,186,546). The replacement cost is higher than carrying value.

The increase in properties held for resale includes a transfers from investment property of £20,746,000 (see note 12), additions of £4,048,000, changes in stock property valuations of £360,000 less impairments of £2,510,000

## Amshold Group Limited

### Notes to the financial statements (continued) For the year ended 30 June 2015

#### 17. Debtors

	Company		Group	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Trade debtors	152	58	430	1,004
Other debtors	171,780	162,117	14,180	12,492
Prepayments and accrued income	763	520	2,492	2,194
	<u>172,695</u>	<u>162,695</u>	<u>17,102</u>	<u>15,690</u>

Other debtors for the Group includes £1,801,000 (2014: £12,417,000) loaned to Amshold Trading Limited and £12,361,000 to Amsair Aircraft Limited, both at commercial rates of interest. As security for their loan, Amsair Aircraft Limited has granted a mortgage in favour of the Group over the aircraft owned by Amsair Aircraft Limited. Both Amshold Trading Limited and Amsair Aircraft Limited are ultimately controlled by Lord Sugar.

#### 18. Cash at bank and in hand

	Company		Group	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Cash at bank and in hand	84,792	88,755	105,906	133,758
Tenant deposits	-	-	2,147	2,237
	<u>84,792</u>	<u>88,755</u>	<u>108,053</u>	<u>135,995</u>

In accordance with the terms of the lease agreements access to tenant deposits is restricted.

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

	Company		Group	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Trade creditors	475	43	659	431
Bank loan	-	-	-	16,500
Corporation tax	4,023	-	9,010	68
Other taxes and social security costs	93	128	334	22
Other creditors	103	184	2,859	2,533
Accruals and deferred income	216	797	8,838	9,330
	<u>4,910</u>	<u>1,152</u>	<u>21,700</u>	<u>28,884</u>

# Amshold Group Limited

## Notes to the financial statements (continued) For the year ended 30 June 2015

### 20. Provisions for liabilities

Deferred tax can be split as follows as follows -

	Deferred tax	
	2015	2014
	£'000	£'000
At 1 July	(36,778)	(22,998)
Charge to the profit and loss account	(15,347)	(13,780)
At 30 June	<u>(52,125)</u>	<u>(36,778)</u>
Analysis of deferred tax provision:		
	2015	2014
	£'000	£'000
Capital allowances that are less than depreciation	(1,643)	(1,422)
Other timing differences	456	505
Potential gain on fixed asset investment	(10,243)	(10,243)
Deferred tax on retained surplus on revaluation of property	(40,695)	(25,618)
	<u>(52,125)</u>	<u>(36,778)</u>

The Company had a deferred tax liability at 30 June 2015 of £16,182 (2014: £4,444) representing capital allowances in excess of depreciation

### 21. Called up share capital

	2015	2014
	£'000	£'000
Called up, allotted and fully paid:		
35,522,513 (2014: 35,522,513) ordinary shares of £1 each	<u>35,523</u>	<u>35,523</u>

### 22. Merger reserve

The merger reserve of £59,134,000 was subsumed during a Group reorganisation in June 2013. The reserve was originally created in 1999 as a result of a merger in that year when the then group absorbed the share premium of a company acquired.

# Amshold Group Limited

## Notes to the financial statements (continued) For the year ended 30 June 2015

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

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

	2015 £'000	2014 £'000
Group operating profit (including joint venture)	133,424	105,804
Depreciation charge	87	100
Fair value movement on investment property	(95,298)	(90,191)
Payments to acquire investment properties	(72,235)	(94,462)
Proceeds from sale of investment properties	64,241	127,500
Profit on sales of investment properties	(28,398)	(6,907)
Interest paid and similar charges	(177)	(489)
Share of joint venture losses	-	77
Loss on disposal of fixed assets	5	5
Release of negative goodwill	(220)	(50)
(Increase)/Decrease in properties held for resale	(1,898)	1,276
(Increase)/Decrease in debtors	(1,630)	77,180
Increase in creditors	488	1,902
Net cash (outflow)/inflow from operating activities	<u>(1,611)</u>	<u>121,745</u>

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

	2015 £'000	2014 £'000
(Decrease)/Increase in cash in the year	(27,942)	119,680
Decrease in loans	16,500	-
(Decrease)/Increase in net funds resulting from cash flows	<u>(11,442)</u>	<u>119,680</u>
Net funds/(debt) at 1 July	<u>119,495</u>	<u>(185)</u>
Net funds at 30 June	<u>108,053</u>	<u>119,495</u>

#### Analysis of net funds

	At 1 July 2014 £'000	Cash flows £'000	At 30 June 2015 £'000
Cash at bank and in hand	135,995	(27,942)	108,053
Bank loans falling due within one year	(16,500)	16,500	-
Net funds	<u>119,495</u>	<u>(11,442)</u>	<u>108,053</u>

### 24. Capital commitments

At 30 June 2015 the Group had capital commitments of £19.5m in relation to a property under development

## Amshold Group Limited

### Notes to the financial statements (continued) For the year ended 30 June 2015

#### 25. Operating lease income

The future minimum lease payments under non-cancellable operating leases are as follows:-

	2015 £'000
Receivable in not later than one year	15,255
Receivable in later than one year but not later than five years	45,276
Receivable in later than five years	51,438
	<hr/>
	111,969

The Group enters into operating leases for the occupation its properties. Some of the income from these is contingent on publicly quoted inflationary indexes. The amount of rent changes in any one year due to these indexes is immaterial.

#### 26. Related party transactions

At 30 June 2015 the Group loaned £1,801,000 at commercial rates of interest to Amshold Trading Limited, a company ultimately controlled by Lord Sugar. During the year the Company charged Amshold Trading Limited £10,000 for services.

At 30 June 2015 the Group loaned £12,361,000 to Amsair Aircraft Limited, a company controlled by Lord Sugar. During the year Amsair Aircraft Limited charged the Company £497,838 for travel services. During the year the Company charged Amsair Aircraft Limited £50,000 for services.

During the year the Company charged Amstar Entertainment Limited, a company ultimately controlled by Lord Sugar, £100,000 for services.

During the year the Company charged Amstar Media Limited, a company ultimately controlled by Lord Sugar, £300,000 for services.

During the year the Company charged Amsvest Limited, a company ultimately controlled by Lord Sugar, £10,000 for services.

#### 27. Controlling party

The Company is wholly-owned by Lord Sugar and is the ultimate parent company of the Group.

# Amshold Group Limited

## Notes to the financial statements (continued) For the year ended 30 June 2015

### 29. Explanation of transition to FRS 102

This is the first year that the Group has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 30 June 2014 and the date of transition to FRS 102 was therefore 1 July 2013. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard.

#### Reconciliation of equity

	Group		Company	
	At 1 July 2013 £'000	At 30 June 2014 £'000	At 1 July 2013 £'000	At 30 June 2014 £'000
Equity reported under previous UKGAAP	448,913	551,871	54,563	307,394
Adjustments to equity on transition to FRS 102				
Deferred tax on property revaluation surplus	(11,313)	(23,686)	-	-
Deferred lease premium income	-	(390)	-	-
Deferred tax on lease premium income	-	51	-	-
Equity reported under FRS 102	437,600	527,846	54,563	307,394

#### Reconciliation of profit or loss for year to 30 June 2014

	Group £'000	Company £'000
Profit for the financial year under previous UKGAAP	14,486	252,831
Adjustments to profit or loss on transition to FRS 102		
Investment property revaluation surplus in the year	90,191	-
Deferred tax on investment property revaluation surplus	(14,092)	-
Deferred lease premium income	(390)	-
Deferred tax on lease premium income	51	-
Profit for the financial year under FRS 102	90,246	252,831

#### Notes to the reconciliation of equity and profit or loss for the year to 30 June 2014

FRS 102 states that there is a requirement to recognise deferred tax on the net investment property revaluation surplus within the Group. This was not a requirement under UK GAAP. After any indexation has been applied to the historical costs a deferred tax provision has been made against the net revaluation surplus within the Group at each balance sheet date.

FRS 102 states that any lease incentive or premium should be spread from inception up to the first possible break. UK GAAP permitted the spread up to a rent review if sooner. An appropriate adjustment to deferred tax has been recognised on this change.

The Group has taken the exemption not to apply section 19 of FRS102, business combinations and goodwill.