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Company Registration No. 11880961

Amshold Limited

**Annual report and financial statements
for the year ended
30 June 2020**

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Amshold Limited

Annual Report and financial statements for the year ended 30 June 2020

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Amshold Limited

Annual Report and financial statements for the year ended 30 June 2020

Officers and professional advisers

Directors

Lord Alan M Sugar
Lady Ann 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
Primrose Street
London
EC2A 2EG

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Amshold Limited

Strategic report

The directors present their Strategic report of Amshold Limited (the Group and Company) for the year ended 30 June 2020.

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

Amshold Limited, a Company registered in England and Wales, is the ultimate parent company of the Amshold Group of companies. The company was incorporated on 13 March 2019.

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

Reorganisation of the business

During May 2019, the Group of companies ultimately controlled by Lord Sugar was reorganised. As a result of the reorganisation, Amshold Limited became the new ultimate parent company of the 'Property Group'.

As a result of this reorganisation the new group adopted merger accounting. The result of the Group for the current year and prior year as reported in the financial statements includes the full year's results of each subsidiary of the Group irrespective of the period for which they were a subsidiary in the Group.

Business review

In the year to 30 June 2020 the Group continued to look for property investment opportunities. During the year the Group completed the purchase of 4-6a Clarence Street, Kingston investing a total of £10.3m. The market for quality London freehold investment property remains extremely competitive with limited opportunities that meet our investment criteria.

After the year end revaluations there was a net revaluation loss of £14.6m (2019: £5.7m) bringing the revaluation surplus down to £134.7m.

Operating profit for the year prior to revaluations and disposals was £15.0m (2019: £16.4m) a decrease on last year.

The Group considers its key performance indicator of the business to be its net assets. Net assets of the Group fell from £468.2m to £467.1m. This reduction was principally due to the revaluation loss of £14.6m recognized in the year.

At 30 June 2020 the Group had no external debt (2019: nil). 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 need to raise any further funds.

Principal risks and uncertainties

Principal 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 at the year end date 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 cash deposits amongst several financial institutions and balancing the terms of its deposits according to its requirements.

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

There were no hedging activities carried out in the year.

Amshold Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Uncertainties

The COVID-19 pandemic arising during 2020 has been a source of new risk for the Group, and as a result of this, the directors of the business have considered the potential impact to the business both now and moving forward, including the revision of cash flow forecasts and extended considerations. The main impact identified has been the potential restrictions on trading, recoverability of tenancy amounts from customers and potential voids within properties, all leading to a reduced cash inflow. At this stage it is believed to have a limited effect given the cash reserves available to the Group and the cost basis. The directors will continue to monitor and adapt as the situation becomes clearer, and will work alongside its customer base to help reduce the overall risk to the business.

The property market has come under increasing pressure in the last twelve months. Although this provides opportunities for investment especially whilst interest rates remain at historic lows, it also puts pressure on the existing portfolio. Any increases in interest rates in the future will generate further pressure on valuations. There is increased uncertainty over BREXIT which will continue to impact rents until that uncertainty is resolved.

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. With strong cash reserves we remain extremely well placed to do this.

With a strong and stable management team and with its substantial 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 emergence of the COVID-19 coronavirus in 2020 has had a significant impact on economies and resulted in severe restrictions of movement of people across the United Kingdom. It is likely that that this could impact the Group's ability to fully realise its assets and/or the level of rent receipts.

The impact of COVID-19 has been considered while preparing these financial statements and at this time, it has not been possible to quantify any impact on the carrying values within these financial statements. It has been considered as a non-adjusting post balance sheet event. The company will look to continue to monitor the future impact closely.

Approved by the Board and signed on its behalf by:



M. E. Ray

Director

4 December 2020

Amshold Limited

Directors' report

The directors present their annual report on the affairs of the Group and the audited financial statements for the year ended 30 June 2020.

Future developments together with both financial risk exposure and financial management are included within the Strategic report.

Dividends

The Company did not distribute any dividends in the year (2019: £75,500,000), and no dividends have been proposed since the year end date.

Going concern

As disclosed in the accounting policies, the directors have reviewed the current and projected financial position of both the Group and 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 both the Group and 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 annual report and financial statements.

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 and liquidity position; and its exposure to credit risk and liquidity risk. In addition to the considerations above, the directors have assessed the ongoing Covid-19 pandemic, and believe the company has the necessary resources to overcome any potential downturns in business as a result of the pandemic.

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 cash resources. The Group has prepared sensitised forecasts that could result from a downturn in revenue. The Group continues to have adequate cash flow and liquidity notwithstanding any resultant downturn during the 12 month period from the point of signing.

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.

Reorganisation of the Group

Amshold Limited became of the ultimate parent company of the 'Property Group' for future tax planning purposes. In doing so, Amshold Limited was inserted as the new parent company of the Group, taking on ownership of the previous ultimate parent company Amshold Group Limited.

Amshold Limited was incorporated on 13 March 2019 with an issued share capital of 2 ordinary shares of £1 each. On 27 March 2019 the Company issued 545,000,000 new shares of £1 each as part of a share for share exchange to acquire the entire share capital of Amshold Group Limited. On 8 April 2019 the Company reduced its share capital by 75,000,000 ordinary shares of £1 each as part of a reorganisation to transfer the 75,000,000 ordinary £1 shares in Amsprop REAT Limited to Amsprop Property Company Limited in exchange for 75,000,000 £1 ordinary shares in Amsprop Property Company Limited being issued to the shareholders of Amshold Limited.

This reduced the share capital of Amshold Limited to 470,000,002 of £1 ordinary shares each. On 2 September 2019 the Company reduced the share capital of Amshold Limited to 470,000,002 ordinary shares of £0.01 each. The reduction in share capital of £465,300,002 being transferred to distributable reserves. At the same time the shares were divided into 235,000,000 ordinary A shares and 235,000,002 ordinary B shares.

Amshold Limited

Directors' report (continued)

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.

Directors' Indemnity

Appropriate directors' and officers' liability insurance cover is in place in respect of all of the Group's directors.

Political donations

During the year the Group made no political donations (2019: nil).

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/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditors.

Approved by the Board and signed on its behalf by:



M. E. Ray

Director

4 December 2020

Amshold 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) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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.

Amshold Limited

Independent auditor's report to the members of Amshold Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Amshold Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter –material uncertainty related to investment property valuation

We draw attention to note 12, which describes the effects of the uncertainties created by the coronavirus (COVID-19) pandemic on the valuation of the Group's investment property portfolio. The pandemic has caused extensive disruptions to businesses and economic activities and the uncertainties created have increased the estimation uncertainty over the fair value of the investment property portfolio at the balance sheet date. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Amshold Limited

Independent auditor's report to the members of Amshold Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Amshold Limited

Independent auditor's report to the members of Amshold Limited (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

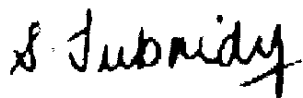
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 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.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sara Tubridy FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
4 December 2020

Amshold Limited

Consolidated profit and loss account For the year ended 30 June 2020

	Notes	2020 £'000	2019 £'000
Group turnover	2	21,447	98,405
Operating costs	4	(6,412)	(82,047)
Group operating profit before fair value movement on investment property and profit on disposal of investment property		15,035	16,358
Fair value movement on investment property	12	(14,555)	(5,727)
Profit on disposal of investment properties	12	1,762	-
Total group operating profit		2,242	10,631
Interest receivable and similar income	5	450	694
Interest payable and other similar charges	6	(4)	(14)
Profit before taxation	7	2,688	11,311
Tax charge on profit	8	(3,806)	(2,754)
(Loss)/Profit for the financial year		(1,118)	8,557

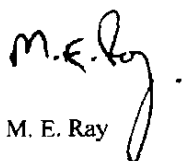
As there are no other sources of comprehensive income other than the (loss)/profit for the financial year, the group has not included a consolidated statement of comprehensive income.

Amshold Limited

Consolidated balance sheet As at 30 June 2020

	Notes	2020 £'000	2019 £'000
Fixed assets			
Intangible fixed assets:			
Negative goodwill	11	(5,307)	(5,307)
Tangible fixed assets:			
Investment properties	12	383,005	410,985
Other tangible fixed assets	13	10,526	10,877
		<u>393,531</u>	<u>421,862</u>
Current assets			
Properties held for resale	16	41,699	23,660
Debtors	17	6,709	8,256
Cash at bank and in hand	18	74,934	64,998
		<u>123,342</u>	<u>96,914</u>
Creditors: amounts falling due within one year	19	<u>(12,886)</u>	<u>(13,312)</u>
Net current assets		<u>110,456</u>	<u>83,602</u>
Total assets less current liabilities		<u>498,680</u>	<u>500,157</u>
Provisions for liabilities	20	<u>(31,622)</u>	<u>(31,981)</u>
Net assets		<u>467,058</u>	<u>468,176</u>
Capital and reserves			
Called up share capital	21	4,700	35,523
Profit and loss account	22	345,659	294,702
Revaluation reserve		116,699	137,951
Shareholders' funds		<u>467,058</u>	<u>468,176</u>

The Group financial statements of Amshold Limited, registered number 11880961, were approved by the board of directors and authorised for issue on 4 December 2020. They were signed on its behalf by:


M. E. Ray
Director

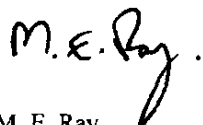
Amshold Limited

Company balance sheet As at 30 June 2020

	Notes	2020 £'000
Fixed assets		
Investments	14	470,000
		<u>470,000</u>
Net assets		<u>470,000</u>
Capital and reserves		
Called up share capital	21	4,700
Profit and loss account		465,300
Shareholders' funds		<u>470,000</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 profit of the parent company for the year was £nil.

The Company financial statements of Amshold Limited, registered number 11880961, were approved by the board of directors and authorised for issue on 4 December 2020. They were signed on its behalf by:



M. E. Ray
Director

Amshold Limited

Consolidated statement of changes in equity For the year ended 30 June 2020

	Note	Called up share capital £'000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
As at 1 July 2018		35,523	142,965	356,631	535,119
Total comprehensive income		-	-	8,557	8,557
Dividends	10	-	-	(75,500)	(75,500)
Transfer to/from profit and loss account		-	(5,014)	5,014	-
As at 30 June 2019		35,523	137,951	294,702	468,176
Total comprehensive income		-	-	(1,118)	(1,118)
Group restructure - merger		(30,823)	-	30,823	-
Transfer to/from profit and loss account		-	(21,252)	21,252	-
As at 30 June 2020		4,700	116,699	345,659	467,058

As at 30 June 2019 Amshold Group Limited was the parent company of the Group. On 13 March 2019, a group reorganisation was implemented as a result of which a new parent company Amshold Limited became the parent of the group. The Group has applied merger accounting which allows the presentation of a 12 month reorganisation period only, rather than the 15 months when the transaction was enacted. The difference in the share capital of Amshold Group Limited on 30 June 2019 balance sheet of £30.8m and the Amshold Limited 30 June 2020 balance sheet arising as a merger reserve adjustment has been transferred to the profit and loss account.

Company statement of changes in equity For the year ended 30 June 2020

	Called up share capital £'000	Profit and loss account £'000	Total £'000
Issued on incorporation	-	-	-
Issued in the year	545,000	-	545,000
Capital reduction	(75,000)	75,000	-
Distribution in specie	-	(75,000)	(75,000)
Capital Reduction	(465,300)	465,300	-
As at 30 June 2020	4,700	465,300	470,000

The Company was incorporated on 13 March 2019 and issued 2 shares with a nominal price of £1 each.

On 27 March 2019 the Company issued 545,000,000 ordinary shares with a nominal price of £1 each.

On 16 May 2019 the Company reduced the share capital by £75m and moved this to distributable reserves. The Company then made a distribution in specie of £75m to transfer these shares to Amsprop REAT Limited, which is recognised as a distribution in specie through the profit and loss account reserves. As a result of this adjustment, the carrying value of the Company's assets has been reduced by £75m.

On 2 September 2019 the Company reduced the share capital of Amshold Limited to 470,000,002 ordinary shares of £0.01 each. The reduction in share capital of £465,300,002 being transferred to distributable reserves. At the same time the shares were divided into 235,000,000 ordinary A shares and 235,000,002 ordinary B shares.

Amshold Limited

Consolidated cash flow statement For the year ended 30 June 2020

	Notes	2020 £'000	2019 £'000
Net cash inflow/(outflow) from operating activities	23	9,745	(40,171)
Cash flows from investing activities			
Interest received and similar income		427	607
Payments to acquire tangible fixed assets		(782)	(8,450)
Sale of tangible fixed assets		508	-
Net cash inflow/(outflow) from investing activities		153	(7,843)
Cash flows from financing activities			
Dividends paid		-	(500)
Net cash outflow from financing activities		-	(500)
Net increase/(decrease) in cash and cash equivalents		9,898	(48,514)
Cash and cash equivalents at beginning of year		64,998	113,428
Effect of foreign exchange rate changes		38	84
Cash and cash equivalents at end of year		74,934	64,998

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

Amshold Limited

Notes to the financial statements For the year ended 30 June 2020

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 Limited (the Company) is a company incorporated in the United Kingdom under the Companies Act. The Company is a private company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out on the Strategic report on pages 2 to 3.

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 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 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. Exemptions have been taken in relation to the parent company cash flow statement.

For the year ended 30 June 2020, under Section 479A or Section 480 of the Companies Act 2006, all subsidiaries of the Group were entitled to exemption from audit. This is fully disclosed in note 15.

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 Directors' report. This describes the financial position of the Group; its cash flows and liquidity position; and its exposure to credit risk and liquidity risk. In addition to the considerations above, the directors have assessed the ongoing Covid-19 pandemic, and believe the company has the necessary resources to overcome any potential downturns in business as a result of the pandemic.

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 cash resources. The Group has prepared sensitised forecasts that could result from a downturn in revenue. The Group continues to have adequate cash flow and liquidity notwithstanding any resultant downturn during the 12 month period from the point of signing.

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.

Reorganisation of the business

During May 2019 the Group of companies ultimately controlled by Lord and Lady Sugar was reorganised. As a result of the reorganisation Amshold Limited became the new ultimate parent company of the 'Property Group'

As a result of this reorganisation the new group adopted merger accounting. The result of the Group for the current year and prior year as reported in the financial statements includes the full year's results of each subsidiary of the Group irrespective of the period for which they were a subsidiary in the Group.

Amshold Limited

Notes to the financial statements (continued)

For the year ended 30 June 2020

1. Accounting policies (continued)

Consolidation

The Group financial statements consolidate those of the parent company and all its subsidiary undertakings drawn up to 30 June each year.

Merger Accounting

Amshold Limited was incorporated on the 13th March 2019 and as part of a group reconstruction on the 14th March 2019, acquired the undertaking of Amshold Group Limited, Amshold House, Goldings Hill, Loughton, Essex, IG10 2RW. The Group has elected to apply the merger accounting method and therefore have not adjusted the carrying values of the assets and liabilities of the parties to the combination to fair value, although appropriate adjustments have been made to achieve uniformity of accounting policies in the combining entities.

Due to the merger accounting, the Company has not been required to file statutory accounts and thus is its first financial statements.

As a result of the merger, the company has presented the 12 months results to 30 June 2019 in respect of Amshold Group Limited as its own comparatives, as permissible under FRS 102 section 19.

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.

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.

When contracts to purchase or sell investment properties are exchanged before the balance sheet date, the whole transaction will be reflected in the financial statements if the Directors believe that there are no significant obstacles in preventing the contract from completing and as a result of exchange, significant risk has passed to the buyer.

Investment property under development

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

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 Limited

Notes to the financial statements (continued)

For the year ended 30 June 2020

1. Accounting policies (continued)

Operating leases

Rental income from operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

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
Fixtures & Fittings	20% - 25% 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.

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.

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 substantively 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.

Amshold Limited

Notes to the financial statements (continued)

For the year ended 30 June 2020

1. Accounting policies (continued)

Taxation (continued)

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. All monetary assets and liabilities are translated at the rates of exchange ruling at the balance sheet date. Properties held for resale are valued at cost and translated at the rate whenever the transaction prevailed. All exchange differences are dealt with through the profit and loss account.

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.

Critical judgements in applying the Group's accounting policies

The Group frequently enters into transactions for the purchase and sale of investment property. These transactions can be complex. Accounting for the transactions requires judgements to be made such as calculating any gain or loss and deciding upon the presentation in the financial statements.

Key sources of estimation uncertainty

The directors consider the key source of estimation uncertainty to relate to the carrying value of the Company's investment property. In estimating the fair value of investment properties and properties held for resale, the directors make a number of assumptions including future rental income, future development costs and an appropriate discount rate. The primary source of evidence for property valuations should be recent, comparable market transactions conducted on an arm's-length basis. During the year, the directors undertook a valuation exercise in accordance with RICS Valuation Standards see note 12 through an internal qualified valuation expert. However, the valuation of the Company's investment property is still inherently subjective. Assumptions are made with regards to capitalisation yields, market conditions and estimated future rental streams net of income voids arising from vacancies and rent-free periods and associated running costs, alongside comparable market data.

The valuation of our portfolio at 31 June 2020, as detailed in note 12 and valued at £383m (2019: £411m), is considered to be materially uncertain, which is in line with the RICS guidance to valuers and reflects the increased difficulty in determining asset values when few, if any, comparable transactions have occurred and overall market sentiment in the new trading environment brought on by COVID-19. There have been no other significant changes in accounting estimates in the period.

The directors believe there are no significant judgements in accounting policies within the financial statements.

Amshold Limited

Notes to the financial statements (continued) For the year ended 30 June 2020

2. Turnover and segmental analysis

The turnover, operating profit and net assets of the Group are solely attributable to Property Trading and Investment and aircraft chartering.

An analysis of Group Turnover is as follows:

	2020 £'000	2019 £'000
Turnover		
Rent	19,828	18,356
Sale of property	-	78,553
Other income	1,619	1,496
	<u>21,447</u>	<u>98,405</u>

Other than where the Group sold properties in USA £nil (2019: £2,097,000), all turnover arose predominantly in the United Kingdom.

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

Directors' emoluments

	2020 £'000	2019 £'000
Directors remuneration	1,352	1,442
Pensions contribution	40	40
	<u>1,392</u>	<u>1,482</u>

The emoluments of the highest paid director were £651,727 (2019: £536,517). One director was a member of a defined contribution pension scheme to which the Group contributed in the current year (2019: one director). There are no share option schemes in the Group.

	2020 £'000	2019 £'000
Staff costs during the year (including directors)		
Wages and salaries	2,317	2,546
Social security costs	275	326
Pension costs	134	118
	<u>2,726</u>	<u>2,990</u>
	No	No
Average staff numbers during the year		
Directors	5	5
Administrative staff	19	17
	<u>24</u>	<u>22</u>

Employment contracts held by the company only was 0 (2019: 0)

Amshold Limited

Notes to the financial statements (continued) For the year ended 30 June 2020

4. Operating costs/(credits)

	2020 £'000	2019 £'000
Cost of property sales	-	76,219
Staff costs	2,726	2,990
Depreciation	890	350
Profit on sale of fixed assets	(264)	-
Other operating charges	3,060	2,488
Total operating costs	6,412	82,047

5. Interest receivable and similar income

Interest receivable and similar income can be split as follows:

	2020 £'000	2019 £'000
Bank and other interest	412	610
Exchange gains on foreign currency balances	38	84
	450	694

6. Interest payable and similar charges

Interest payable and similar charges can be split as follows:

	2020 £'000	2019 £'000
Bank loans, other interest and overdrafts	4	14

7. Profit is after charging/(crediting)

	2020 £'000	2019 £'000
Fees payable to the Company's auditor for Audit of the Company's financial statements	71	74
Depreciation	890	350
Profit on disposal of investment properties	1,762	-

Amshold Limited

Notes to the financial statements (continued) For the year ended 30 June 2020

8. Tax charge on profit

(i) Analysis of tax charge on profit

	2020 £'000	2019 £'000
Current tax		
UK corporation tax on profit	4,213	3,030
Group Relief	-	-
Adjustments in respect of prior years	(48)	110
Overseas tax paid	-	26
Total current tax charge	4,165	3,166
Deferred tax		
Capital allowances in excess of depreciation	158	292
Loss on fair value movement of investment property	(4,295)	(713)
Adjustments in respect of prior years	-	23
Effects of indexation	16	-
Effects of increase/(decrease) in tax rates on opening liability	3,762	(14)
Total deferred tax credit	(359)	(412)
Total tax charge on profit	3,806	2,754

(ii) Factors affecting tax (credit)/charge for the current year

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 19% (2019: 19%). 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:

	2020 £'000	2019 £'000
Profit before taxation	2,688	11,311
Tax charge at 19% (2019: 19%):	511	2,149
Factors affecting charge:		
Expenses not deductible for tax purposes	69	46
Capital allowances in excess of depreciation	-	(12)
Adjustment in respect of prior years	(48)	133
Income not taxable	-	(47)
Effects of indexation	(370)	275
Effects of changes in tax rates	3,762	71
Other timing differences	(122)	140
Unutilisation tax losses	4	(1)
Total tax charge for year	3,806	2,754

In the UK Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%. As substantive enactment occurred before the balance sheet date, the changes in respect of the rate have been applied to tax balances within these financial statements.

Amshold Limited

Notes to the financial statements (continued) For the year ended 30 June 2020

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 £nil (2019: £nil).

10. Dividends on equity shares

No dividends were declared during the year (2019: £75,500,000).

11. Intangible fixed assets

	Group Negative Goodwill £'000
Cost:	
At 1 July 2019	(13,038)
Additions	-
	<hr/>
At 30 June 2020	(13,038)
	<hr/>
Accumulated amortisation	
At 1 July 2019	7,731
Amortisation during the year	-
	<hr/>
At 30 June 2020	7,731
	<hr/>
Net book value	
At 30 June 2020	(5,307)
	<hr/>
At 30 June 2019	(5,307)
	<hr/>

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 Limited

Notes to the financial statements (continued) For the year ended 30 June 2020

12. Investment properties

	Group Land & Buildings Investment Property £'000
At valuation:	
At 1 July 2019	410,985
Additions	10,340
Disposals	(8,865)
Transfer to stock property	(14,900)
Deficit on revaluation in the year	(14,555)
	<hr/>
At 30 June 2020	383,005
	<hr/>
Representing properties at cost	248,270
Plus net valuation surplus	134,735
	<hr/>
	383,005
	<hr/>

Since the EU Referendum held on 23 June 2016, there has been no significant market evidence of any adverse affect to property valuations in London, where the Group largely holds its investment property. The volume of lettings in the market remains less than prior to the referendum vote. We continue to monitor the market to see how both Brexit and other market forces affect future valuations. This is the primary evidence used in determining valuations and as such provides some uncertainty.

During the year the Group completed the purchase of 4-6a Clarence Street, Kingston for (£10,340,000).

Investment properties, were revalued to fair value at 30 June 2020 based on a valuation undertaken by directors with recent experience in the location and class of investment property being valued.

The directors' valuation has been based upon an internal valuation for which the key assumptions and judgements are reviewed and amended to reflect the property and market conditions at 30 June 2020. The valuations were prepared by an internal qualified valuation expert on the basis of market value in accordance with the RICS Valuation – Global Standards 2017 incorporating the IVSC International Valuation Standards issued June 2017 (the "RICS Red Book").

The valuation is based on the comparable method which involves the use of various assumptions and qualifications with regards to valuations of similar properties, rental incomes and rental yields. The significant assumptions cover the adequacy of the comparable property.

The outbreak of the Coronavirus (COVID-19), declared by the World Health Organization as a "Global Pandemic" on 11 March 2020 has impacted global financial markets and global economy. The pandemic has caused extensive disruptions to businesses and economic activities and the uncertainties created have increased the estimation uncertainty over the fair value of the investment property portfolio at the balance sheet date. It should be noted that the clause is to serve as a precaution and not invalidating the valuation in respect of the Investment Properties held. It is noted that there is a lack of comparable market information in the sector and a greater uncertainty attached to its opinion of value than would be anticipated during more active market conditions. The unknown future impact that COVID-19 might have on the real estate market led to the valuations to be reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty should be attached to the valuation than would normally be the case.

Amshold Limited

Notes to the financial statements (continued)

For the year ended 30 June 2020

12. Investment properties (continued)

The revaluation loss on the property is included in the Consolidated Profit & Loss Account in accordance with FRS 102. In accordance with FRS 102, the investment property was not depreciated. It was not possible to quantify the depreciation which otherwise would have been charged. The historic cost of investment properties at 30 June 2020 was £248,269,960 (2019: £253,068,055).

The investment properties were valued at £383,005,440 as at 30 June 2020 (2019: £410,985,336). The valuation split as, freehold £356,715,440 and leasehold £26,290,000. The revaluation surplus at 30 June 2020 was £134,735,480 (2019: £157,917,281).

13. Other tangible fixed assets

Group

	Aircraft £'000	Freehold land and buildings £'000	Motor vehicle £'000	Fixture & fittings £'000	Office equipment £'000	Total £'000
Cost						
At 1 July 2019	8,933	2,368	16	106	679	12,102
Additions	767	-	-	-	15	782
Disposal	(487)	-	-	-	-	(487)
At 30 June 2020	9,213	2,368	16	106	694	12,397
Accumulated depreciation						
At 1 July 2019	474	-	14	73	664	1,225
Charge for the year	848	-	1	27	14	890
Disposal	(244)	-	-	-	-	(244)
At 30 June 2020	1,078	-	15	100	678	1,871
Net book value						
At 30 June 2020	8,135	2,368	1	6	16	10,526
At 30 June 2019	8,459	2,368	2	33	15	10,877

14. Investments held as fixed assets

Company

	Investment £'000
Incorporation	-
Merger acquisition of Amshold Group Limited	545,000
Amsprop REAT Limited disposal	(75,000)
At 30 June 2020	470,000

Amshold Limited

Notes to the financial statements (continued)

For the year ended 30 June 2020

14. Investments held as fixed assets (continued)

On 27 March 2019 the Company issued 545,000,000 new shares of £1 each as part of a share for share exchange to acquire the entire share capital of Amshold Group Limited. As result, an acquisition in respect of the group has initially been recognised. On 8 April 2019 the Company reduced its share capital by 75,000,000 ordinary shares of £1 each as part of a reorganisation to transfer the 75,000,000 ordinary £1 shares in Amsprop REAT Limited to Amsprop Property Company Limited in exchange for 75,000,000 £1 ordinary shares in Amsprop Property Company Limited being issued to the shareholders of Amshold Limited. The share for share exchange therefore results in a disposal of the investment value of £75,000,000.

Investments held as fixed assets of £470,000,000 (2019: £nil) represent shares in subsidiary undertakings and represent the cost of its investment in Amshold Group Limited. Additional information in respect of subsidiary undertakings is given in note 15.

15. Additional disclosure in respect of subsidiary undertakings

The Groups subsidiary undertakings, which are all registered at Amshold House, Goldings Hill, Loughton, Essex IG10 2RW are as follows:

	Country of incorporation	Activity	UK company registration number	Portion of ordinary shares held and voting rights %
Amshold Group Limited	United Kingdom	Administration	08557403	100
Amsair Aircraft Limited	United Kingdom	Plane chartering	05845142	100
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 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	Dormant	03006504	100
ACL (1997) Limited	United Kingdom	Dormant	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
Amsprop Leyton Limited	United Kingdom	Property trading	12266253	100
Amsprop B Limited	United Kingdom	Property trading	12270147	100
Amsprop Marlborough Limited	United Kingdom	Property investment	12665725	100
Amsprop Old Street Limited	United Kingdom	Property investment	12650524	100
Amsprop Lever Limited	United Kingdom	Property investment	12648374	100
Amsprop Sackville Limited	United Kingdom	Property investment	12650534	100
Amsail Limited	United Kingdom	Dormant	05893262	100
Amsprop Devonshire Limited	United Kingdom	Property trading	10197316	100

Amshold Limited

Notes to the financial statements (continued) For the year ended 30 June 2020

15. Additional disclosure in respect of subsidiary undertakings (continued)

The Company's only direct shareholdings at 30 June 2020 was Amshold Group Limited.

Other than Amstrad Consumer Electronics Company, Amshold Securities Limited and ACL (1997) Limited, which are exempt under s480 of the Companies Act 2006, the above companies incorporated in the United Kingdom, 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	
	2020	2019
	£'000	£'000
Properties held for resale	41,699	23,660

The difference between the balance sheet value of properties held for resale and their net realisable value at 30 June 2020 is £12,451,978 (2019: £12,047,957). The net realisable value is higher than carrying value.

17. Debtors

	Company		Group	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade debtors	-	-	4,015	1,386
Other debtors	-	-	66	4,086
Prepayments and accrued income	-	-	2,628	2,784
	-	-	6,709	8,256

Other debtors for the Group includes in 2019 of £3,965,000 represented a loan to Amshold Trading Limited at commercial rates of interest, this was repaid in full in the year. Amshold Trading Limited is ultimately controlled by Lord Sugar.

18. Cash at bank and in hand

	Company		Group	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Cash at bank and in hand	-	-	72,776	62,181
Tenant deposits	-	-	2,158	2,817
	-	-	74,934	64,998

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

Amshold Limited

Notes to the financial statements (continued) For the year ended 30 June 2020

19. Creditors: amounts falling due within one year

	Company		Group	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade creditors	-	-	186	818
Corporation tax	-	-	2,221	1,755
Other taxes and social security costs	-	-	1,727	871
Other creditors	-	-	2,322	3,162
Accruals and deferred income	-	-	6,430	6,706
	-	-	12,886	13,312

20. Provisions for liabilities

Deferred tax can be split as follows as follows:-

	Deferred tax	
	2020	2019
	£'000	£'000
At 1 July	(31,981)	(32,393)
Credit to the profit and loss account – current year	359	412
At 30 June	(31,622)	(31,981)

Analysis of deferred tax provision:

	2020	2019
	£'000	£'000
Capital allowances that are less than depreciation	(4,394)	(3,793)
Timing differences	75	70
Potential gain on fixed asset investment	(9,267)	(8,292)
Deferred tax on retained surplus on revaluation of property	(18,036)	(19,966)
	(31,622)	(31,981)

21. Called up share capital

	2020	2019
	£'000	£'000
Called up, allotted and fully paid:		
2 (2019: 35,522,513) ordinary shares of 1p each	-	35,523
235,000,000 A shares of 1p each	2,350	-
235,000,002 B shares of 1p each	2,350	-
	4,700	35,523

Amshold Limited

Notes to the financial statements (continued) For the year ended 30 June 2020

22. Reserves

The profit and loss reserve represents cumulative profits or losses, including unrealised profit on the remeasurement of investment properties, net of dividends paid and other adjustments.

23. Notes to the consolidated cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2020 £'000	2019 £'000
Group operating profit	2,242	10,631
Depreciation charge	890	350
Fair value movement on investment property	14,555	5,727
Payments to develop and acquire investment properties	(10,340)	(10,746)
Proceeds from sale of investment properties	11,377	-
Profit on sale of investment properties	(1,762)	-
Interest paid and similar charges	(4)	(14)
Profit on disposal of fixed assets	(264)	-
Non-cash proceeds from sale of properties held for resale	-	(75,000)
(Increase)/Decrease in properties held for resale	(3,889)	27,141
Decrease in debtors	1,531	11,910
Decrease in creditors	(891)	(7,044)
Corporation tax paid	(3,700)	(3,126)
Net cash inflow/(outflow) from operating activities	9,745	(40,171)

Analysis and reconciliation of net funds

	At 1 July 2019 £'000	Cash flow £'000	At 30 June 2020 £'000
Cash and cash equivalents	64,998	9,936	74,934
Debt due within 1 year	-	-	-
Net funds	64,998	9,936	74,934

	2020 £'000	2019 £'000
Change in net fund resulting from cash flows	9,936	(48,430)
Movement in net funds in the year	9,936	(48,430)
Net funds as at 1 July 2019	64,998	113,428
Net funds as at 30 June 2020	74,934	64,998

Amshold Limited

Notes to the financial statements (continued) For the year ended 30 June 2020

24. Capital commitments

At 30 June 2020 the Group had capital commitments of £nil (2019: £nil) in relation to properties under development.

25. Operating lease income

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

	2020 £'000	2019 £'000
Receivable in not later than one year	19,079	17,583
Receivable in later than one year but not later than five years	58,544	57,457
Receivable in later than five years	108,176	96,563
	<u>185,799</u>	<u>171,603</u>

The Group enters into operating leases for the occupation of 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. During the year, £2,310,560 (2019: £2,183,664) of rental income was recognised based on a contingent basis

26. Related party transactions

During the year the Group received £3,965,000 (2019: loaned £2,950,000) from Amshold Trading Limited, a company ultimately controlled by Lord Sugar Family Trust as repayment of their loan. During the year the Company charged Amshold Trading Limited £10,000 (2019: £10,000) for services.

During the year the Company charged Amstar Entertainment Limited, a company ultimately controlled by Lord Sugar, £nil (2019: £1,000) for services.

During the year the Company charged Amstar Media Limited, a company ultimately controlled by Lord Sugar, £50,000 (2019: £50,000) for services.

During the year the Company charged Amsvest Limited, a company ultimately controlled by Lord Sugar, £6,000 (2019: £10,000) for services.

During the year the Company charged Amsprop REAT Limited, a company ultimately controlled by Lord Sugar Family Trust, £25,000 (2019: £75,000) for services.

During the year the Company charged Amsprop Winchester Limited, a company ultimately controlled by Lord Sugar Family Trust, £12,000 (2019: £nil) for services.

During the year the Company charged Amsprop Charterhouse Limited, a company ultimately controlled by Lord Sugar Family Trust, £25,000 (2019: £nil) for services.

27. Controlling party

The immediate parent Company is Amshold Limited and the ultimate controlling party is Lord Sugar.

The Amshold Limited is wholly-owned by Lord Sugar and Lady Ann Sugar and is the ultimate parent company of the Group.

Amshold Limited

Notes to the financial statements (continued) For the year ended 30 June 2020

28. Post balance sheet events

On 12 November 2020, the Group completed the sale of Plot 57 Alexander Palm Road, Boca Raton, Florida 33432 USA, for \$12,820,000.

Global pandemic – Covid 19

The emergence of the COVID-19 coronavirus in 2020 has had a significant impact on economies and resulted in severe restrictions of movement of people across the United Kingdom. It is likely that that this could impact the Group's ability to fully realise its assets and/or the level of rent receipts. The impact of COVID-19 has been considered while preparing these financial statements and at this time, given that the business has been placed under such restrictions for the final part of the year.

Post year end, the UK has entered into a second national lockdown during November 2020, which has once again restricted the business and tenants ability to trade. At this time, the second lockdown is not deemed to have a significant impact on the business and it has been considered as a non-adjusting post balance sheet event. The Group will look to continue to monitor the future impact closely