

Company Registration No. 8557464

Amshold Trading Limited

Report and Financial Statements

Year ended 30 September 2016



Amshold Trading Limited

Report and financial statements 2016

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

Amshold Trading Limited

Report and financial statements 2016

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
IG10 2RW

Bankers

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

Auditor

Deloitte LLP
2 Hardman Street
Manchester
M3 3HF

Amshold Trading Limited

Strategic report

The directors present their strategic report of Amshold Trading Limited (the Group and Company) for the year ended 30 September 2016.

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 Trading Limited and its subsidiary undertakings when viewed as a whole.

Principal activities and research and development

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

The Group is engaged in chartering aircraft, providing digital signage solutions and earning royalties & appearance fees in the media industry. The directors do not anticipate any significant changes to the Group's activities in the foreseeable future.

The Group continues to invest significant time and resource to ensure that its solutions embrace the latest available technologies. Research and development represent a key facet of the Group's activities and in the current year has been focussed on the development of the range of its large format DS70 digital outdoor screen solutions.

Review of business and key performance indicators

The year to 30 September 2016 was largely transformational for the Group in terms of its operational focus and its financial results. Many of the Group's resources have been focused on the development, production and deployment of the new products in the digital signage business and the impact on the financial results has been significant.

The Group reported a loss after non-controlling interest of £85,673 in the year to September 2016 (2015: a profit of £1,105).

Excluding the operating results and sale of discontinued operations in the previous year, the result for the Group improved from a loss before tax of £2,483,962 in 2015 to a loss before tax of £188,872 in 2016.

The loss in the year for the Group included a write off of unpaid deferred consideration of £1,022,380 relating to the sale of part of the digital signage business during 2015. This business commenced delivery of its first DS70 products in October 2015 whereby the products and end-to-end service have been well received by its principal customer, Clear Channel UK Limited.

UK GAAP requires the Group to account for the DS70 screens as finance leases and as such, a finance lease rental receivable balance of £13,840,364 is recorded within debtors, which will be recovered over the contract term of the screens that have been delivered to date.

The Group continues to charter its aircraft. The Group gave consideration to the net book value of its aircraft at 30 September 2016 and felt it appropriate to impair the value of the plane down to £12,000,000, an amount the Group considers to be a fair reflection of its value.

The Group continues to receive significant revenue from its Media activities and expects this to continue into the next year.

The results of the Group are set out on page 9.

Principal risks and uncertainties

The directors have considered the risks faced by the Group and Company. The key principle risks facing the Group are:

- The majority of the Group's turnover is generated from the digital signage industry and this is currently reliant on a single core customer and in turn a significant reliance on the UK outdoor advertising sector.
- The Group's digital signage lease model means that there is a significant finance lease receivable balance in the balance sheet. The recoverability of this debt is a significant key to the future success of the Group. The Group undertakes rigorous credit checks, contracts and operational processes to mitigate this risk.

Amshold Trading Limited

Strategic report (continued)

- A general downturn in the performance of the UK and wider economy and how this may impact on the main customers of the Group. The Group has largely mitigated this by providing its core products on fixed term lease contracts which provide surety of income over a number of years. The Group does not anticipate any major negative implications arising from the “Brexit” vote in 2016.
- Competitors entering the digital out of the home market. The Group makes significant investment in new technology to ensure that its products remain both technologically advanced and competitively priced. The Group also positions itself as an end-to-end solution provider which requires a tailored service approach rather than just being regarded as a supplier of components or commodities.
- Price erosion in the aircraft chartering business. In order to mitigate some of this risk the Group enters into a mixture of fixed and variable pricing within the lease agreement of its aircraft.

Future developments and subsequent events

The Group continues to invest significant time in seeking out further opportunities in the aircraft chartering, digital signage market and the media industry. The Group experienced strong growth in turnover of its digital signage business during the year. This level of growth is not expected to continue into the forthcoming year.

Approved by the Board and signed on its behalf by:



R. G. Adams

Director

12 June 2017

Amshold Trading Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 2016. As permitted by s414c(ii) of the Companies Act 2006, details of research and development and future developments are included in the strategic report.

Going concern

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

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

Dividends

The directors do not propose the payment of a dividend (2015: nil).

Employees

Details of the number of employees and related costs can be found in note 4 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, all of which held office for the Company throughout the financial year, are listed on page 1.

Directors' indemnities

The directors and officers of the Company are covered by an indemnity insurance policy taken out by Amshold Group Limited a company owned by Lord Sugar

Financial risk management

Cash flow risk

The Group's activities expose it primarily to the financial risk of changes in interest rates. The key interest bearing assets and liabilities are held at fixed rates to ensure certainty of cash flows.

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments. The Group's results and receivables are dominated by its activity with Clear Channel UK Limited and these risks are mitigated through credit checks, contracts and operational processes.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses debt finance provided by Amshold Group Limited a company controlled by Lord Sugar.

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

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

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

Approval of reduced disclosures

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intend to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by Lord Sugar, as the owner of the Company.

Approved by the Board and signed on its behalf by:



R. G. Adams

Director

12 June 2017

Amshold Trading 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 Group and Company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Amshold Trading Limited

We have audited the Group and parent company financial statements of Amshold Trading Limited for the year ended 30 September 2016 which comprise the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated and parent company balance sheets, the consolidated and parent company statement of changes in equity, the consolidated cash flow statement and the related notes 1 to 25. 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 September 2016 and of the Group's loss 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Amshold Trading 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Rachel Argyle (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom

15 June 2017

Amshold Trading Limited

Consolidated profit and loss account For the year ended 30 September 2016

	Notes	Total 2016 £	Continuing operations 2015 £	Dis- continued operations 2015 £	Total 2015 £
Group turnover	3	21,084,236	4,593,605	2,900,831	7,494,436
Operating costs	5	(20,624,315)	(7,031,692)	(2,372,450)	(9,404,142)
Group operating profit/(loss)		459,921	(2,438,087)	528,381	(1,909,706)
(Loss)/Profit on disposal of operations	6	(1,022,380)	-	1,951,976	1,951,976
Interest receivable and similar income	7	473,296	8,097	-	8,097
Interest payable and similar charges	8	(99,709)	(53,972)	-	(53,972)
(Loss)/Profit on ordinary activities before taxation	9	(188,872)	(2,483,962)	2,480,357	(3,605)
Tax credit/(charge) on loss on ordinary activities	10	192,246			(236,828)
Profit/(Loss) on ordinary activities after taxation		3,374			(240,433)
Non-controlling interest		(89,047)			241,538
Retained (loss)/profit for the financial year after non-controlling interest		(85,673)			1,105

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

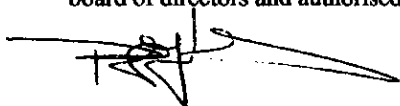
All results in the current year derive from continuing operations.

Amshold Trading Limited

Consolidated balance sheet 30 September 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible fixed assets	11	12,851,138	15,919,385
Goodwill	13	489,736	734,604
		<u>13,340,874</u>	<u>16,653,989</u>
Current assets			
Stocks	14	2,302,881	2,256,330
Debtors due within one year	15	3,964,605	2,808,199
Debtors due after one year	15	11,573,888	-
Cash at bank and in hand		109,770	246,532
		<u>17,951,144</u>	<u>5,311,061</u>
Current liabilities			
Creditors due within one year	16	(3,049,810)	(2,633,064)
		<u>14,901,334</u>	<u>2,677,997</u>
Net current assets		<u>14,901,334</u>	<u>2,677,997</u>
Total assets less current liabilities		<u>28,242,208</u>	<u>19,331,986</u>
Creditors due after one year	16	(22,319,482)	(13,125,176)
Provisions for liabilities	18	(290,766)	(578,224)
Net assets		<u>5,631,960</u>	<u>5,628,586</u>
Capital and reserves			
Called up share capital	19	5,991,886	5,991,886
Profit and loss account		(930,903)	(845,230)
Shareholder's funds		<u>5,060,983</u>	<u>5,146,656</u>
Non-controlling interest		<u>570,977</u>	<u>481,930</u>
Total capital employed		<u>5,631,960</u>	<u>5,628,586</u>

The Group financial statements of Amshold Trading Limited, registered number 8557464, were approved by the board of directors and authorised for issue on 12 June 2017. They were signed on its behalf by:



R. G. Adams
Director

Amshold Trading Limited

Company balance sheet 30 September 2016

	Notes	2016 £	2015 £
Fixed assets			
Investments	12	<u>8,960,769</u>	<u>8,960,769</u>
Current assets			
Debtors due within one year	15	223,890	1,887,599
Debtors due after one year	15	12,750,000	1,750,000
Cash at bank and in hand		<u>1,948</u>	<u>1,268</u>
		12,975,838	3,638,867
Current liabilities			
Creditors due within one year	16	<u>(672,269)</u>	<u>(14,999)</u>
Net current assets		<u>12,303,569</u>	<u>3,623,868</u>
Total assets less current liabilities		21,264,338	12,584,637
Creditors due after one year	16	<u>(10,431,860)</u>	<u>(752,159)</u>
Net assets		<u>10,832,478</u>	<u>11,832,478</u>
Capital and reserves			
Called up share capital	19	5,991,886	5,991,886
Profit and loss account		<u>4,840,592</u>	<u>5,840,592</u>
Shareholder's funds		<u>10,832,478</u>	<u>11,832,478</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 accounts.

The Company financial statements of Amshold Trading Limited, registered number 8557464, were approved by the board of directors and authorised for issue on 12 June 2017. They were signed on its behalf by:



R. G. Adams
Director

Amshold Trading Limited

Consolidated statement of changes in equity At 30 September 2016

	Called up share capital	Profit and loss account	Shareholder's funds	Non- controlling interest	Total capital employed
	£	£	£	£	£
As at 30 September 2014	5,991,886	(628,004)	5,363,882	817,701	6,181,583
Profit for the financial year	-	1,105	1,105	(241,538)	(240,433)
Changes in stake in subsidiary	-	(218,331)	(218,331)	(94,233)	(312,564)
As at 30 September 2015	5,991,886	(845,230)	5,146,656	481,930	5,628,586
Loss for the financial year	-	(85,673)	(85,673)	89,047	3,374
As at 30 September 2016	5,991,886	(930,903)	5,060,983	570,977	5,631,960

Company statement of changes in equity At 30 September 2016

	Called up share capital	Profit and loss account	Shareholder's funds
	£	£	£
As at 30 September 2014	5,991,886	4,773,129	10,765,015
Profit for the financial year	-	1,067,463	1,067,463
As at 30 September 2015	5,991,886	5,840,592	11,832,478
Loss for the financial year	-	(1,000,000)	(1,000,000)
As at 30 September 2016	5,991,886	4,840,592	10,832,478

Amshold Trading Limited

Consolidated cash flow statement For the year ended 30 September 2016

	Notes	2016 £	2015 £
Net cash outflow from operating activities	22	(472,130)	(475,957)
Cash flows from investing activities			
Interest received and similar income		473,296	8,097
Payments to acquire tangible fixed assets		(136,353)	(1,215,243)
Proceeds less cash and cash equivalents disposed of with discontinued operations		-	1,663,000
Net cash inflow from investing activities		<u>336,943</u>	<u>455,854</u>
Cash flows from financing activities			
Share capital issued to non-controlling interest		-	875
Shares purchased from non-controlling interest		-	(313,440)
Net cash outflow from financing		<u>-</u>	<u>(312,565)</u>
Net decrease in cash and cash equivalents		<u>(135,187)</u>	<u>(332,668)</u>
Cash and cash equivalents at beginning of year		246,532	590,472
Effect of foreign exchange rate changes		<u>(1,575)</u>	<u>(11,272)</u>
Cash and cash equivalents at end of year		<u>109,770</u>	<u>246,532</u>

Amshold Trading Limited

Notes to the financial statements For the year ended 30 September 2016

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. 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 Trading Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The Company adopted FRS 102 early in the prior year.

The functional currency of Amshold Trading Limited is considered to be pounds sterling because that is the currency of the *primary economic environment in which the Group operates*. The consolidated financial statements are therefore presented in pounds sterling.

Amshold Trading 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. Amshold Trading Limited is consolidated in the financial statements of the Group. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a profit & loss account and cash flow statement.

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 and with additional funding from Amshold Group Limited, who has provided a letter of support to the Company, should it be necessary.

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 September each year.

The Group financial statements consolidate those of the Company and all subsidiaries. On the acquisition of a business, including an interest in an associated undertaking, fair values are attributed to the Group's share of net separable assets. Where the cost of acquisition exceeds the fair values attributable to such net assets, the difference is treated as purchased goodwill and capitalised in the balance sheet in the year of acquisition and amortised over its estimated useful economic life. Provision is made for any impairment.

Goodwill

Purchased goodwill arising on acquisition is capitalised and amortised through the profit and loss account. In respect of all existing goodwill, up to the transition date of 1 October 2013, this was being amortised over 20 years. As a result of adopting FRS 102, the directors have re-assessed the remaining useful life and consider it appropriate to amortise the remaining balance over 5 years from the transition date. Provision is made for any impairment.

Amshold Trading Limited

Notes to the financial statements For the year ended 30 September 2016

1. Accounting policies (continued)

Turnover

Turnover is stated net of VAT and trade discounts. Turnover from the sale of goods is recognised when the goods are despatched to the customer and chartering income receivable is recognised when the associated services are delivered. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due.

Where a contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated by reference to the value of work performed to date as a proportion of the total contract value.

Financial instruments

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

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

In the Company balance sheet, investments in subsidiaries and associates are measured at cost less impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The rates generally applicable are:

Leasehold improvements	- over the shorter of the life of the lease and the useful life
Motor vehicles	- 25% on cost
Aircraft engines	- Straight line basis over 10 years
Aircraft frames	- Straight line basis over 20 years
Fixtures and fittings	- 10% - 33% on cost
Computer equipment and screens	- 33% on a straight-line basis
Plant and machinery	- 33% on a straight-line basis

Stocks

Stock is stated at the lower of cost and net realisable value. Cost is the purchase price of materials and direct labour. Net realisable value is based in estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Amshold Trading Limited

Notes to the financial statements For the year ended 30 September 2016

1. Accounting policies (continued)

Impairment of assets (continued)

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Leases

The Group as lessee

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Assets sold under finance leases and other similar arrangements, which confer rights and obligations similar to those attached to assets sold, are disposed at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease). The capital elements of future lease rentals are recognised as receivables, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the receivable. The net investment in a lease is the gross investment in the lease discounted at the interest rate implicit in the lease. The gross investment in the lease is equal to the minimum lease payments receivable.

Research and development

Expenditure on research and development is charged against profits in the year in which it is incurred.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rates ruling at the date of the transaction. 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.

Current taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Amshold Trading Limited

Notes to the financial statements For the year ended 30 September 2016

1. Accounting policies (continued)

Deferred taxation

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. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Retirement benefits

The Group operates a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Borrowings

Debt is initially stated at the amount of the net proceeds after deduction of issue costs. The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the period.

2. Critical accounting judgements and key sources of estimation

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 other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Amshold Trading Limited

Notes to the financial statements For the year ended 30 September 2016

2. Critical accounting judgements and key sources of estimation (continued)

Revenue recognition in respect of warranty income

The Group provides an extended warranty on the majority of their outdoor digital screens within their overall prices for their products and services. The adopted accounting policy is to match the warranty income to the warranty costs that are expected to be incurred over the contract term. It is likely that the majority of the warranty costs will be incurred later in the contract term which has therefore resulted in deferred warranty income of £231,540 included within the accruals and deferred income balance.

Key source of estimation uncertainty – recoverability of lease rental debtor

The finance lease recoverable balance of £13,840,364 included in debtors relates to agreed and contracted future lease rentals that are due to the Group. Regular contact, creditworthiness checks and reviews of ongoing payment performance are used by the Group to assist in the recoverability of future lease rentals. Furthermore, the Group's contracts give the Group full ownership and control of the assets until all contracted lease rentals are paid in full.

Key source of estimation uncertainty – Impairment of aircraft

The Group gave consideration to the net book value of its aircraft at 30 September 2016 and felt it appropriate to impair the value of the plane down to £12,000,000. Albeit the Group considers this be a fair reflection, there is little market evidence of similar aircraft sales to help gauge the value.

3. Turnover and segmental analysis

The turnover and (loss)/profit before taxation attributable to the different classes of the Group's business are:

		Total 2016 £	Continuing operations 2015 £	Dis- continued operations 2015 £	Total 2015 £
Turnover					
Aircraft chartering	United Kingdom	1,491,205	1,490,908	-	1,490,908
Digital signage	United Kingdom	17,433,053	844,460	2,900,831	3,745,291
Digital signage	Rest of the World	782,281	558,237	-	558,237
Media activities	United Kingdom	1,377,697	1,700,000	-	1,700,000
		<u>21,084,236</u>	<u>4,593,605</u>	<u>2,900,831</u>	<u>7,494,436</u>

		Total 2016 £	Continuing operations 2015 £	Dis- continued operations 2015 £	Total 2015 £
(Loss)/Profit on ordinary activities before taxation					
Aircraft chartering		(2,189,147)	(214,343)	-	(214,343)
Digital signage		515,804	(3,422,557)	2,480,357	(942,200)
Media activities		934,419	1,323,515	-	1,323,515
Other trading profits/(losses)		550,052	(170,577)	-	(170,577)
		<u>(188,872)</u>	<u>(2,483,962)</u>	<u>2,480,357</u>	<u>(3,605)</u>

Amshold Trading Limited

Notes to the financial statements For the year ended 30 September 2016

4. Information regarding directors and employees of the Group

Directors' emoluments

	2016 £	2015 £
Directors' remuneration	243,784	242,126
	<u>243,784</u>	<u>242,126</u>

The emoluments of the highest paid director were £243,784 (2015: £242,126). No directors were members of a pension scheme to which the Group contributed in the current year (2015: no directors). There are no share option schemes in the Group.

	2016 £	2015 £
Staff costs during the year (including directors)		
Wages and salaries	2,650,021	2,716,757
Social security costs	277,239	265,282
Pension costs	63,627	52,229
	<u>2,990,887</u>	<u>3,034,268</u>
Average staff numbers during the year (including directors)	68	58

5. Operating costs

	2016 £	2015 £
Raw materials and consumables	11,127,382	1,738,695
Other external charges	948,167	795,917
Staff costs	2,990,887	3,034,268
Depreciation	1,388,811	1,221,368
Impairment of tangible fixed assets	1,815,789	-
Amortisation of goodwill	244,868	306,215
Other operating charges	2,108,411	2,307,679
Total operating costs	<u>20,624,315</u>	<u>9,404,142</u>

6. (Loss)/Profit on disposal of operations

The profit on disposal of operations of £1,951,976 in 2015 related to the disposal of the media division in August 2015. However, the business to which the media division was sold entered into administration in May 2016 and still owed the Group significant amounts relating largely to unpaid deferred consideration for the sale of the media division. These unpaid amounts gave rise to the loss on disposal figure £1,022,380 during the current year.

Amshold Trading Limited

Notes to the financial statements For the year ended 30 September 2016

7. Interest receivable and similar income

Interest receivable and similar income can be split as follows:

	2016 £	2015 £
Interest receivable on finance leases	472,935	-
Bank and other interest	361	8,097
	<u>473,296</u>	<u>8,097</u>

8. Interest payable and similar charges

Interest payable and similar charges can be split as follows:

	2016 £	2015 £
Related party loans and overdrafts	98,136	42,700
Exchange losses on foreign currency balances	1,573	11,272
	<u>99,709</u>	<u>53,972</u>

9. Loss on ordinary activities before taxation is stated after charging:

	2016 £	2015 £
Fees payable to the Company's auditor for		
Audit of the Company's accounts	14,000	15,000
Audit of the Company's subsidiaries	24,000	18,000
Depreciation	1,388,811	1,221,368
Impairment of tangible fixed assets	1,815,789	-
Loss/(Profit) on sale of operations	1,022,380	(1,951,976)
Hire of plant and machinery	33,935	17,712
Operating lease payments		
Land and buildings	237,115	201,671
Other	31,210	29,239
Amortisation of goodwill	244,868	306,215
Research and development	216,355	534,398
Foreign exchange losses	1,573	11,272
Cost of stock recognised as an expense	<u>11,127,382</u>	<u>1,738,695</u>

Other than audit fee, there were no other services paid to the Company's auditor (2015: nil).

The impairment of tangible fixed assets arose as a result of the Group appraising its aircraft at the balance sheet date. A valuation of £12,000,000 is considered appropriate.

Amshold Trading Limited

Notes to the financial statements For the year ended 30 September 2016

10. Tax credit/(charge) on loss on ordinary activities

(i) Analysis of tax credit/(charge) on loss on ordinary activities

	2016 £	2015 £
United Kingdom corporation tax at 20% (2015: 20.50%) based on the loss for the year	(95,212)	(61,768)
Total current tax charge	(95,212)	(61,768)
Effects of decrease in tax rates on opening liability	51,312	4,365
Origination and reversal of timing differences	236,146	(179,425)
Total deferred tax credit/(charge)	287,458	(175,060)
Total tax credit/(charge) on loss on ordinary activities	192,246	(236,828)

(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% (2015: 20.50%). 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:

	2016 £	2015 £
Loss on ordinary activities before taxation	(188,872)	(3,605)
Tax credit at 20% (2015: 20.50%):	37,774	739
Factors affecting credit/(charge):		
Expenses not deductible for tax purposes	(337)	(52,616)
R&D tax credits	244,872	50,788
Unprovided deferred tax movements	(134,373)	(240,121)
Effects of decrease in tax rates on opening liability	51,312	4,365
Roundings	(2)	15
Utilisation of tax losses	-	2
Total current tax credit/(charge) for year	192,246	(236,828)

The Finance Act 2016, which was substantively enacted in September 2016, included provisions to reduce the rate of corporation tax to 17% from 1 April 2020. As the Act was enacted by the balance sheet date, deferred tax balances have been revalued to this lower rate in these accounts.

Amshold Trading Limited

Notes to the financial statements For the year ended 30 September 2016

11. Tangible fixed assets

Group

	Fixtures, fittings and equipment £	Plant and machinery £	Aircraft £	Leasehold improvem- ents £	Computer equipment and screens £	Total £
Cost						
At 1 October 2015	85,649	191,895	15,789,474	92,299	2,423,343	18,582,660
Additions	5,706	85,690	-	-	44,957	136,353
Disposal	-	-	-	-	(398,265)	(398,265)
At 30 September 2016	91,355	277,585	15,789,474	92,299	2,070,035	18,320,748
Accumulated depreciation						
At 1 October 2015	67,079	13,812	1,184,211	3,077	1,395,096	2,663,275
Charge for the year	5,200	88,745	789,474	18,460	486,932	1,388,811
Impairment (note 9)	-	-	1,815,789	-	-	1,815,789
Disposal	-	-	-	-	(398,265)	(398,265)
At 30 September 2016	72,279	102,557	3,789,474	21,537	1,483,763	5,469,610
Net book value						
At 30 September 2016	19,076	175,028	12,000,000	70,762	586,272	12,851,138
At 30 September 2015	18,570	178,083	14,605,263	89,222	1,028,247	15,919,385

The Group has entered into non-cancellable contractual commitments in respect of property, plant and equipment of £360,179 (2015: £616,690).

The Group has granted a mortgage in favour of Amshold Group Limited over the aircraft owned by the Group. The loan bears interest of 0.5% and is repayable on 30 June 2019.

Amshold Trading Limited

Notes to the financial statements For the year ended 30 September 2016

12. Fixed assets investments

Company

	At 30 Sep 2016
	£
Investment in Amscreen PLC	8,960,768
Investment in Amstar Media Limited	1
Investment in subsidiaries	8,960,769

The subsidiary investments at 30 September 2016 comprise an 82.74 % shareholding in Amscreen PLC, a 100% shareholding in Amstar Media Limited and a 100% investment in Amsair Aircraft Limited.

Amsair Aircraft Limited and Amstar Media Limited, 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.

The Company's principal subsidiary undertakings are Amscreen PLC, Amscreen Group Limited, Amsair Aircraft Limited and Amstar Media Limited which all operate in the United Kingdom. Amscreen PLC and Amscreen Group Limited engage in digital signage. Amsair Aircraft Limited is engaged in the business of chartering aircraft. Amstar Media Limited earns royalties and appearance fees from the media industry.

Amscreen Group Limited owns 100% of the share capital of Amscreen Europe GmbH, a company registered in Germany. This company did not trade during the year to 30 September 2016.

13. Goodwill

On 25 July 2008 the Company acquired a 60% interest in Amscreen PLC. As a result of the acquisition, goodwill of £3,296,976 was generated. This was being amortised over twenty years from 25 July 2008 up to the transition date of 1 October 2013. As a result of adopting FRS102, the remaining goodwill is being amortised over 5 years from the transition date.

Group	Cost £	Amortisation £	Net book value £
At 30 September 2015	1,648,488	(913,884)	734,604
Amortisation during the year	-	(244,868)	(244,868)
At 30 September 2016	1,648,488	(1,158,752)	489,736

Amshold Trading Limited

Notes to the financial statements For the year ended 30 September 2016

14. Stocks

	Group	
	2016	2015
	£	£
Raw materials	1,826,081	1,963,020
Finished goods and goods for resale	476,800	293,310
	<u>2,302,881</u>	<u>2,256,330</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

15. Debtors

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	951,831	1,141,299	-	-
Other debtors	53	848,941	-	-
Finance lease rental receivable	13,840,364	-	-	-
Amounts owed by group companies	-	-	12,973,890	3,591,106
Other taxation	272,070	120,548	-	2,000
Corporation tax	18,020	53,232	-	-
Prepayments and accrued income	456,155	644,179	-	44,493
	<u>15,538,493</u>	<u>2,808,199</u>	<u>12,973,890</u>	<u>3,637,599</u>

Group

Prepayments includes a rent deposit of £nil (2015: £78,144) and other debtors include deferred and contingent consideration of £nil (2015: £364,608) which is repayable in more than one year. All other amounts fall due within one year, except for the finance lease rental receivable which falls due as follows:

	2016		2015	
	Present value of minimum lease payments	Gross investment in leases	Present value of minimum lease payments	Gross investment in leases
	£	£	£	£
Within one year	2,266,476	3,256,380	-	-
Between one and five years	10,859,252	12,854,832	-	-
After five years	714,636	734,151	-	-
	<u>13,840,364</u>	<u>16,845,363</u>	<u>-</u>	<u>-</u>

The difference between the gross investment and present value of minimum lease payments relates to the interest income due to accrue on the balance. There was no unearned finance income or unguaranteed residual values accruing to the benefit of the company at 30 September 2016 (2015: same).

Company

Amounts owed by group companies includes £12,750,000 (2015: £1,750,000) representing a loan to Amscreen Group Limited a subsidiary undertaking repayable in more than one year. The loan bears interest of 8% per annum and is repayable on 30 September 2018.

Amshold Trading Limited

Notes to the financial statements For the year ended 30 September 2016

16. Creditors

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	1,606,947	815,719	-	-
Amounts owed to other group companies	-	-	657,269	752,159
Other creditors	22,333,296	13,251,061	10,431,860	-
Overdraft	107,166	-	-	-
Other taxes and social security costs	84,754	115,923	-	-
Accruals	212,382	121,007	15,000	14,999
Deferred income	1,024,747	1,454,530	-	-
	<u>25,369,292</u>	<u>15,758,240</u>	<u>11,104,129</u>	<u>767,158</u>

Group

At 30 September 2016 the Group owed £22,319,482 (2015: £13,125,176) to Amshold Group Limited, a company controlled by Lord Sugar, repayable in more than one year and included in other creditors. As security for the majority of this loan, the Group has granted a mortgage in favour of Amshold Group Limited over the aircraft owned by the Group. The loan bears interest of 0.5% and is repayable on 30 June 2019.

Company

At 30 September 2016 the Company owed £10,431,860 (2015: £752,159) to Amshold Group Limited, a company controlled by Lord Sugar, repayable in more than one year. The loan bears interest of 0.5% and is repayable on 30 June 2019.

17. Deferred tax asset

A deferred tax asset has not been recognised due to the uncertainty of the timing of some assets being utilised. The unrecognised deferred tax asset is made up as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Excess of depreciation over tax allowances	212,393	222,225	-	-
Tax losses	827,860	1,234,038	-	-
Other timing differences	54,303	2,059	-	-
Deferred tax asset	<u>1,094,556</u>	<u>1,458,322</u>	<u>-</u>	<u>-</u>

Amshold Trading Limited

Notes to the financial statements For the year ended 30 September 2016

18. Provisions for liabilities

	Group Deferred tax	
	2016	2015
	£	£
At 1 October	578,224	403,164
Credit/(Charged) to the profit and loss in the year	(287,458)	175,060
At 30 September	<u>290,766</u>	<u>578,224</u>
Analysis of deferred tax provision:		
	2016	2015
	£	£
Fixed asset timing differences	<u>290,766</u>	<u>578,224</u>

19. Called up share capital

	Ordinary shares of £1 each	
	Number	£
At 30 September 2015 and 30 September 2016		
Called up, allotted and fully paid	<u>5,991,886</u>	<u>5,991,886</u>

20. Profit for the financial year

As permitted by Section 408 of the Companies Act 2006, the profit and loss of the parent company is not presented as part of these financial statements. The loss after tax for the year ended 30 September 2016 accounted for in the books of the parent company was £1,000,000 (2015: profit after tax of £1,067,463).

Amshold Trading Limited

Notes to the financial statements For the year ended 30 September 2016

21. Financial instruments

The carrying values of the Group financial assets and liabilities are summarised by category below:

	Group	
	2016	2015
	£	£
Financial assets		
Measured at undiscounted amount receivable		
Trade and other debtors (note 15)	951,884	1,990,240
Measured at amortised cost		
Finance lease rental receivable (note 15)	13,840,364	-
At 30 September	<u>14,792,248</u>	<u>1,990,240</u>
Financial liabilities		
Measured at undiscounted amounts payable		
Trade and other creditors (note 16)	23,940,243	14,066,780
Overdraft (note 16)	107,166	-
At 30 September	<u>24,047,409</u>	<u>15,758,240</u>

22. Notes to the consolidated cash flow statement

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

	2016	2015
	£	£
Group operating profit/(loss)	459,921	(1,909,706)
Amortisation of goodwill	244,868	306,215
Depreciation charge	1,388,811	1,221,368
Impairment of tangible fixed assets	1,815,789	-
Interest paid and similar charges	(98,136)	(42,700)
Operating cash flow before movement in working capital	<u>3,811,253</u>	<u>(424,823)</u>
Increase in stocks	(46,551)	(725,513)
Increase in debtors	(13,787,885)	(299,483)
Increase in creditors	9,611,053	1,066,191
Corporation tax paid	(60,000)	(92,329)
Net cash outflow from operating activities	<u>(472,130)</u>	<u>(475,957)</u>

Amshold Trading Limited

Notes to the financial statements For the year ended 30 September 2016

23. Leasing commitments

At 30 September 2016 the Group has total future minimum lease payments under non-cancellable operating leases as follows:

	2016		2015	
	Land and buildings £	Other £	Land and buildings £	Other £
Within one year	182,232	38,440	243,962	37,220
In the second to fifth years	66,440	73,068	248,964	86,544
	<u>248,672</u>	<u>111,508</u>	<u>492,926</u>	<u>123,764</u>

24. Related party transactions

At 30 September 2016 the Group owed £22,319,482 (2015: £13,125,176) at commercial rates of interest to Amshold Group Limited, a company ultimately controlled by Lord Sugar.

During the year the Group charged Amshold Group Limited £482,467 (2015: £545,509) for travel services and incurred management charges from Amshold Group Limited of £460,000 (2015: £360,000).

The directors consider there are no other key management personnel other than themselves. Details of directors' emoluments are disclosed in note 4.

25. Controlling party

The Company is wholly owned by Lord Sugar.