

Company Registration No. 11880961

Amshold Limited

**Annual report and financial statements
for the year ended
30 June 2021**



Amshold Limited

Annual Report and financial statements for the year ended 30 June 2021

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Amshold Limited

Annual Report and financial statements for the year ended 30 June 2021

Officers and professional advisers

Directors

Lord Alan M Sugar
Lady Ann Sugar (resigned 21 May 2021)
Daniel P Sugar
Simon Sugar
Michael E Ray
Roger G Adams (resigned 31 December 2020)

Company secretary

Michael E Ray

Registered office

Amshold House
Goldings Hill
Loughton
Essex
United Kingdom
IG10 2RW

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 2021.

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

Business review

In the year to 30 June 2021 the Group continued to look for property investment opportunities. The market for quality London freehold investment property remains extremely competitive with limited opportunities that meet our investment criteria. The Group took the opportunity to sell some investments during the year. During Covid, rent collections from some tenants have been challenging and with yields remaining low, it was felt that this was a good time to realise some profits. During the year, the Group sold 8 properties for a combined value of £159.9m. The original purchase price of the properties was £107.6m.

After the year end revaluations there was a net revaluation loss of £3.7m (2020: £14.6m) bringing the revaluation surplus down to £94.2m.

Operating profit for the year prior to revaluations and disposals was £39.8m (2020: £15.0m) an increase 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 £108.6m. This reduction was principally due to the dividends payment of £390m in the year, excluding the dividend, net assets increased by £30.4m.

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 & 2021 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. 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 evolves, 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.

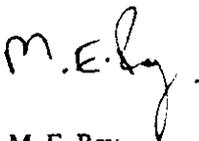
Future developments and subsequent events

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.

Sine June 2021, the Group has sold 2 of its investment properties which are detailed in note 28

Approved by the Board and signed on its behalf by:



M. E. Ray

Director

8 November 2021

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 2021.

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

Dividends

The Company distributed £390,000,000 of dividends in the year (2020: £nil), 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.

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 will 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.

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 1 July 2020 to the end of the financial year and up to the signing of the financial statements 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 (2020: nil).

Amshold 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 Group and Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Group and 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 auditor.

Approved by the Board and signed on its behalf by:



M. E. Ray

Director

8 November 2021

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 FRS 102 "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 2021 and of the group's profit 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Amshold Limited

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Group's industry and its control environment, and reviewed the Group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the Group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act 2006 and UK tax legislation.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included health and safety regulations, general data protection regulation and the Landlord and Tenant Act.

Amshold Limited

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

We discussed among the audit engagement team and the Real Estate Specialist regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

Our significant risk in respect of fraud has been pinpointed to the valuation of investment properties at the year end. The process for valuing the properties is internal, therefore the risk has been pinpointed to the key assumptions used when determining the valuations.

- We obtained and documented an understanding of relevant controls in the valuation process and in particular the information provided to the valuers; and
- We have challenged the key assumptions used by the valuation team, including those in respect of yields, discounts and expected rental values. In doing so, we have sort to benchmark against relative comparatives, evaluated contradictory evidence and obtained documentation and understanding in respect of key properties.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with and reviewing correspondence with HMRC.

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.

Amshold Limited

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

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.



Andy Siddorns FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
8 November 2021

Amshold Limited

Consolidated profit and loss account For the year ended 30 June 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|---|-------|----------------------|-----------------------|
| Group turnover | 2 | 79,130 | 21,447 |
| Operating costs | 4 | <u>(39,311)</u> | <u>(6,412)</u> |
| Group operating profit before fair value movement on investment property and profit on disposal of investment property | | 39,819 | 15,035 |
| Fair value movement on investment property | 12 | (3,702) | (14,555) |
| Profit on disposal of investment properties | 12 | 11,254 | 1,762 |
| Total group operating profit | | <u>47,371</u> | <u>2,242</u> |
| Interest receivable and similar income | 5 | 166 | 450 |
| Interest payable and other similar charges | 6 | <u>(315)</u> | <u>(4)</u> |
| Profit before taxation | 7 | 47,222 | 2,688 |
| Tax charge on profit | 8 | <u>(15,719)</u> | <u>(3,806)</u> |
| Profit/(Loss) for the financial year | | <u><u>31,503</u></u> | <u><u>(1,118)</u></u> |

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

Amshold Limited

Consolidated balance sheet As at 30 June 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|--|-------|----------------|----------------|
| Fixed assets | | | |
| Intangible fixed assets: | | | |
| Negative goodwill | 11 | (2,533) | (5,307) |
| Tangible fixed assets: | | | |
| Investment properties | 12 | 270,619 | 383,005 |
| Other tangible fixed assets | 13 | 9,650 | 10,526 |
| | | <u>280,269</u> | <u>393,531</u> |
| Current assets | | | |
| Properties held for resale | 16 | 5,975 | 41,699 |
| Debtors | 17 | 4,987 | 6,709 |
| Cash at bank and in hand | 18 | 8,380 | 74,934 |
| | | <u>19,342</u> | <u>123,342</u> |
| Creditors: amounts falling due within one year | 19 | (11,094) | (12,886) |
| Net current assets | | <u>8,248</u> | <u>110,456</u> |
| Total assets less current liabilities | | <u>285,984</u> | <u>498,680</u> |
| Creditors: amounts falling due after more than one year | 19 | (143,994) | - |
| Provisions for liabilities | 20 | (33,429) | (31,622) |
| Net assets | | <u>108,561</u> | <u>467,058</u> |
| Capital and reserves | | | |
| Called up share capital | 21 | 4,700 | 4,700 |
| Profit and loss account | 22 | 25,122 | 345,659 |
| Revaluation reserve | | 78,476 | 116,699 |
| Shareholders' funds | | <u>108,561</u> | <u>467,058</u> |

The Group financial statements of Amshold Limited, registered number 11880961, were approved by the board of directors and authorised for issue on 8 November 2021. They were signed on its behalf by:


M. E. Ray
Director

Amshold Limited

Company balance sheet As at 30 June 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|--|-------|----------------|----------------|
| Fixed assets | | | |
| Investments | 14 | 122,732 | 470,000 |
| | | <u>122,732</u> | <u>470,000</u> |
| Current assets | | | |
| Debtors | 17 | 65,944 | - |
| | | <u>65,944</u> | <u>-</u> |
| Creditors: amounts falling due within one year | 19 | (116) | - |
| Net current assets | | <u>65,828</u> | <u>-</u> |
| Total assets less current liabilities | | <u>188,560</u> | <u>470,000</u> |
| Creditors: amounts falling due after more than one year | 19 | (80,000) | - |
| Net assets | | <u>108,560</u> | <u>470,000</u> |
| Capital and reserves | | | |
| Called up share capital | 21 | 4,700 | 4,700 |
| Profit and loss account | | 103,860 | 465,300 |
| Shareholders' funds | | <u>108,560</u> | <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 £28,560,000 (2020 £nil).

The Company financial statements of Amshold Limited, registered number 11880961, were approved by the board of directors and authorised for issue on 8 November 2021. 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 2021

| | Note | Called up share capital £'000 | Revaluation reserve £'000 | Profit and loss account £'000 | Total £'000 |
|-----------------------------|------|--|---------------------------------|--|----------------|
| As at 1 July 2019 | | 35,523 | 137,951 | 294,702 | 468,176 |
| Total comprehensive expense | | - | - | (1,118) | (1,118) |
| Group restructure - merger | | (30,823) | - | 30,823 | - |
| Transfer between reserves | | - | (21,252) | 21,252 | - |
| As at 30 June 2020 | | 4,700 | 116,699 | 345,659 | 467,058 |
| Total comprehensive income | | - | - | 31,503 | 31,503 |
| Dividends | 10 | - | - | (390,000) | (390,000) |
| Transfer between reserves | | - | (37,961) | 37,961 | - |
| As at 30 June 2021 | | 4,700 | 78,738 | 25,123 | 108,561 |

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 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 2021

| | | Called up share capital £'000 | Profit and loss account £'000 | Total £'000 |
|----------------------------|----|--|--|----------------|
| Issued on incorporation | | - | - | - |
| Issued in the year | | 545,000 | - | 545,000 |
| Distribution in specie | | - | (75,000) | (75,000) |
| Capital Reduction | | (540,300) | 540,300 | - |
| As at 30 June 2020 | | 4,700 | 465,300 | 470,000 |
| Total comprehensive income | | - | 28,560 | 28,560 |
| Dividends | 10 | - | (390,000) | (390,000) |
| As at 30 June 2021 | | 4,700 | 103,860 | 108,560 |

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 8 April 2019 the Company reduced the share capital by £75m and moved this to distributable reserves. The Company then transferred Amsprop REAT Limited, which held £75m of trading assets to Amsprop Property Company Limited in exchange for an issue of 75,000,000 new non-redeemable ordinary shares by Amsprop Property Company 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 2021

| | Notes | 2021 £'000 | 2020 £'000 |
|---|-------|---------------------|----------------------|
| Net cash inflow from operating activities | 24 | 59,409 | 8,708 |
| Cash flows from investing activities | | | |
| Interest received and similar income | | 182 | 427 |
| Payments to acquire tangible fixed assets | | (3) | (782) |
| Payments to develop and acquire investment properties | | (5) | (10,340) |
| Proceeds from sale of investment properties | | 119,945 | 11,377 |
| Sale of tangible fixed assets | | - | 508 |
| Net cash inflow from investing activities | | <u>120,119</u> | <u>1,190</u> |
| Cash flows from financing activities | | | |
| Dividends paid | | (247,000) | - |
| Loan notes repaid | | (63,000) | - |
| Loan received from associated companies | | 63,994 | - |
| Net cash outflow from financing activities | | <u>(246,006)</u> | <u>-</u> |
| Net (decrease)/increase in cash and cash equivalents | | <u>(66,478)</u> | <u>9,898</u> |
| Cash and cash equivalents at beginning of year | | 74,934 | 64,998 |
| Effect of foreign exchange rate changes | | (76) | 38 |
| Cash and cash equivalents at end of year | | <u><u>8,380</u></u> | <u><u>74,934</u></u> |

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 2021

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 2021, 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.

Consolidation

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

Amshold Limited

Notes to the financial statements (continued) For the year ended 30 June 2021

1. Accounting policies (continued)

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 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 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

Properties held for resale

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

Operating leases

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 (engine) 20 years (frame) |
| 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.

Amshold Limited

Notes to the financial statements (continued) For the year ended 30 June 2021

1. Accounting policies (continued)

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.

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.

Amshold Limited

Notes to the financial statements (continued) For the year ended 30 June 2021

1. Accounting policies (continued)

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

There were no critical judgements made during the financial year to June 2021

Key sources of estimation uncertainty

The directors consider the key source of estimation uncertainty to relate to the carrying value of the Group'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 Group'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 30 June 2021, as detailed in note 12 and valued at £271m (2020: £383m), is in line with the RICS guidance to valuers and reflects the on going difficulty in determining asset values 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.

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:

| Turnover | 2021 £'000 | 2020 £'000 |
|----------------------------------|---------------|---------------|
| Rent | 16,526 | 19,828 |
| Sale of property held for resale | 61,127 | - |
| Other income | 1,477 | 1,619 |
| | <u>79,130</u> | <u>21,447</u> |

Other than where the Group sold properties in USA £17,877,000 (2020: £nil), all turnover arose predominantly in the United Kingdom.

Amshold Limited

Notes to the financial statements (continued) For the year ended 30 June 2021

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

Directors' emoluments

| | 2021 £'000 | 2020 £'000 |
|------------------------|---------------|---------------|
| Directors remuneration | 1,109 | 1,352 |
| Pensions contribution | 20 | 40 |
| | <u>1,129</u> | <u>1,392</u> |

The emoluments of the highest paid director were £502,418 (2020: £651,727). One director was a member of a defined contribution pension scheme to which the Group contributed in the current year (2020: one director). There are no share option schemes in the Group.

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Staff costs during the year (including directors) | | |
| Wages and salaries | 2,209 | 2,317 |
| Social security costs | 272 | 275 |
| Pension costs | 109 | 134 |
| | <u>2,590</u> | <u>2,726</u> |

| | 2021 No | 2020 No |
|--|------------|------------|
| Average staff numbers during the year | | |
| Directors | 5 | 5 |
| Administrative staff | 21 | 19 |
| | <u>26</u> | <u>24</u> |

Employment contracts held by the company only were nil (2020: nil)

4. Operating costs/(credits)

| | 2021 £'000 | 2020 £'000 |
|--------------------------------|---------------|---------------|
| Cost of property sales | 36,337 | - |
| Staff costs | 2,590 | 2,726 |
| Depreciation | 880 | 890 |
| Profit on sale of fixed assets | - | (264) |
| Amortisation of goodwill | (2,774) | - |
| Other operating charges | 2,278 | 3,060 |
| Total operating costs | <u>39,311</u> | <u>6,412</u> |

Amshold Limited

Notes to the financial statements (continued) For the year ended 30 June 2021

5. Interest receivable and similar income

Interest receivable and similar income can be split as follows:

| | 2021 | 2020 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Bank and other interest | 166 | 412 |
| Exchange gains on foreign currency balances | - | 38 |
| | <u>166</u> | <u>450</u> |

6. Interest payable and similar charges

Interest payable and similar charges can be split as follows:

| | 2021 | 2020 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Bank loans, other interest and overdrafts | 239 | 4 |
| Exchange losses on foreign currency balances | 76 | - |
| | <u>315</u> | <u>4</u> |

7. Profit is after charging

| | 2021 | 2020 |
|--|---------------|--------------|
| | £'000 | £'000 |
| Fees payable to the Company's auditor for Audit of the Company's financial statements | 75 | 71 |
| Depreciation | 880 | 890 |
| Profit on disposal of investment properties | <u>11,254</u> | <u>1,762</u> |

To the year to June 2021 (2020 £nil), there were no non-audit fees paid to the auditors of these accounts.

Amshold Limited

Notes to the financial statements (continued) For the year ended 30 June 2021

8. Tax charge on profit

(i) Analysis of tax charge on profit

| | 2021 £'000 | 2020 £'000 |
|---|----------------------|---------------------|
| Current tax | | |
| UK corporation tax on profit | 12,696 | 4,213 |
| Adjustments in respect of prior years | - | (48) |
| Overseas tax | 1,216 | - |
| Total current tax charge | <u>13,912</u> | <u>4,165</u> |
| Deferred tax | | |
| Capital allowances in excess of depreciation | 85 | 158 |
| Loss on fair value movement of investment property | - | (4,295) |
| Effects of indexation | (5,644) | 16 |
| Effects of increase in tax rates on opening liability | 7,366 | 3,762 |
| Total deferred tax credit | <u>1,807</u> | <u>(359)</u> |
| Total tax charge on profit | <u><u>15,719</u></u> | <u><u>3,806</u></u> |

(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% (2020: 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:

| | 2021 £'000 | 2020 £'000 |
|---|----------------------|---------------------|
| Profit before taxation | 47,223 | 2,688 |
| Tax charge at 19% (2020: 19%): | 8,972 | 511 |
| Factors affecting charge: | | |
| Non taxable income/expenses not deductible for tax purposes | (658) | 69 |
| Adjustment in respect of prior years | - | (48) |
| Overseas tax higher rate | 322 | - |
| Effects of indexation | (129) | (370) |
| Effects of changes in tax rates | 7,212 | 3,762 |
| Other timing differences | - | (122) |
| Unutilisation tax losses | - | 4 |
| Total tax charge for year | <u><u>15,719</u></u> | <u><u>3,806</u></u> |

Announcements in the March 2020 budget which was substantively enacted on 17 March 2020 and subsequently enacted through Finance Act 2020 included provisions to increase the UK Corporation tax rate to 19% from 1 April 2020 and accordingly the deferred tax at 30 June 2020 was calculated at this rate.

Finance Act 2021 which was Substantively Enacted on 24 May 2021 included provisions to increase the rate further to 25% effective from 1 April 2023. In valuing the deferred tax balances at the year-end a combination of 19% and 25% have been used based on the expected periods of reversals.

Amshold Limited

Notes to the financial statements (continued) For the year ended 30 June 2021

9. Loss 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 loss before tax for the year accounted for in the books of the parent company was £4,848,000 (2020: £nil).

10. Dividends on equity shares

The Company distributed £390,000,000 of dividends in the year (2020: £nil), which equated to 83p (2020: 0p) per share.

11. Intangible fixed assets

| | Group Negative Goodwill £'000 |
|---------------------------------|--|
| Cost: | |
| At 1 July 2020 | (13,038) |
| Additions | - |
| At 30 June 2021 | <u>(13,038)</u> |
| Accumulated amortisation | |
| At 1 July 2020 | 7,731 |
| Amortisation during the year | 2,774 |
| At 30 June 2021 | <u>10,505</u> |
| Net book value | |
| At 30 June 2021 | <u>(2,533)</u> |
| At 30 June 2020 | <u>(5,307)</u> |

Negative goodwill arising on acquisition is credited to the balance sheet and released through the profit and loss account as the underlying assets are realised.

Amshold Limited

Notes to the financial statements (continued) For the year ended 30 June 2021

12. Investment properties

| | Group Land & Buildings Investment Property £'000 |
|------------------------------------|---|
| At valuation: | |
| At 1 July 2020 | 383,005 |
| Additions | 6 |
| Disposals | (108,690) |
| Deficit on revaluation in the year | (3,702) |
| | <hr/> |
| At 30 June 2021 | 270,619 |
| | <hr/> |
| Representing properties at cost | 176,439 |
| Plus net valuation surplus | 94,180 |
| | <hr/> |
| | 270,619 |
| | <hr/> |

Since the EU Referendum held on 23 June 2016 and leaving on 31 Decemeber 2020, 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 sold 3 investment properties that had a cost value of £71,846,000 and a brought forward valuation of £108,690,000. They were sold for a combined £120,771,000, with selling costs of £827,000, bringing a profit on disposal of investment property of £11,254,000 in the year.

Investment properties were revalued to fair value at 30 June 2021 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 COVID-19 pandemic and measures to tackle it continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are mostly functioning, with transaction volumes and other relevant evidence at levels where enough market evidence exists upon which to base opinions of value. Accordingly - and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation - Global Standards.

This explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the valuation date.

Amshold Limited

Notes to the financial statements (continued) For the year ended 30 June 2021

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 2021 was £176,438,863 (2020: £248,269,960).

The investment properties were valued at £270,618,621 as at 30 June 2021 (2020: £383,005,440). The valuation split as, freehold £246,468,621 and leasehold £23,800,000. The revaluation surplus at 30 June 2021 was £94,179,758 (2020: £134,735,480).

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 2020 | 9,213 | 2,368 | 16 | 106 | 694 | 12,397 |
| Additions | - | - | - | - | 3 | 3 |
| Disposal | - | - | - | - | - | - |
| At 30 June 2021 | 9,213 | 2,368 | 16 | 106 | 697 | 12,400 |
| Accumulated depreciation | | | | | | |
| At 1 July 2020 | 1,078 | - | 15 | 99 | 678 | 1,870 |
| Charge for the year | 866 | - | - | 7 | 7 | 880 |
| Disposal | - | - | - | - | - | - |
| At 30 June 2021 | 1,944 | - | 15 | 106 | 685 | 2,750 |
| Net book value | | | | | | |
| At 30 June 2021 | 7,269 | 2,368 | 1 | - | 12 | 9,650 |
| At 30 June 2020 | 8,135 | 2,368 | 1 | 6 | 16 | 10,526 |

14. Investments held as fixed assets

| Company | Investment £'000 |
|-----------------------|---------------------|
| At July 2020 | 470,000 |
| Investment write down | (434,477) |
| At 30 June 2021 | 35,523 |

Amshold Limited

Notes to the financial statements (continued) For the year ended 30 June 2021

14. Investments held as fixed assets (continued)

During the year, the Company wrote down its investments in its subsidiaries by £278,780,000 leaving its Investments held as fixed assets of £122,732,000 (2020: £470,000,000) 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 |
| Amsprop Dover Limited | United Kingdom | Property investment | 12650496 | 100 |
| Amsprop Soho Limited | United Kingdom | Dormant | 12652543 | 100 |
| Amsprop Devonshire Limited | United Kingdom | Property trading | 10197316 | 100 |

The Company's only direct shareholdings at 30 June 2021 was Amshold Group Limited.

Other than ACL (1997) Limited, which is 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.

Amshold Limited

Notes to the financial statements (continued) For the year ended 30 June 2021

16. Properties held for resale

| | Group | |
|----------------------------|-------|--------|
| | 2021 | 2020 |
| | £'000 | £'000 |
| Properties held for resale | 5,975 | 41,699 |

The difference between the balance sheet value of properties held for resale and their net realisable value at 30 June 2021 is £1,043,787 (2020: £12,451,978). The net realisable value is higher than carrying value.

17. Debtors

| | Company | | Group | |
|--|---------------|----------|--------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £'000 | £'000 | £'000 | £'000 |
| Trade debtors | - | - | 1,930 | 4,015 |
| Other debtors | - | - | 910 | 66 |
| Amounts due from subsidiary undertakings | 65,943 | - | - | - |
| Prepayments | - | - | 100 | 102 |
| Accrued income | - | - | 2,047 | 2,526 |
| | <u>65,943</u> | <u>-</u> | <u>4,987</u> | <u>6,709</u> |

The subsidiary undertaking balance has no repayment terms, is unsecured and bears no interest.

Other debtors for the Group of £860,000 represented a loan to Amsvest Limited and is repayable on demand, unsecured and bears no interest. Amsvest Limited is ultimately controlled by Lord Sugar.

18. Cash at bank and in hand

| | Company | | Group | |
|--------------------------|----------|----------|--------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| | £'000 | £'000 | £'000 | £'000 |
| Cash at bank and in hand | - | - | 7,280 | 72,776 |
| Tenant deposits | - | - | 1,100 | 2,158 |
| | <u>-</u> | <u>-</u> | <u>8,380</u> | <u>74,934</u> |

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 2021

19. Creditors:

(a) amounts falling due within one year

| | Company | | Group | |
|---------------------------------------|---------------|---------------|---------------|---------------|
| | 2021 £'000 | 2020 £'000 | 2021 £'000 | 2020 £'000 |
| Trade creditors | - | - | 251 | 186 |
| Corporation tax | - | - | 3,425 | 2,221 |
| Other taxes and social security costs | - | - | 157 | 1,727 |
| Other creditors | 116 | - | 2,849 | 2,322 |
| Accruals | - | - | 775 | 1,065 |
| Deferred income | - | - | 3,794 | 5,365 |
| | <u>116</u> | <u>-</u> | <u>11,251</u> | <u>12,886</u> |

Within the Group other creditors are outstanding director loans of £1.5m, which are unsecured, bear no interest and is repayable on demand.

(b) amounts falling due after more than five years

| | Company | | Group | |
|-------------------------------------|---------------|---------------|----------------|---------------|
| | 2021 £'000 | 2020 £'000 | 2021 £'000 | 2020 £'000 |
| Loan notes – unsecured 2071 | 80,000 | - | 80,000 | - |
| Amounts due to associated companies | - | - | 63,994 | - |
| | <u>80,000</u> | <u>-</u> | <u>143,994</u> | <u>-</u> |

The loan notes are unsecured variable loan notes redeemable on 30 April 2071. The rate of interest payable on the loan notes is 0.5% above 3 month LIBOR or equivalent, such rate being fixed annually on 1 May. Loan notes can only be redeemed early with the agreement of the Company.

The total amount of loan notes issued in the year were £143m, with £63m being redeemed before June 2021.

The amount due to the associate company is repayable on 30 September 2071 or by receiving one years notice from the lender. Interest is payable on the loan at 0.5% above LIBOR or equivalent on 31 March each year, paid quarterly and is unsecured.

20. Provisions for liabilities

Deferred tax can be split as follows as follows:

| | Deferred tax | |
|--|-----------------|-----------------|
| | 2021 £'000 | 2020 £'000 |
| At 1 July | (31,622) | (31,981) |
| Credit to the profit and loss account - current year | (1,807) | 359 |
| At 30 June | <u>(33,429)</u> | <u>(31,622)</u> |

Amshold Limited

Notes to the financial statements (continued) For the year ended 30 June 2021

20. Provisions for liabilities (continued)

Analysis of deferred tax provision:

| | 2021 £'000 | 2020 £'000 |
|---|-----------------|-----------------|
| Capital allowances that are less than depreciation | (5,889) | (4,394) |
| Timing differences | 95 | 75 |
| Potential gain on fixed asset investment | (12,194) | (9,267) |
| Deferred tax on retained surplus on revaluation of property | (15,441) | (18,036) |
| | <u>(33,429)</u> | <u>(31,622)</u> |

21. Called up share capital

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Called up, allotted and fully paid: | | |
| 235,000,000 A shares of 1p each | 2,350 | 2,350 |
| 235,000,002 B shares of 1p each | 2,350 | 2,350 |
| | <u>4,700</u> | <u>4,700</u> |

The A shares and B shares rank pari passu and both carry voting rights in the Company.

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.

The revaluation reserve is calculated on the investment valuation gain on cost less deferred tax calculation on the surplus/deficit.

23. Operating lease income

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

| | 2021 £'000 | 2020 £'000 |
|---|----------------|----------------|
| Receivable in not later than one year | 11,583 | 19,079 |
| Receivable in later than one year but not later than five years | 37,039 | 58,544 |
| Receivable in later than five years | 92,945 | 108,176 |
| | <u>141,567</u> | <u>185,799</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, £1,882,203 (2020: £2,310,560) of rental income was recognised based on a contingent basis.

Amshold Limited

Notes to the financial statements (continued) For the year ended 30 June 2021

24. Notes to the consolidated cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

| | 2021 £'000 | 2020 £'000 |
|---|---------------|---------------|
| Group operating profit | 47,371 | 2,242 |
| Depreciation charge | 880 | 890 |
| Fair value movement on investment property | 3,702 | 14,555 |
| Profit on sale of investment properties | (11,254) | (1,762) |
| Interest paid and similar charges | (240) | (4) |
| Profit on disposal of fixed assets | - | (264) |
| Amortisation of negative goodwill | (2,774) | - |
| Decrease/(Increase) in properties held for resale | 35,725 | (3,889) |
| Decrease in debtors | 1,704 | 1,531 |
| Decrease in creditors | (2,840) | (891) |
| Corporation tax paid | (12,865) | (3,700) |
| Net cash inflow from operating activities | <u>59,409</u> | <u>8,708</u> |

Analysis and reconciliation of net funds

| | At 1 July 2020 £'000 | Cash flow £'000 | At 30 June 2021 £'000 |
|---------------------------|----------------------------|-----------------------|-----------------------------|
| Cash and cash equivalents | 74,934 | (66,554) | 8,380 |
| Debt due within 1 year | - | - | - |
| Net funds | <u>74,934</u> | <u>(66,554)</u> | <u>8,380</u> |

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Change in net fund resulting from cash flows | (66,554) | 9,936 |
| Movement in net funds in the year | (66,554) | 9,936 |
| Net funds as at 1 July 2020 | 74,934 | 64,998 |
| Net funds as at 30 June 2021 | <u>8,380</u> | <u>74,934</u> |

25. Capital commitments

At 30 June 2021 the Group had capital commitments of £nil (2020: £nil) in relation to properties under development

Amshold Limited

Notes to the financial statements (continued) For the year ended 30 June 2021

26. Related party transactions

During the year the Group charged Amshold Trading Limited, a company ultimately controlled by Lord Sugar, £10,000 (2020: £10,000) for services.

During the year the Group charged Amstar Media Limited, a company ultimately controlled by Lord Sugar, £50,000 (2020: £50,000) for services.

During the year the Group charged Amsvest Limited, a company ultimately controlled by Lord Sugar, £6,000 (2020: £6,000) for services.

During the year the Group charged Amsprop REAT Limited, a company ultimately controlled by Lord Sugar Family Trust, £nil (2020: £25,000) for services.

During the year the Group charged Amsprop Winchester Limited, a company ultimately controlled by Lord Sugar Family Trust, £3,000 (2020: £12,000) for services.

During the year the Group charged Amsprop Charterhouse Limited, a company ultimately controlled by Lord Sugar Family Trust, £3,000 (2020: £25,000) for services.

During the year the Group loaned Amsvest Limited, a company ultimately controlled by Lord Sugar, £860,000 (2020: £nil).

During the year the Group received from Amsprop Property Company Limited, a company ultimately controlled by Lord Sugar, a loan of £63,994,000 (2020: £nil).

During the year the Company issued loan notes to Lord Sugar, the ultimate controlling owner of £143,000,000 (2020: £nil), with £63,000,000 (2020: £nil) being redeemed in the year.

At June 2021 the Group had a closing directors loan balance owed to Lord Sugar, the ultimate controlling owner of £1,526,000 (2020: £nil).

27. Controlling party

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

28. Post balance sheet events

On 28 July 2021, the Group completed the sale of 11 Soho Square, London for £10,500,000.

On 29 July 2021, the Group completed the sale of 186-188 City Road, London for £30,292,449.