Company Registration No. 6030553

AAIM Lagonda Purchaser Limited

Report and Financial Statements

31 December 2012

AAIM Lagonda Purchaser Limited

REPORT AND FINANCIAL STATEMENTS 2012

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REPORT AND FINANCIAL STATEMENTS 2012

OFFICERS AND PROFESSIONAL ADVISERS

Directors

M L Taghaferri
R Taylor (resigned 5 July 2012)
G K Trott
D C Maxwell

Registered Office

78 Buckingham Gate
London
SW1E 6PE

Bankers

Bank of Scotland plc
The Mound
Edinburgh
EH1 1YZ

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
Newcastle upon Tyne

DIRECTORS' REPORT

The directors present the annual report and the audited financial statements for the year ended 31 December 2012

Principal activity and business review

The principal activity of the company is that of a holding company of a group of companies previously engaged in property investment The property investments of the Group were disposed of in the year to 31 December 2011

On 15 May 2012 the amounts owed by group undertakings as at the 31 December 2011 of £23,541,916 were released

On 28 June 2012 AAIM Venice Master Unit Trust sold its holding in aAIM Lagonda Purchaser Limited to DPK Lagonda Holdings LLP

On 29 June 2012 aAIM Lagonda Purchaser Limited issued 853 new shares The first 750 shares were issued for cash The consideration in respect of the remaining 103 shares was the release of debts in the sum of £28 8m owed by aAIM Lagonda Purchaser Limited to various parties pursuant to debt for equity swap agreements dated 2 July 2012 Subsequent to the debt for equity swap agreements, the director considers that there is no ultimate controlling party

The loss before tax for the year was £2,917,919 (2011 loss of £56,195,855) and this was withdrawn from reserves As at 31 December 2012 the group had net liabilities of £29,825,478 (2011 £55,744,284) However, the group had cash at bank and in hand of £132,899 as at 31 December 2012 (2011 £1,621,069) and the directors believe this will be sufficient to support the group's activities until January 2014 when a refinancing will be required

Further to the Group having disposed of its property investment assets, the directors are reviewing the strategic options available to the Group

The directors do not recommend payment of a dividend (2011 nil)

Principal risks and uncertainties

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and to fund the Group whilst it seeks further investment opportunities, the company uses a mixture of long-term and short-term debt finance

Key Performance Indicators ("KPIs")

The directors consider that there are no meaningful KPIs in respect of 2012 versus 2011 and therefore none have been presented, due to the disposal of its property assets in the prior year

DIRECTORS' REPORT (continued)

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position and the principal risks and uncertainties are set out in this report

The group has long-term funding in place comprising unsecured subordinated loan note funding which is not repayable until 2031, and a loan due for repayment in January 2014 The directors believe that they will be able to agree an extension of the loan due in January 2014 with the lender, and discussions have started on this matter From these initial discussions, the directors expect that this loan will be extended on a medium-term basis However, the current economic environment is challenging and creates uncertainty in some elements of the Group and Company's ability to reach agreement with the lender This material uncertainty may cast significant doubt as to the Group's and the Company's ability to continue as a going concern, however, based on its cash flow projections, the directors have a reasonable expectation that sufficient working capital and loan facilities will be available to the Group in order to allow it to continue in operational existence for the foreseeable future

The interest payable on the loan due in 2014 is unhedged The interest payable on the unsecured subordinated loan notes is fixed at 1% and if unpaid, is accrued through the period of the debt instrument

The asset cover covenant is tested on an annual basis, by reference to the most recent formal valuation As the Group has now disposed of its investment properties both the asset cover covenant and the interest cover covenant have been waived by the lender as at 31 December 2012

After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements

Auditor

Each of the persons who are directors at the date of approval of this report confirms that

a) so far as the directors are aware, there is no relevant audit information of which the auditor is unaware, and

b) They have taken all the steps that they ought to have taken as directors in order to make themselves 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

Deloitte LLP have expressed their willingness to continue in office as auditor

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

GK Trott
Director
1 October 2013

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

Independent auditor's report to the members of AAIM Lagonda Purchaser Limited

We have audited the financial statements of AAIM Lagonda Purchaser Limited for the year ended 31 December 2012 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, and the related notes 1 to 23 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the 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 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 and the parent company's affairs as at 31 December 2012 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

Independent auditor's report to the members of AAIM Lagonda Purchaser Limited (continued)

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Company's ability to continue as a going concern As at 31 December 2012 the Company had net debt of £29 8m including £1 0m which is due for repayment on 10 January 2014 The directors continue to seek ways to settle this debt, and from initial discussions held with the lender, the directors expect that this loan will be extended on a medium-term basis However, the current economic environment is challenging and creates uncertainty in some elements of the Group and Company's ability to reach agreement with creditors These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

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

Matthew Hughes

Matthew Hughes BSc (Hons) ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Newcastle upon Tyne, United Kingdom
4th October 2013

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 December 2012

	Notes	2012 £	2011 £
Turnover	2		
Continuing operations		-	-
Discontinued operations		-	15,967,926
Administrative expenses		(157,836)	(722,139)
Goodwill amortisation and impairment	10	-	(3,999,671)
Operating loss	3		
Continuing operations		(157,836)	(4,721,810)
Discontinued operations		-	15,967,926
		(157,836)	11,246,116
Loss on disposal	1	-	(49,507,580)
Loss on ordinary activities before finance charges		(157,836)	(38,261,464)
Interest payable and similar charges	6	(2,773,529)	(17,947,700)
Interest receivable and similar income	7	13,446	13,309
Loss on ordinary activities before taxation		(2,917,919)	(56,195,855)
Tax credit on loss on ordinary activities	8	-	-
Loss on ordinary activities after taxation	17	(2,917,919)	(56,195,855)

There have been no recognised gains and losses in the current financial year or the preceding financial year other than as stated above Accordingly no separate statement of total recognised gains and losses has been prepared

CONSOLIDATED BALANCE SHEET
31 December 2012

	Notes	2012 £	2011 £
Fixed assets			
Goodwill	10	-	-
		-	-
Current assets			
Debtors	12	1,950	261,757
Cash at bank and in hand		132,899	1,621,069
		134,849	1,882,826
Creditors: amounts falling due within one year	13	(143,265)	(1,225,513)
Net current (liabilities) / assets		(8,416)	657,313
Total assets less current liabilities		(8,416)	657,313
Creditors: amounts falling due after more than one year	14	(29,817,062)	(56,401,597)
Net liabilities		(29,825,478)	(55,744,284)
Capital and reserves			
Called up share capital	15	854	1
Share premium	16	28,835,872	-
Profit and loss account	16	(58,662,204)	(55,744,285)
Shareholders' deficit	17	(29,825,478)	(55,744,284)

The financial statements of AAIM Lagonda Purchaser Limited, registered number 6030553 were approved by the Board of Directors on 1 October 2013

Signed on behalf of the Board of Directors

GK Trott
Director

COMPANY BALANCE SHEET
31 December 2012

	Notes	2012 £	2011 £
Fixed assets			
Investment in subsidiaries	11	-	-
Current assets			
Debtors	12	1,950	23,803,673
Cash at bank and in hand		132,899	1,621,069
		134,849	25,424,742
Creditors: amounts falling due within one year	13	(143,265)	(1,225,513)
Net current (liabilities)/assets		(8,416)	24,199,229
Total assets less current liabilities		(8,416)	24,199,229
Creditors: amounts falling due after more than one year	14	(29,817,062)	(56,401,597)
Net liabilities		(29,825,478)	(32,202,368)
Capital and reserves			
Called up share capital	15	854	1
Share premium	16	28,835,872	-
Profit and loss account	16	(58,662,204)	(32,202,369)
Shareholders' deficit	17	(29,825,478)	(32,202,368)

The financial statements of AAIM Lagonda Purchaser Limited, registered number 6030553 were approved by the Board of Directors on 1 October 2013

Signed on behalf of the Board of Directors

GK Trott
Director

CONSOLIDATED CASH FLOW STATEMENT
31 December 2012

	Notes	2012 £	2011 Restated (Note 1) £
Net cash (outflow)/inflow from operating activities	18	(489,700)	14,459,395
Returns on investments and servicing of finance	19	7,554	(17,934,391)
Capital disposals and financial disinvestment	19	-	217,365,241
Net cash (outflow)/inflow before financing		(482,146)	213,890,245
Financing	19	(1,006,024)	(219,023,346)
Decrease in cash		(1,488,170)	(5,133,101)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

1. **Accounting policies**

The principal accounting policies are summarised below They have all been applied consistently throughout the current year and the prior year

The presentation of certain comparative information has been restated to better reflect the nature of the transaction The change is in respect of the presentation of accrued interest in the cash flow statement and associated disclosures It was determined that an amount of £2,371,925, previously included within net cash flows from operating activities would be better presented within the financing Accordingly, net cash flows from operating activities and financing have been restated by an increase of £2,371,925 Net debt has been restated by an increase of £578,117 as at 31 December 2012 There have been no changes to the retained loss for the year ended 31 December 2011 or net liabilities as at the same date

Going concern

The financial statements have been prepared on a going concern basis Information and reasoning regarding the adoption of the going concern basis can be found in the Directors' Report

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings for the financial year ended 31 December 2012 The subsidiary undertakings have been accounted for under the acquisition method of accounting

The results of businesses sold or acquired during the year are included in the consolidated profit and loss account from the date control passes to the group or until the group ceases to have control

On acquisition of a subsidiary, all of the subsidiary's assets and liabilities that exist at the date of the acquisition are recorded at their fair values reflecting their condition at that date

Intangible assets - goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 20 years Provision is made for any impairment

Investments

In the company balance sheet, investments in subsidiaries are recognised at cost less provision for impairment

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

1. **Accounting policies (continued)**

Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, 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 at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date Deferred tax is measured on a non-discounted basis

Debt (including longer term loan notes)

All borrowings are stated at the fair value of consideration received after deduction of issue costs

Capitalisation of issue costs of finance

Issue costs of finance are netted against the loan finance to which they relate These costs, together with the interest expense, are allocated to the profit and loss account over the term of the loan finance facility at a constant rate on the carrying amount

Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to interest rate movements The Group does not hold or issue derivative financial instruments for speculative purposes

For an interest rate swap to be treated as a hedge the instrument must be related to actual assets or liabilities or a probable commitment and must change the nature of the interest rate by converting a fixed rate to a variable rate or vice versa Interest differentials under these swaps are recognised by adjusting net interest payable over the periods of the contracts

If an instrument ceases to be accounted for as a hedge, for example because the underlying hedged position is eliminated, the instrument is marked to market and any resulting profit or loss recognised at that time

2 **Turnover**

Turnover relates to rental income from investment property and arose in the United Kingdom

Rental income from operating leases is recognised in line with the terms of the relevant lease

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

3. Cost of sales, gross profit and other operating expenses (net)

	2012			2011		
	Continuing operations £	Discontinued operations £	Total £	Continuing operations £	Discontinued operations £	Total £
Gross profit	-	-	-	-	15,967,926	15,967,926
Administrative expenses	157,836	-	157,836	4,721,810	-	4,721,810

On 22 December 2011, the Group disposed of its investment properties The results of these investments, up to the date of disposal are shown under prior year discontinued operations

4. Employees

No director directly received any emoluments from the group during the current or prior year Taylor Global Advisers Limited did receive fees of £10,500 (2011 £15,800) for the provision of director services to the company The company had no other employees during the current or prior year

5 Loss on ordinary activities before taxation

	2012 £	2011 £
Goodwill amortisation and impairment	-	3,999,671
Auditor's remuneration for audit services		
- Fees payable to the company's auditor for the audit of the company's annual accounts	6,000	13,000
- Fees payable to the company's auditor for other services to the group	-	51,000
- The audit of the company's subsidiaries pursuant to legislation	4,000	4,000
Auditor's remuneration for non-audit services		
- Taxation	16,000	16,000

6. Interest payable and similar charges

	2012 £	2011 £
Bank loans	195,373	12,792,313
Loan notes	2,578,156	3,286,538
Debt issuance costs and amortisation	-	1,868,849
	2,773,529	17,947,700

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

7. Interest receivable and similar income

	2012 £	2011 £
Bank interest	13,446	13,309

8 Tax credit on loss on ordinary activities

	2012 £	2011 £
United Kingdom corporation tax		
Current tax charge	-	-
Deferred taxation credit	-	-
	-	-

The tax assessed for the year is higher (2011 higher) than that resulting from applying the applicable rate of corporation tax in the UK of 24 5% (2011 26 5%)

The differences are explained below

Reconciliation of current tax credit:		
Loss on ordinary activities before tax	(2,917,919)	(56,195,855)
Tax at 26 5% (2009 28%) thereon	(714,890)	(14,891,902)
Tax losses arising	714,890	609,550
Expenses not deductible for tax purposes	-	14,282,352
Current tax credit	-	-

The Finance Act 2012 included a provision that the standard rate of corporation tax in the United Kingdom would reduce from 24% to 23% from April 2013 The Government has announced that the standard rate of corporation tax will reduce further to 21% from April 2014 and to 20% from April 2015

9. Loss of parent company

The loss for the financial year dealt with in the accounts of the parent company is £26,459,835 (2011 loss of £31,719,982) The company has taken advantage of s408 of the Companies Act 2006 and consequently a profit and loss account for the parent company alone is not presented

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

10. Goodwill

	Cost £	Amortisation £	Net book value
At 1 January 2011	4,999,591	(4,999,591)	-
Amortisation	-	-	-
Impairment	-	-	-
At 31 December 2012	4,999,591	(4,999,591)	-

11. Investments held as fixed assets

	Cost £	Impairment £	Net book value
At 1 January 2012	4,998,971	(4,998,971)	-
Capital contribution	23,541,916	-	-
Impairment	-	(23,541,916)	-
At 31 December 2012	28,540,887	(28,540,887)	-

The company has the following subsidiary companies, all of which are registered in England and Wales and are holding companies

	Class	Percentage
Lagonda Newco A Ltd	Ordinary	100%
Lagonda Newco B Ltd	Ordinary	100%*
Lagonda Newco C Ltd	Ordinary	100%*
Lagonda Bidco A Ltd	Ordinary	100%*

* Indirect holding

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

12 Debtors

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Amounts owed by group undertakings	-	-	-	23,541,916
VAT	1,950	261,757	1,950	261,757
	1,950	261,757	1,950	23,803,673

13. Creditors: amounts falling due within one year

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Trade creditors	12,100	227,249	12,100	227,249
Other creditors	-	22,707	-	22,707
Accruals and deferred income	131,165	975,557	131,165	975,557
	143,265	1,225,513	143,265	1,225,513

14. Creditors amounts falling due after more than one year

	Group and Company 2012 £	Group and Company 2011 £
Third party loan	1,000,000	13,815,090
Unsecured subordinated loan notes	28,817,062	42,586,507
	29,817,062	56,401,597
Loans comprise		
Amounts due within one year	-	-
Amounts due between one and two years	1,000,000	-
Amounts due between two and five years	-	13,815,090
	1,000,000	13,815,090

The unsecured subordinated loan notes are repayable in 2031 Interest of 8% accrued on these loan notes up until 5 November 2012 when the interest rate was reduced to 1%

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

15. Called up share capital

	2012	2011
	£	£
Issued and fully paid		
1 Ordinary share of £1 each	854	1

853 shares were allotted on 2 July 2012 750 £1 shares were allotted for cash consideration at par The remaining 103 £1 shares were allotted in exchange for waiver of loans totalling £28,804,093

16 Reserves

	Share premium	Profit and loss account
	£	£
Group		
At 31 December 2011	-	(55,744,285)
Share premium arising on allotment of shares	28,835,872	-
Loss for the financial year	-	(2,917,919)
At 31 December 2012	28,835,872	(58,662,204)
Company		
At 31 December 2011	-	(32,202,369)
Share premium arising on allotment of shares	28,835,872	-
Loss for the financial year	-	(26,459,835)
At 31 December 2012	28,835,872	(58,662,204)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

17. Reconciliation of movements in shareholders' deficit

	2012 £	2011 £
Group		
Loss for the financial year	(2,917,919)	(56,195,855)
Movement in share capital	853	-
Movement in share premium	28,835,872	-
Movement in revaluation reserve	-	2,872,920
Net decrease/(increase) to shareholders' deficit	25,918,806	(53,322,935)
Opening shareholders' deficit	(55,744,284)	(2,421,349)
Closing shareholders' deficit	(29,825,478)	(55,744,284)
Company		
Loss for the financial year	(26,459,835)	(31,719,982)
Movement in share capital	853	-
Movement in share premium	28,835,872	-
Net decrease/(increase) to shareholders' deficit	2,376,890	(31,719,982)
Opening shareholders' deficit	(32,202,368)	(482,386)
Closing shareholders' deficit	(29,825,478)	(32,202,368)

18. Reconciliation of operating (loss)/profit to operating activities cash flows

	2012 £	2011 Restated (Note 1) £
Operating (loss)/profit	(157,836)	11,246,116
Goodwill amortisation	-	3,999,671
Decrease/(increase) in debtors	259,807	273,975
(Decrease)/increase in creditors	(591,671)	(1,060,367)
Net cash (outflow)/inflow from operating activities	(489,700)	14,459,395

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

19 Analysis of cash flows

		2012		2011 Restated (Note 1)
	£	£	£	£
Returns on investment and servicing of finance				
Interest paid	(5,892)		(17,947,700)	
Interest received	13,446		13,309	
Net cash outflow for returns on investments and servicing of finance		7,554		(17,934,391)
Capital expenditure and financial investment				
Receipts from disposal of investments in fixed assets		-		217,365,241
Financing				
Shares issued	750		-	
Repayment of loans	(1,006,774)		(219,023,346)	
		(1,006,024)		(219,023,346)

20. Analysis of changes in net debt

	2012	2011 Restated (Note 1)
	£	£
Increase in cash in the year	(1,488,170)	(5,133,101)
Cash outflow from decrease in debt	1,006,024	219,023,346
Increase in net debt arising from cash flows	(481,396)	213,890,245
Non cash movements	26,068,338	(479,020)
Change in net debt	25,586,942	213,411,225
Net debt at 1 January	(55,358,645)	(268,769,870)
Net debt at 31 December	(29,771,703)	(55,358,645)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2012

21. Reconciliation of net debt

	At 31 December 2011 Restated (Note 1) £	Cash flows £	Non cash movement £	At 31 December 2012 £
Cash at bank	1,621,069	(1,488,170)	-	132,899
Debt				
Due within one year	-	-	-	-
Due after one year	(56,979,714)	1,006,772	26,068,338	(29,904,602)
	(56,979,714)	1,006,772	26,068,338	(29,904,602)
Net debt at 31 December 2012	(55,358,645)	(481,396)	26,068,338	(29,771,703)

Non cash movements relate to the waiver of loans and interest accrued as part of the debt for equity swap executed on 2 July 2012

22. Related party transactions

The group has taken advantage of the exemption in FRS8 "Related party disclosures" not to disclose transactions with other members of the group

The directors and other related parties have advanced loans to the company as detailed below

	At 1 January 2012 £	Interest accruing £	Released debt for equity swap £	Repaid during the year £	At 31 December 2012 £
David Maxwell	17,208,884	1,227,754	(6,446,217)	(864,080)	11,126,341
Gary Trott	1,785,359	127,375	(668,771)	(89,645)	1,154,318
Mark Tagliaferri	165,379	11,798	(61,949)	(8,304)	106,924
	19,159,622	1,366,927	(7,176,937)	(962,029)	12,387,583

23 Ultimate controlling party

At the balance sheet date, the Company is the parent of the smallest and largest group into which the Company is consolidated As explained in the Directors' Report, the director considers that there is no ultimate controlling party