

Company Registration No. 6030553

AAIM Lagonda Purchaser Limited

**Unaudited Annual Report and Financial
Statements**

For the year ended 31 December 2014

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AAIM Lagonda Purchaser Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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AAIM Lagonda Purchaser Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

OFFICERS AND PROFESSIONAL ADVISERS

Directors

M L Tagliaferri
G K Trott
D C Maxwell

Registered Office

22 Westminster Palace Gardens
Artillery Row
London
SW1P 1RR

Accountants

Rowland Hall
Chartered Certified Accountants
Grovedell House
15 Knightswick Road
Canvey Island
Essex
SS8 9PA

AAIM Lagonda Purchaser Limited

DIRECTORS' REPORT

The directors present the annual report and the unaudited financial statements for the year ended 31 December 2014. This Directors report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption under the Companies Act 2006.

Result

The principal activity of the company is that of a holding company engaged in property investment.

The loss before tax for the year was £384,734 (2013: loss of £323,350) and this was withdrawn from reserves. As at 31 December 2014 the group had net liabilities of £30,533,562 (2013: £30,148,828). However, the group had cash at bank and in hand of £6,592 as at 31 December 2014 (2013: £94,136) and the directors believe this will be sufficient to support the group's activities.

Further to the Group having disposed of its property investment assets, the directors are reviewing the strategic options available to the Group including considering further investment opportunities.

The directors do not recommend payment of a dividend (2013: nil).

Following the transfer of some of the shares in the company in 2013, the directors consider that David Maxwell is the ultimate controlling party by virtue of his holding in DPK Real Estate LLP, the ultimate shareholder of the company.

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, including funding from its parent company.

AAIM Lagonda Purchaser Limited

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 of £1,000,000 which is due for repayment in January 2018. 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 2018 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 2014.

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.

Accountants

Under the provision of Section 477 of the Companies Act 2006, the Company is exempt from audit.

Directors

The director, who has served during the year and subsequently, is shown below:

M L Tagliaferri
G K Trott
D C Maxwell

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



DC Maxwell

Director

...29/9/15.....

AAIM Lagonda Purchaser Limited

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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; 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.

**ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE
UNAUDITED STATUTORY FINANCIAL STATEMENTS OF AAIM LAGONDA PURCHASER
LIMITED FOR THE YEAR ENDED 31 DECEMBER 2014**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of AAIM Lagonda Purchaser Limited for the year ended 31 December 2014 set out on pages 6 to 15 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <http://www.accaglobal.com/en/member/professional-standards/rules-standards/acca-rulebook.html>.

This report is made solely to the Board of Directors of AAIM Lagonda Purchaser Limited as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of AAIM Lagonda Purchaser Limited and state those matters that we have agreed to state to the Board of Directors of AAIM Lagonda Purchaser Limited, as a body, in this report in accordance with Association of Chartered Accountants as detailed at

http://www2.accaglobal.com/pubs/members/publications/technical_factsheets/downloads/163.doc. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than AAIM Lagonda Purchaser Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that AAIM Lagonda Purchaser Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of AAIM Lagonda Purchaser Limited. You consider that AAIM Lagonda Purchaser Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of AAIM Lagonda Purchaser Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Rowland Hall

Chartered Certified Accountants

Grovedell House

15 Knightswick Road

Canvey Island

Essex SS8 9PA

29/9/15

AAIM Lagonda Purchaser Limited

CONSOLIDATED PROFIT AND LOSS ACCOUNT Year ended 31 December 2014

	Notes	2014 £	2013 £
Turnover		-	-
Administrative expenses		(70,786)	(12,964)
Goodwill amortisation and impairment	8	-	-
Operating loss and loss on ordinary activities before finance charges	3	(70,786)	(12,964)
Interest payable and similar charges	4	(314,194)	(310,956)
Interest receivable and similar income	5	246	570
Loss on ordinary activities before taxation		(384,734)	(323,350)
Tax credit on loss on ordinary activities	6	-	-
Loss on ordinary activities after taxation	15	(384,734)	(323,350)

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.

AAIM Lagonda Purchaser Limited

CONSOLIDATED BALANCE SHEET

As at 31 December 2014

	Notes	2014 £	2013 £
Fixed assets			
Goodwill	8	-	-
		<u>-</u>	<u>-</u>
Current assets			
Debtors	10	-	3,955
Cash at bank and in hand		6,592	94,136
		<u>6,592</u>	<u>98,091</u>
Creditors: amounts falling due within one year	11	<u>(1,113,739)</u>	<u>(1,112,855)</u>
Net current liabilities		<u>(1,107,147)</u>	<u>(1,014,764)</u>
Total assets less current liabilities		(1,107,147)	(1,014,764)
Creditors: amounts falling due after more than one year	12	(29,426,415)	(29,134,064)
Net liabilities		<u>(30,533,562)</u>	<u>(30,148,828)</u>
Capital and reserves			
Called-up share capital	13	854	854
Share premium	14	28,835,872	28,835,872
Profit and loss account	14	<u>(59,370,288)</u>	<u>(58,985,554)</u>
Shareholders' deficit	15	<u>(30,533,562)</u>	<u>(30,148,828)</u>

For the year ending 31 December 2014 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

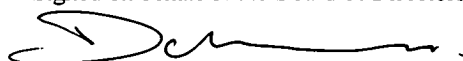
Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements of AAIM Lagonda Purchaser Limited, registered number 06030553 were approved by the Board of Directors and authorised for issue on ..29.12.15.....

Signed on behalf of the Board of Directors



DC Maxwell
Director

AAIM Lagonda Purchaser Limited

COMPANY BALANCE SHEET As at 31 December 2014

	Notes	2014 £	2013 £
Fixed assets			
Investment in subsidiaries	9	-	-
Current assets			
Debtors	10	-	3,955
Cash at bank and in hand		6,592	94,136
		<u>6,592</u>	<u>98,091</u>
Creditors: amounts falling due within one year	11	<u>(1,113,739)</u>	<u>(1,112,855)</u>
Net current liabilities		<u>(1,107,147)</u>	<u>(1,014,764)</u>
Total assets less current liabilities		<u>(1,107,147)</u>	<u>(1,014,764)</u>
Creditors: amounts falling due after more than one year	12	<u>(29,426,415)</u>	<u>(29,134,064)</u>
Net liabilities		<u><u>(30,533,562)</u></u>	<u><u>(30,148,828)</u></u>
Capital and reserves			
Called-up share capital	13	854	854
Share premium	14	28,835,872	28,835,872
Profit and loss account	14	<u>(59,370,288)</u>	<u>(58,662,204)</u>
Shareholders' deficit	15	<u><u>(30,533,562)</u></u>	<u><u>(29,825,478)</u></u>

For the year ending 31 December 2014 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements of AAIM Lagonda Purchaser Limited, registered number 06030553 were approved by the Board of Directors and authorised for issue on ..29.12.15.....

Signed on behalf of the Board of Directors



DC Maxwell
Director

AAIM Lagonda Purchaser Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

1. Accounting policies

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

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.

Cashflow statement

The Company has not prepared a cashflow statement because it is exempt from doing so under Financial Reporting Standard 1 'Cash flow statements (revised 1996)', as it meets the small companies criteria.

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 2014. 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.

AAIM Lagonda Purchaser Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2014

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.

Borrowings (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.

2. Employees

M Tagliaferri received Directors fees from the group during the current year of £20,000. No amounts were paid in the previous year to any Director. The company had no other employees during the current or prior year.

3. Loss on ordinary activities before taxation

	2014 £	2013 £
Goodwill amortisation and impairment	-	-

4. Interest payable and similar charges

	2014 £	2013 £
Bank loans	21,155	21,155
Loan notes	293,039	289,801
	<u>314,194</u>	<u>310,956</u>

AAIM Lagonda Purchaser Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2014

5. Interest receivable and similar income

	2014 £	2013 £
Bank interest	246	570

6. Tax credit on loss on ordinary activities

	2014 £	2013 £
United Kingdom corporation tax:		
Current tax charge	-	-
Deferred taxation credit	-	-
	-	-

The tax assessed for the year is higher (2013: higher) than that resulting from applying the applicable rate of corporation tax in the UK of 21.5% (2013: 23%).

The differences are explained below:

Reconciliation of current tax credit:

Loss on ordinary activities before tax	(384,734)	(323,350)
Tax at 21.5% (2013: 23%) thereon	(82,718)	(74,371)
Tax losses arising	82,718	74,371
Current tax credit	-	-

The Government has announced that the standard rate of corporation tax will reduce further to 20% from April 2015.

7. Loss of parent company

The loss for the financial year dealt with in the financial statements of the parent company is £384,734 (2013: loss of £323,350). 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.

AAIM Lagonda Purchaser Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

8. Goodwill

	Cost £	Amortisation £	Net book value
At 1 January 2014 and 31 December 2014	4,999,591	(4,999,591)	-

9. Investments held as fixed assets

	Cost £	Impairment £	Net book value
At 1 January 2014 and 31 December 2014	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

10. Debtors

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Amounts owed by group undertakings	-	-	-	-
Other debtors	-	3,955	-	3,955
	-	3,955	-	3,955

11. Creditors: amounts falling due within one year

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Trade creditors	360	360	360	360
Accruals and deferred income	113,379	112,495	113,379	112,495
Third party loan (note 12)	1,000,000	1,000,000	1,000,000	1,000,000
	1,113,739	1,112,855	1,113,739	1,112,855

AAIM Lagonda Purchaser Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

12. Creditors: amounts falling due after more than one year

	Group and Company 2014 £	Group and Company 2013 £
Third party loan	-	-
Unsecured subordinated loan notes	29,426,415	29,134,064
	<u>29,426,415</u>	<u>29,134,064</u>
Loans comprise:		
Amounts due within one year (note 11)	1,000,000	1,000,000
Amounts due between one and two years	-	-
Amounts due between two and five years	-	-
	<u>1,000,000</u>	<u>1,000,000</u>

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%.

13. Called-up share capital

	2014 £	2013 £
Issued and fully paid		
751 Ordinary shares of £1 each	751	751
103 shares allotted in exchange for waiver of loans totalling £28,804,093	103	103
	<u>854</u>	<u>854</u>

14. Reserves

	Share premium £	Profit and loss account £
Group		
At 1 January 2014	28,835,872	(58,985,554)
Loss for the financial year	-	(384,734)
At 31 December 2014	<u>28,835,872</u>	<u>(59,370,288)</u>
Company		
At 1 January 2014	28,835,872	(58,985,554)
Loss for the financial year	-	(384,734)
At 31 December 2014	<u>28,835,872</u>	<u>(59,370,288)</u>

AAIM Lagonda Purchaser Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2014

15. Reconciliation of movements in shareholders' deficit

	2014 £	2013 £
Group		
Loss for the financial year	(384,734)	(323,350)
Movement in share capital	-	-
Movement in share premium	-	-
Movement in revaluation reserve	-	-
	<u> </u>	<u> </u>
Net (increase)/decrease to shareholders' deficit	(384,734)	(323,350)
Opening shareholders' deficit	(30,148,828)	(29,825,478)
	<u> </u>	<u> </u>
Closing shareholders' deficit	(30,533,562)	(30,148,828)
	<u> </u>	<u> </u>
Company		
Loss for the financial year	(384,734)	(323,350)
Movement in share capital	-	-
Movement in share premium	-	-
	<u> </u>	<u> </u>
Net (increase)/decrease to shareholders' deficit	(384,734)	(323,350)
Opening shareholders' deficit	(30,148,828)	(29,835,478)
	<u> </u>	<u> </u>
Closing shareholders' deficit	(30,533,562)	(30,148,828)
	<u> </u>	<u> </u>

16. 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.

During the year the company paid £20,000 for Director fees to M. Tagliaferri.

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

	At 1 January 2014 £	Interest accruing £	Released debt for equity swap £	Repaid during the year £	At 31 December 2014 £
David Maxwell	11,248,772	112,910	-	-	11,361,682
Gary Trott	1,167,019	11,714	-	-	1,178,733
Mark Tagliaferri	112,431	4,546	-	-	116,977
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	12,528,222	129,170	-	-	12,657,392
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

AAIM Lagonda Purchaser Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2014

17. 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 directors consider that David Maxwell is the ultimate controlling party by virtue of his holding in DPK Real Estate LLP, the company's ultimate shareholder.