

**Company Registration No. 08557403**

**Amshold Group Limited**

**Annual report and financial statements  
for the year ended**

**30 June 2019**

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# **Amshold Group Limited**

## **Annual Report and financial statements for the year ended 30 June 2019**

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# **Amshold Group Limited**

## **Annual Report and financial statements for the year ended 30 June 2019**

### **Officers and professional advisers**

#### **Directors**

Lord Alan M Sugar  
Daniel P Sugar  
Simon Sugar  
Michael E Ray  
Roger G Adams

#### **Company secretary**

Michael E Ray

#### **Registered office**

Amshold House  
Goldings Hill  
Loughton  
Essex  
United Kingdom  
IG10 2RW

#### **Bankers**

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

#### **Solicitors**

Herbert Smith Freehills LLP  
Exchange House  
Primrose Street  
London  
EC2A 2EG

#### **Auditor**

Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

# **Amshold Group Limited**

## **Strategic report**

The directors present their Strategic report of Amshold Group Limited (the Group and Company) for the year ended 30 June 2019.

This strategic report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Amshold Group Limited and its subsidiary undertakings when viewed as a whole.

### **Principal activities**

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 2019 the Group continued to look for property investment opportunities. During the year the Group completed the purchase of 21-27 Church Street, Kingston investing a total of £10.6m. The market for quality London freehold investment property remains extremely competitive with limited opportunities that meet our investment criteria.

On 14<sup>th</sup> March 2019 the group underwent a reorganisation. This resulted in a new company Amshold Limited being formed, this company then acquired the entire share capital of Amshold Group Limited (see note 28). As part of the reorganisation Amsprop REAT Limited (a wholly owned subsidiary owning four properties held for resale both directly and indirectly) was sold by Amshold Group Limited to its new parent company for £75.0m by way of a dividend in specie.

After the year end revaluations there was a net revaluation loss of £5.7m (2018: gain of £28.7m) bringing the revaluation surplus down to £157.9m.

Operating profit for the year prior to revaluations and disposals was £16.4m (2018: £13.9m) up on last year.

With a strong and stable management team and with its internal cash resources the Group is extremely well positioned to continue to actively acquire viable real estate propositions that it feels will further enhance its portfolio.

The Group considers its key performance indicator of the business to be its net assets. Net assets of the Group fell from £535.1m to £468.2m. This reduction was principally due to the reorganization of the Group and the distribution of trading properties held at £75.0m, a way of a dividend. Excluding the distribution, net assets increased by £8.1m.

At 30 June 2019 the Group had no debt (2018: nil). Due to the strength of the Group's property portfolio and balance sheet, the management team considers the Group to be in a healthy position should it need to raise any further funds.

# **Amshold Group Limited**

## **Strategic report (continued)**

### **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 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 director's policy on hedging is to hedge all financial risks where it is feasible and cost effective to do so.

There no hedging activities carried out in the year.

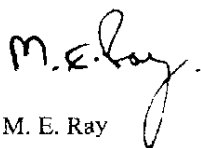
#### *Uncertainties*

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

### **Future developments and subsequent events**

The Group remains committed to enhancing its current portfolio of real estate assets by means of diligent active management of stock whilst at the same time aggressively endeavouring to acquire new quality real estate asset opportunities that would complement our existing Real Estate portfolio strategy. With strong cash reserves we remain extremely well placed to do this.

Approved by the Board and signed on its behalf by:



M. E. Ray

Director

06 March 2020

# **Amshold Group 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 2019.

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

### **Dividends**

The Company distributed £75,000,000 dividends in specie (2018: nil) and paid £500,000 in the year 2019 (2018: £600,000), no further dividends has been proposed since the year end date.

### **Going concern**

As disclosed in the accounting policies, the directors have reviewed the current and projected financial position of both the Group and the Company, making reasonable assumptions about future trading prospects.

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

### **Post balance sheet events**

Since 30 June 2019 the Group has been active in the property market. This activity is detailed in note 29 to the 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 date of incorporation to the end of the financial year are listed on page 1.

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 (2018: nil).

## **Amshold Group Limited**

### **Directors' report (continued)**

#### **Disclosure of information to the auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

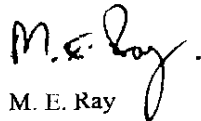
- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

#### **Auditor**

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

Approved by the Board and signed on its behalf by:



M. E. Ray

Director

06 March 2020

## **Amshold Group Limited**

### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

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



## **Amshold Group Limited**

### **Independent auditor's report to the members of Amshold Group Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of Amshold Group 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 2019 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 29.

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**

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

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

We have nothing to report in respect of these matters.

## **Amshold Group Limited**

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

#### **Other information**

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

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

We have nothing to report in respect of these matters.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

## **Amshold Group Limited**

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

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

##### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

##### **Use of our report**

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



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

## Amshold Group Limited

### Consolidated profit and loss account For the year ended 30 June 2019

|                                                                                                                               | Notes | 2019<br>£'000 | 2018<br>£'000 |
|-------------------------------------------------------------------------------------------------------------------------------|-------|---------------|---------------|
| <b>Group turnover</b>                                                                                                         | 2     | 98,405        | 34,969        |
| Operating costs                                                                                                               | 4     | (82,047)      | (21,059)      |
| <b>Group operating profit before fair value movement on investment property and profit on disposal of investment property</b> |       | 16,358        | 13,910        |
| Fair value movement on investment property                                                                                    | 12    | (5,727)       | (28,707)      |
| Loss on disposal of investment properties                                                                                     | 12    | -             | (25,923)      |
| <b>Total group operating profit/(loss)</b>                                                                                    |       | 10,631        | (40,720)      |
| Interest receivable and similar income                                                                                        | 5     | 694           | 485           |
| Interest payable and other similar charges                                                                                    | 6     | (14)          | (3)           |
| <b>Profit/(Loss) before taxation</b>                                                                                          |       | 11,311        | (40,238)      |
| Tax (charge)/credit on profit/(loss)                                                                                          | 8     | (2,754)       | 8,089         |
| <b>Profit/(Loss) for the financial year</b>                                                                                   |       | 8,557         | (32,149)      |

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

# Amshold Group Limited

## Consolidated balance sheet As at 30 June 2019

|                                                       | Notes | 2019<br>£'000  | 2018<br>£'000  |
|-------------------------------------------------------|-------|----------------|----------------|
| <b>Fixed assets</b>                                   |       |                |                |
| Intangible fixed assets:                              |       |                |                |
| Negative goodwill                                     | 11    | (5,307)        | (5,307)        |
| Tangible fixed assets:                                |       |                |                |
| Investment properties                                 | 12    | 410,985        | 405,966        |
| Other tangible fixed assets                           | 13    | 10,877         | 2,777          |
|                                                       |       | <u>421,862</u> | <u>408,743</u> |
| <b>Current assets</b>                                 |       |                |                |
| Properties held for resale                            | 16    | 23,660         | 50,801         |
| Debtors                                               | 17    | 8,256          | 20,173         |
| Cash at bank and in hand                              | 18    | 64,998         | 113,428        |
|                                                       |       | <u>96,914</u>  | <u>184,402</u> |
| <b>Creditors: amounts falling due within one year</b> | 19    | (13,312)       | (20,350)       |
| <b>Net current assets</b>                             |       | <u>83,602</u>  | <u>164,052</u> |
| <b>Total assets less current liabilities</b>          |       | <u>500,157</u> | <u>567,488</u> |
| <b>Provisions for liabilities</b>                     | 20    | (31,981)       | (32,369)       |
| <b>Net assets</b>                                     |       | <u>468,176</u> | <u>535,119</u> |
| <b>Capital and reserves</b>                           |       |                |                |
| Called up share capital                               | 21    | 35,523         | 35,523         |
| Profit and loss account                               | 22    | 432,653        | 499,596        |
| <b>Shareholders' funds</b>                            |       | <u>468,176</u> | <u>535,119</u> |

The Group financial statements of Amshold Group Limited, registered number 08557403, were approved by the board of directors and authorised for issue on 06 March 2020. They were signed on its behalf by:

  
M. E. Ray  
Director

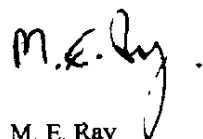
## Amshold Group Limited

### Company balance sheet As at 30 June 2019

|                                                       | Notes | 2019<br>£'000  | 2018<br>£'000  |
|-------------------------------------------------------|-------|----------------|----------------|
| <b>Fixed assets</b>                                   |       |                |                |
| Tangible fixed assets                                 | 13    | 2,457          | 2,465          |
| Investments                                           | 14    | 38,048         | 54,563         |
|                                                       |       | <u>40,505</u>  | <u>57,028</u>  |
| <b>Current assets</b>                                 |       |                |                |
| Debtors                                               | 17    | 135,602        | 106,989        |
| Cash at bank and in hand                              | 18    | 46,949         | 90,269         |
|                                                       |       | <u>182,551</u> | <u>197,258</u> |
| <b>Creditors: amounts falling due within one year</b> | 19    | (1,185)        | (860)          |
| <b>Net current assets</b>                             |       | <u>181,366</u> | <u>196,398</u> |
| <b>Total assets less current liabilities</b>          |       | <u>221,871</u> | <u>253,426</u> |
| <b>Provisions for liabilities</b>                     | 20    | (45)           | (37)           |
| <b>Net assets</b>                                     |       | <u>221,826</u> | <u>253,389</u> |
| <b>Capital and reserves</b>                           |       |                |                |
| Called up share capital                               | 21    | 35,523         | 35,523         |
| Profit and loss account                               |       | 186,303        | 217,866        |
| <b>Shareholder's funds</b>                            |       | <u>221,826</u> | <u>253,389</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 is disclosed in note 9.

The Company financial statements of Amshold Group Limited, registered number 08557403, were approved by the board of directors and authorised for issue on 06 March 2020. They were signed on its behalf by:



M. E. Ray  
Director

## Amshold Group Limited

### Consolidated statement of changes in equity For the year ended 30 June 2019

|                            | Notes | Called up<br>share capital<br>£'000 | Profit and loss<br>account<br>£'000 | Total<br>£'000 |
|----------------------------|-------|-------------------------------------|-------------------------------------|----------------|
| As at 1 July 2017          |       | 35,523                              | 532,345                             | 567,868        |
| Total comprehensive income |       | -                                   | (32,149)                            | (32,149)       |
| Dividends                  | 10    | -                                   | (600)                               | (600)          |
| As at 30 June 2018         |       | 35,523                              | 499,596                             | 535,119        |
| Total comprehensive income | 10    | -                                   | 8,557                               | 8,557          |
| Dividends                  |       | -                                   | (75,500)                            | (75,500)       |
| As at 30 June 2019         |       | 35,523                              | 432,653                             | 468,176        |

## Amshold Group Limited

### Company statement of changes in equity For the year ended 30 June 2019

|                            | Notes | Called up<br>share capital<br>£'000 | Profit and loss<br>account<br>£'000 | Total<br>£'000 |
|----------------------------|-------|-------------------------------------|-------------------------------------|----------------|
| As at 1 July 2017          |       | 35,523                              | 171,473                             | 206,996        |
| Total comprehensive income |       | -                                   | 46,993                              | 46,993         |
| Dividends                  | 10    | -                                   | (600)                               | (600)          |
| As at 30 June 2018         |       | 35,523                              | 217,866                             | 253,389        |
| Total comprehensive income |       | -                                   | 43,937                              | 43,937         |
| Dividends                  | 10    | -                                   | (75,500)                            | (75,500)       |
| As at 30 June 2019         |       | 35,523                              | 186,303                             | 221,826        |

## Amshold Group Limited

### Consolidated cash flow statement For the year ended 30 June 2019

|                                                             | Notes | 2019<br>£'000   | 2018<br>£'000  |
|-------------------------------------------------------------|-------|-----------------|----------------|
| Net cash (outflow)/inflow from operating activities         | 23    | (40,171)        | 93,075         |
| <b>Cash flows from investing activities</b>                 |       |                 |                |
| Interest received and similar income                        |       | 607             | 167            |
| Payments to acquire tangible fixed assets                   |       | (8,450)         | (7)            |
| <b>Net cash (outflow)/inflow from investing activities</b>  |       | <u>(7,843)</u>  | <u>160</u>     |
| <b>Cash flows from financing activities</b>                 |       |                 |                |
| Dividends paid                                              |       | (500)           | (600)          |
| <b>Net cash outflow from financing activities</b>           |       | <u>(500)</u>    | <u>(600)</u>   |
| <b>Net (decrease)/increase in cash and cash equivalents</b> |       | <u>(48,514)</u> | <u>92,635</u>  |
| <b>Cash and cash equivalents at beginning of year</b>       |       | 113,428         | 20,668         |
| Effect of foreign exchange rate changes                     |       | 84              | 125            |
| <b>Cash and cash equivalents at end of year</b>             |       | <u>64,998</u>   | <u>113,428</u> |

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



# **Amshold Group Limited**

## **Notes to the financial statements For the year ended 30 June 2019**

### **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 Group 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 Group 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 ending 30 June 2019, 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 Director's report. This describes the financial position of the Group; its cash flows, liquidity position and borrowing facilities; and its exposure to credit risk and liquidity risk.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility.

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.

#### **Negative goodwill**

Negative goodwill arising on acquisition is credited to the balance sheet and released through the profit and loss account as the underlying assets are realised. The underlying assets are investment properties and properties held for resale. The Group considers it more appropriate to release the negative goodwill when these properties are sold and in proportion to their values at the time the negative goodwill arose.

#### **Turnover**

Turnover comprises the invoiced value of goods and services supplied by the Group, rental income and of properties held for resale, dilapidation receipts, insurance recoveries, medical facilities and management charges – all excluding sales taxes, value added tax and trade discounts.

# Amshold Group Limited

## Notes to the financial statements (continued) For the year ended 30 June 2019

### 1. Accounting policies (continued)

#### Turnover (continued)

Income is recognised as it accrues and sales of properties held for resale are recognised on completion. Rent increases arising from rent reviews are taken into account when such reviews have been agreed with tenants. Incentives on leases are similarly spread on a straight-line basis over the lease term up to the earliest possible break. In accordance with the transitional provisions of FRS 102, incentives on leases which were in existence prior to the date of transition on 1 July 2013 have been spread over the shorter of the lease term and the period to the first break clause.

#### Investment properties

Investment properties for which fair value can be measured reliably without undue cost of effort on an ongoing basis are measured at fair value annually with any change recognised in the profit and loss account.

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

#### Investment property under development

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

#### Other tangible fixed assets

Other tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is calculated to write off the cost, less estimated residual values, of tangible fixed assets over their estimated useful lives. The annual depreciation rates generally applicable are as follows:

|                             |                                                               |
|-----------------------------|---------------------------------------------------------------|
| Freehold Land and Buildings | Not depreciated                                               |
| Motor Vehicles              | 25% on a reducing balance basis                               |
| Leasehold improvements      | Over the shorter of the life of the lease and the useful life |
| Aircraft                    | Straight-line basis over 10 years                             |
| Office equipment            | 20% - 33% on a straight line basis                            |
| Fixtures & Fittings         | 20% - 25% on a straight line basis                            |

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

#### Financial instruments

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

##### i. Investments

Investments held as fixed assets by the Company, which entirely represent investments in group companies are stated at cost, less any provision for impairment in value.

##### ii. Financing costs

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

##### iii. Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

## **Amshold Group Limited**

### **Notes to the financial statements (continued) For the year ended 30 June 2019**

#### **1. Accounting policies (continued)**

##### **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.

##### **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.

##### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and factors that are considered to be relevant. Actual results may differ from these estimates.

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

##### *Critical judgements in applying the Group's accounting policies*

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

# Amshold Group Limited

## Notes to the financial statements (continued) For the year ended 30 June 2019

### 1. Accounting policies (continued)

#### Critical accounting judgements and key sources of estimation uncertainty (continued)

##### *Key sources of estimation uncertainty*

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. Note 12 to the financial statements details the valuation methods for investment properties. Properties held for resale are similarly valued but then included in the balance sheet at the lower of cost and net realisable value.

### 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:

|                  | 2019<br>£'000 | 2018<br>£'000 |
|------------------|---------------|---------------|
| <b>Turnover</b>  |               |               |
| Rent             | 18,356        | 17,857        |
| Sale of property | 78,553        | 16,204        |
| Other income     | 1,496         | 908           |
|                  | <u>98,405</u> | <u>34,969</u> |

Other than where the Group sold properties in USA £2,097,000 (2018: £4,519,000), all turnover arose predominantly in the United Kingdom.

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

#### Directors' emoluments

|                        | 2019<br>£'000 | 2018<br>£'000 |
|------------------------|---------------|---------------|
| Directors remuneration | 1,442         | 1,260         |
| Pensions contribution  | 40            | 40            |
|                        | <u>1,482</u>  | <u>1,300</u>  |

The emoluments of the highest paid director were £536,517 (2018: £514,151). One director was a member of a defined contribution pension scheme to which the Group contributed in the current year (2018: one director). There are no share option schemes in the Group.

|                                                          | 2019<br>£'000 | 2018<br>£'000 |
|----------------------------------------------------------|---------------|---------------|
| <b>Staff costs during the year (including directors)</b> |               |               |
| Wages and salaries                                       | 2,546         | 2,333         |
| Social security costs                                    | 326           | 329           |
| Pension costs                                            | 118           | 102           |
|                                                          | <u>2,990</u>  | <u>2,764</u>  |

# Amshold Group Limited

## Notes to the financial statements (continued) For the year ended 30 June 2019

### 3. Information regarding directors and employees of the Group and Company (continued)

| Average staff numbers during the year | 2019      | 2018      |
|---------------------------------------|-----------|-----------|
| Directors                             | 5         | 5         |
| Administrative staff                  | 17        | 18        |
|                                       | <u>22</u> | <u>23</u> |

### 4. Operating costs

|                                      | 2019<br>£'000 | 2018<br>£'000 |
|--------------------------------------|---------------|---------------|
| Changes in property stock valuations | -             | 97            |
| Cost of property sales               | 76,219        | 15,020        |
| Staff costs                          | 2,990         | 2,764         |
| Depreciation                         | 350           | 129           |
| Loss on sale of fixed assets         | -             | 138           |
| Amortisation of negative goodwill    | -             | (651)         |
| Other operating charges              | 2,488         | 3,562         |
| <b>Total operating costs</b>         | <u>82,047</u> | <u>21,059</u> |

### 5. Interest receivable and similar income

Interest receivable and similar income can be split as follows:

|                                             | 2019<br>£'000 | 2018<br>£'000 |
|---------------------------------------------|---------------|---------------|
| Bank and other interest                     | 610           | 360           |
| Exchange gains on foreign currency balances | 84            | 125           |
|                                             | <u>694</u>    | <u>485</u>    |

### 6. Interest payable and similar charges

Interest payable and similar charges can be split as follows:

|                                           | 2019<br>£'000 | 2018<br>£'000 |
|-------------------------------------------|---------------|---------------|
| Bank loans, other interest and overdrafts | 14            | 3             |
|                                           | <u>14</u>     | <u>3</u>      |

# Amshold Group Limited

## Notes to the financial statements (continued) For the year ended 30 June 2019

### 7. Profit on ordinary activities before taxation is after charging/(crediting)

|                                                                                          | 2019<br>£'000 | 2018<br>£'000 |
|------------------------------------------------------------------------------------------|---------------|---------------|
| Fees payable to the Company's auditor for<br>Audit of the Company's financial statements | 74            | 72            |
| Depreciation                                                                             | 350           | 129           |
| Loss on sale of fixed assets                                                             | -             | 138           |
| Amortisation of negative goodwill                                                        | -             | (651)         |
| Loss on disposal of investment properties                                                | -             | 25,923        |

### 8. Tax charge on profit

#### (i) Analysis of tax charge/(credit) on profit/(loss)

|                                                       | 2019<br>£'000 | 2018<br>£'000 |
|-------------------------------------------------------|---------------|---------------|
| <b>Current tax</b>                                    |               |               |
| UK corporation tax on profit                          | 3,030         | 3,062         |
| Group Relief                                          | -             | (66)          |
| Adjustments in respect of prior years                 | 110           | -             |
| Overseas tax paid                                     | 26            | -             |
| Total current tax charge                              | 3,166         | 2,996         |
| <b>Deferred tax</b>                                   |               |               |
| Origination and reversal of timing differences        | 292           | 167           |
| Loss on fair value movement of investment property    | (713)         | (11,255)      |
| Adjustments in respect of prior years                 | 23            | -             |
| Effects of decrease in tax rates on opening liability | (14)          | 3             |
| Total deferred tax credit                             | (412)         | (11,085)      |
| Total tax charge/(credit) on profit                   | 2,754         | (8,089)       |

## Amshold Group Limited

### Notes to the financial statements (continued)

#### For the year ended 30 June 2019

#### 8. Tax charge on profit (continued)

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

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 19% (2018: 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:

|                                                     | 2019<br>£'000 | 2018<br>£'000 |
|-----------------------------------------------------|---------------|---------------|
| Profit/(Loss) before taxation                       | 11,311        | (40,238)      |
| Tax charge/(credit) at 19% (2018: 19%):             | 2,149         | (7,645)       |
| Factors affecting charge:                           |               |               |
| Expenses not deductible for tax purposes            | (47)          | 2             |
| Capital allowances in excess of depreciation        | (12)          | (193)         |
| Adjustment in respect of prior years                | 133           | -             |
| Income not taxable                                  | 45            | (224)         |
| Effect of other tax rates / credits                 | 1             | (2)           |
| Effects of indexation                               | 275           | (848)         |
| Effects of changes in tax rates                     | 71            | 46            |
| Utilisation of tax losses not previously recognised | -             | (67)          |
| Origination and reversal of timing differences      | 140           | 10            |
| Utilisation of tax losses                           | (1)           | -             |
| Effect of gains                                     | -             | 832           |
| Total tax charge/(credit) for year                  | 2,754         | (8,089)       |

The Finance Bill 2016 reduced the main rate of UK corporation tax to 17% with effect from 1 April 2020. This was enacted at the balance sheet date and therefore the deferred tax balance has been calculated at 17% (2017: 17%). Existing temporary differences on which deferred tax has been provided may therefore unwind in periods subject to these reduced rates.

#### 9. Profit attributable to the Company

As permitted by Section 408 of the Companies Act 2006, the profit or loss of the parent company is not presented as part of these financial statements. The profit before tax for the year accounted for in the books of the parent company was £43,999,000 (2018: £47,273,000).

#### 10. Dividends on equity shares

During the year, the Company declared £500,000 dividends on 6 December 2018 and £75,000,000 on 26 March 2019 totalling £75,500,000 (2018: £600,000).

## Amshold Group Limited

### Notes to the financial statements (continued) For the year ended 30 June 2019

#### 11. Intangible fixed assets

|                                 | <b>Group<br/>Negative<br/>Goodwill<br/>£'000</b> |
|---------------------------------|--------------------------------------------------|
| <b>Cost:</b>                    |                                                  |
| At 1 July 2018                  | (13,038)                                         |
| Additions                       | -                                                |
| At 30 June 2019                 | <u>(13,038)</u>                                  |
| <b>Accumulated amortisation</b> |                                                  |
| At 1 July 2018                  | 7,731                                            |
| Amortisation during the year    | -                                                |
| At 30 June 2019                 | <u>7,731</u>                                     |
| <b>Net book value</b>           |                                                  |
| At 30 June 2019                 | <u>(5,307)</u>                                   |
| At 30 June 2018                 | <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 Group Limited

### Notes to the financial statements (continued) For the year ended 30 June 2019

#### 12. Investment properties

|                                    | <b>Group<br/>Land &amp; Buildings<br/>Investment Property<br/>£'000</b> |
|------------------------------------|-------------------------------------------------------------------------|
| At valuation:                      |                                                                         |
| At 1 July 2018                     | 405,966                                                                 |
| Additions                          | 10,746                                                                  |
| Deficit on revaluation in the year | (5,727)                                                                 |
|                                    | <hr/>                                                                   |
| At 30 June 2019                    | 410,985                                                                 |
|                                    | <hr/>                                                                   |
| Representing properties at cost    | 253,068                                                                 |
| Plus net valuation surplus         | 157,917                                                                 |
|                                    | <hr/>                                                                   |
|                                    | 410,985                                                                 |
|                                    | <hr/>                                                                   |

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

During the year the Group completed the purchase of 21-27 Church Street, Kingston for (£10,602,000).

During the year the Group sold no investment properties (2018: £43,658,750).

The majority of the investment properties were valued by the directors at 30 June 2019 on a valuation prepared internally by a qualified chartered surveyor, on a fair value basis. The remaining properties were valued externally at 30 June 2019. All valuations are at fair value and conform to RICS Valuation Professional Standards and were arrived at by reference to market evidence of the transaction prices for similar properties, yields and discount rates and are based on their professional judgement and market observation. The external valuers were qualified, independent and held a recognised and relevant professional qualification together with recent experience in the relevant location and type of property being valued.

The investment properties were valued at £410,985,336 as at 30 June 2019 (2018: £405,965,882). The valuation split as, freehold £375,237,000 and leasehold £35,748,000 The revaluation surplus at 30 June 2019 was £157,917,281 (2018: £163,644,161).

# Amshold Group Limited

## Notes to the financial statements (continued) For the year ended 30 June 2019

### 13. Other tangible fixed assets

#### Group

|                                 | Aircraft<br>£'000 | Freehold<br>Land and<br>Buildings<br>£'000 | Motor<br>vehicle<br>£'000 | Fixture &<br>Fittings<br>£'000 | Office<br>equipment<br>£'000 | Total<br>£'000 |
|---------------------------------|-------------------|--------------------------------------------|---------------------------|--------------------------------|------------------------------|----------------|
| <b>Cost</b>                     |                   |                                            |                           |                                |                              |                |
| At 1 July 2018                  | 487               | 2,368                                      | 16                        | 106                            | 675                          | 3,652          |
| Additions                       | 8,446             | -                                          | -                         | -                              | 4                            | 8,450          |
| Disposal                        | -                 | -                                          | -                         | -                              | -                            | -              |
| At 30 June 2019                 | 8,933             | 2,368                                      | 16                        | 106                            | 679                          | 12,102         |
| <b>Accumulated depreciation</b> |                   |                                            |                           |                                |                              |                |
| At 1 July 2018                  | 162               | -                                          | 13                        | 47                             | 653                          | 875            |
| Charge for the year             | 312               | -                                          | 1                         | 26                             | 11                           | 350            |
| Disposal                        | -                 | -                                          | -                         | -                              | -                            | -              |
| At 30 June 2019                 | 474               | -                                          | 14                        | 73                             | 664                          | 1,225          |
| <b>Net book value</b>           |                   |                                            |                           |                                |                              |                |
| At 30 June 2019                 | 8,459             | 2,368                                      | 2                         | 33                             | 15                           | 10,877         |
| At 30 June 2018                 | 325               | 2,368                                      | 3                         | 59                             | 22                           | 2,777          |

#### Company

|                                 | Freehold<br>Land and<br>Buildings<br>£'000 | Motor<br>vehicle<br>£'000 | Office<br>equipment<br>£'000 | Total<br>£'000 |
|---------------------------------|--------------------------------------------|---------------------------|------------------------------|----------------|
| <b>Cost</b>                     |                                            |                           |                              |                |
| At 1 July 2018                  | 2,441                                      | 15                        | 125                          | 2,581          |
| Additions                       | -                                          | -                         | 4                            | 4              |
| Disposal                        | -                                          | -                         | -                            | -              |
| At 30 June 2019                 | 2,441                                      | 15                        | 129                          | 2,585          |
| <b>Accumulated depreciation</b> |                                            |                           |                              |                |
| At 1 July 2018                  | -                                          | 12                        | 104                          | 116            |
| Charge for the year             | -                                          | 1                         | 11                           | 12             |
| Disposal                        | -                                          | -                         | -                            | -              |
| At 30 June 2019                 | -                                          | 13                        | 115                          | 128            |
| <b>Net book value</b>           |                                            |                           |                              |                |
| At 30 June 2019                 | 2,441                                      | 2                         | 14                           | 2,457          |
| At 30 June 2018                 | 2,441                                      | 3                         | 21                           | 2,465          |

## Amshold Group Limited

### Notes to the financial statements (continued) For the year ended 30 June 2019

#### 14. Investments held as fixed assets

##### Company

Investments held as fixed assets of £38,048,000 (2018: £54,563,000) represent shares in subsidiary undertakings and represent the cost of its investment in Amsprop Limited, Amshold Securities Limited and Amsprop London 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<br>incorporation | Activity                                 | UK<br>company<br>registration<br>number | Portion of<br>ordinary<br>shares held<br>and voting<br>rights % |
|-----------------------------------------|-----------------------------|------------------------------------------|-----------------------------------------|-----------------------------------------------------------------|
| Amsair Aircraft Limited                 | United Kingdom              | Plane chartering<br>Intermediate holding | 05845142                                | 100                                                             |
| Amsprop Limited                         | United Kingdom              | 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<br>notes          | 03337575                                | 100                                                             |
| Amstrad Consumer Electronics<br>Company | United Kingdom              | Administration                           | 03006504                                | 100                                                             |
| ACL (1997) Limited                      | United Kingdom              | Administration                           | 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                                                             |
| Amsail Limited                          | United Kingdom              | Dormant                                  | 05893262                                | 100                                                             |
| Amsprop Residential Limited             | United Kingdom              | Property trading                         | 10197316                                | 100                                                             |

The Company's only direct shareholdings at 30 June 2019 were Amsprop Limited, Amshold Securities Limited, Amsprop Residential Limited and Amsprop London Limited.

On 28<sup>th</sup> February 2019, the Group acquired Amsair Aircraft Limited from Amshold Trading Limited, a company wholly owned by Lord Sugar.

On 26 March 2019 the Company declared a dividend of £75,000,000. This dividend was paid in specie by the transfer of Amsprop REAT Limited. For consolidation purposes the assets and liabilities of Amsprop REAT Limited including its 4 properties has been treated as being sold by the Group.

Other than Amstrad Consumer Electronics Company, Amshold Securities Limited and ACL (1997) Limited, which are exempt under s480 of the Companies Act 2006, the above companies incorporated in the United Kingdom are exempt from the requirements of the Companies Act relating to the audit of individual financial statements by virtue of s479A of the Companies Act 2006.

## Amshold Group Limited

### Notes to the financial statements (continued) For the year ended 30 June 2019

#### 16. Properties held for resale

|                            | <b>Group</b> |              |
|----------------------------|--------------|--------------|
|                            | <b>2019</b>  | <b>2018</b>  |
|                            | <b>£'000</b> | <b>£'000</b> |
| Properties held for resale | 23,660       | 50,801       |

The difference between the balance sheet value of properties held for resale and their net realisable value at 30 June 2019 is £12,047,957 (2018: £13,819,304). The net realisable value is higher than carrying value.

The decrease in properties held for resale is due to:

- The third party sales of one flat at Bennet House, London and a property in Boca Raton, Florida USA. The cost of these properties at 30 June 2018 were £4,473,000 and £1,504,000 respectively; and
- The distribution of

Amsprop REAT Limited via a dividend to Lord Sugar. Amsprop REAT Limited held 4 properties and other assets with a total value of £75m of which £23,578,000 was held as properties for resale at 30 June 2018. The increase in the year reflected the acquisition of one property at a cost of £42.6m, the remainder reflecting development costs.

During the year, the Group spent £2,356,000 on developing 2 properties in the USA totalling and £58,000 on developing Bennet House, London.

#### 17. Debtors

|                                          | <b>Company</b> |                | <b>Group</b> |               |
|------------------------------------------|----------------|----------------|--------------|---------------|
|                                          | <b>2019</b>    | <b>2018</b>    | <b>2019</b>  | <b>2018</b>   |
|                                          | <b>£'000</b>   | <b>£'000</b>   | <b>£'000</b> | <b>£'000</b>  |
| Trade debtors                            | 23             | -              | 1,386        | 729           |
| Other debtors                            | 107            | 132            | 121          | 134           |
| Amounts due from subsidiary undertakings | 131,270        | 88,928         | -            | -             |
| Related party loans                      | 3,965          | 17,806         | 3,965        | 17,806        |
| Prepayments and accrued income           | 237            | 123            | 2,784        | 1,504         |
|                                          | <u>135,602</u> | <u>106,989</u> | <u>8,256</u> | <u>20,173</u> |

Other debtors for the Group includes £3,965,000 (2018: £6,915,000) loaned to Amshold Trading Limited and £0 (2018: £10,891,000) to Amsair Aircraft Limited, both at commercial rates of interest and repayable on demand. Amshold Trading Limited is ultimately controlled by Lord Sugar.

#### 18. Cash at bank and in hand

|                          | <b>Company</b> |               | <b>Group</b>  |                |
|--------------------------|----------------|---------------|---------------|----------------|
|                          | <b>2019</b>    | <b>2018</b>   | <b>2019</b>   | <b>2018</b>    |
|                          | <b>£'000</b>   | <b>£'000</b>  | <b>£'000</b>  | <b>£'000</b>   |
| Cash at bank and in hand | 46,949         | 90,269        | 62,181        | 110,778        |
| Tenant deposits          | -              | -             | 2,817         | 2,650          |
|                          | <u>46,949</u>  | <u>90,269</u> | <u>64,998</u> | <u>113,428</u> |

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

## Amshold Group Limited

### Notes to the financial statements (continued) For the year ended 30 June 2019

#### 19. Creditors: amounts falling due within one year

|                                       | Company      |            | Group         |               |
|---------------------------------------|--------------|------------|---------------|---------------|
|                                       | 2019         | 2018       | 2019          | 2018          |
|                                       | £'000        | £'000      | £'000         | £'000         |
| Trade creditors                       | 577          | 13         | 818           | 603           |
| Corporation tax                       | 229          | 350        | 1,755         | 1,746         |
| Other taxes and social security costs | 108          | 125        | 871           | 9,166         |
| Other creditors                       | 90           | 270        | 3,162         | 2,976         |
| Accruals and deferred income          | 181          | 102        | 6,706         | 5,859         |
|                                       | <u>1,185</u> | <u>860</u> | <u>13,312</u> | <u>20,350</u> |

Other creditors include director loans of £10,000 (2018: £195,000)

#### 20. Provisions for liabilities

Deferred tax can be split as follows as follows:-

|                                                             | Deferred tax    |                 |
|-------------------------------------------------------------|-----------------|-----------------|
|                                                             | 2019            | 2018            |
|                                                             | £'000           | £'000           |
| At 1 July                                                   | (32,369)        | (43,454)        |
| Credit to the profit and loss account – current year        | 411             | 11,085          |
| Charge to the profit and loss account – prior year          | (23)            | -               |
| At 30 June                                                  | <u>(31,981)</u> | <u>(32,369)</u> |
| <b>Analysis of deferred tax provision:</b>                  |                 |                 |
|                                                             | 2019            | 2018            |
|                                                             | £'000           | £'000           |
| Capital allowances that are less than depreciation          | (3,793)         | (3,470)         |
| Unutilised Capital Losses                                   | 70              | 72              |
| Potential gain on fixed asset investment                    | (8,292)         | (8,292)         |
| Deferred tax on retained surplus on revaluation of property | <u>(19,966)</u> | <u>(20,679)</u> |
|                                                             | <u>(31,981)</u> | <u>(32,369)</u> |

The Company had a deferred tax liability at 30 June 2019 of £44,643 (2017: £37,248) representing capital allowances in excess of depreciation.

#### 21. Called up share capital

|                                                          | 2019          | 2018          |
|----------------------------------------------------------|---------------|---------------|
|                                                          | £'000         | £'000         |
| <b>Called up, allotted and fully paid:</b>               |               |               |
| 35,522,513 (2017: 35,522,513) ordinary shares of £1 each | <u>35,523</u> | <u>35,523</u> |

## Amshold Group Limited

### Notes to the financial statements (continued)

#### For the year ended 30 June 2019

#### 22. Reserves

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

#### 23. Notes to the consolidated cash flow statement

##### Reconciliation of operating profit to net cash inflow from operating activities

|                                                           | 2019<br>£'000 | 2018<br>£'000 |
|-----------------------------------------------------------|---------------|---------------|
| Group operating profit/(loss)                             | 10,631        | (40,720)      |
| Depreciation charge                                       | 350           | 129           |
| Fair value movement on investment property                | 5,727         | 28,707        |
| Payments to develop and acquire investment properties     | (10,746)      | (10,384)      |
| Proceeds from sale of investment properties               | -             | 43,656        |
| Loss on sales of investment properties                    | -             | 25,923        |
| Interest paid and similar charges                         | (14)          | (3)           |
| Loss on disposal of fixed assets                          | -             | 138           |
| Release of negative goodwill                              | -             | (651)         |
| Non-cash proceeds from sale of properties held for resale | (75,000)      | -             |
| Decrease/(Increase) in properties held for resale         | 27,141        | (13,436)      |
| Decrease in debtors                                       | 11,910        | 48,920        |
| (Decrease)/Increase in creditors                          | (7,044)       | 1,422         |
| Stock transfer                                            | -             | 17,286        |
| Corporation tax paid                                      | (3,126)       | (7,912)       |
| Net cash (outflow)/inflow from operating activities       | (40,171)      | 93,075        |

#### 24. Capital commitments

At 30 June 2018 the Group had capital commitments of £nil (2018: £nil) in relation to properties under development.

#### 25. Operating lease income

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

|                                                                 | 2019<br>£'000 | 2018<br>£'000 |
|-----------------------------------------------------------------|---------------|---------------|
| Receivable in not later than one year                           | 17,583        | 17,177        |
| Receivable in later than one year but not later than five years | 57,457        | 60,644        |
| Receivable in later than five years                             | 96,563        | 91,350        |
|                                                                 | 171,603       | 169,171       |

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.

## Amshold Group Limited

### Notes to the financial statements (continued) For the year ended 30 June 2019

#### 26. Disposal of subsidiary undertaking

On 26 March 2019 the Group sold its 100 per cent interest in the ordinary share capital of Amsprop REAT Limited.

Net assets disposed of and the related sale proceeds were as follows:

|                                      | <b>2019<br/>£'000</b> |
|--------------------------------------|-----------------------|
| Current assets                       | 75,744                |
| Creditors                            | (744)                 |
| Net assets                           | <u>75,000</u>         |
| Profit on sale                       | -                     |
| Sale proceeds                        | <u>75,000</u>         |
| Satisfied by: Distribution in specie |                       |

#### 27. Related party transactions

During the year the Group received £2,950,000 (2018: loaned £1,367,000) from Amshold Trading Limited, a company ultimately controlled by Lord Sugar as repayment towards their loan. During the year the Company charged Amshold Trading Limited £10,000 (2018: £10,000) for services.

During the year the Company charged Amstar Entertainment Limited, a company ultimately controlled by Lord Sugar, £1,000 (2018: £5,000) for services.

During the year the Company charged Amstar Media Limited, a company ultimately controlled by Lord Sugar, £50,000 (2018: £50,000) for services.

During the year the Company charged Amsvest Limited, a company ultimately controlled by Lord Sugar, £10,000 (2018: £10,000) for services.

On 28 February 2019, Amshold Group Limited purchased the entire share capital of Amsair Aircraft Limited from Amshold Trading Limited, a company wholly owned by Lord Sugar. The transfer was done at fair market value.

#### 28. Controlling party

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

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

#### 29. Post balance sheet events

On 23 September 2019 the Group exchanged on the purchase of 4, 6-6A Clarence Street, Kingston-upon-Thames, KT1 1PA, for £10,000,000.