

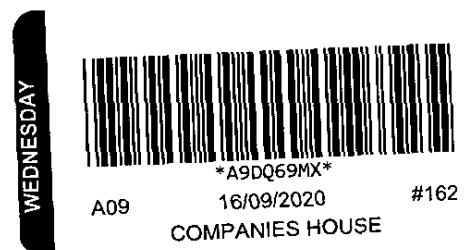
Amstar Media Ltd
9040151

Company Registration No. 08557464

Amshold Trading Limited

Annual Report and Consolidated Financial Statements

Year ended 30 September 2019



Amshold Trading Limited

Report and financial statements 2019

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Amshold Trading Limited

Officers and professional advisers

Directors

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

Company secretary

Michael E Ray

Registered Office

Amshold House
Goldings Hill
Loughton
Essex
IG10 2RW

Bankers

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

Auditor

Deloitte LLP
2 Hardman Street
Manchester
M3 3HF

Amshold Trading Limited

Strategic report

The directors present their strategic report of Amshold Trading Limited the Group for the year ended 30 September 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 Trading Limited and its subsidiary undertakings when viewed as a whole.

Principal activities and research and development

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

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

The Group continues to invest significant time and resource to ensure that its solutions embrace the latest available technologies. Research and development represent a key facet of the Group's activities and in the current year has been focussed on the development of its hardware, software and services to meet the more diverse needs of the new European customer base that the Group has engaged with in the financial year.

Review of business and key performance indicators

The year to 30 September 2019 has been very successful from a trading, operational and strategic perspective.

Overall sales volume growth was strong when compared to the prior year with improved buying and production efficiencies resulted in improved gross margin percentages. The financial year ended 30 September 2019 saw the Group utilize all their remaining brought forward tax losses and record a resultant tax charge. A key aspect of the Group's business model is the ongoing monitoring and maintenance of the deployed network of screens and overall performance in this regard has been very pleasing with all expected service and performance being exceeded.

FRS 102 requires the Group to account for the outdoor screens as finance leases and as such, a finance lease rental receivable balance of £25,763,923 (2018: £22,532,932) is recorded within debtors, which will be recovered over the contract term of the screens that have been delivered to date.

On 28 February 2019 Amsair Aircraft Limited was sold to Amshold Group Limited for £1 being the fair market value after Amshold Trading Limited waived £4,030,380 of debt due from Amsair Aircraft Limited.

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

The results of the Group are set out on page 9. The Group reported a profit after non-controlling interest of £5,923,442 in the year to September 2019 (2018: £3,439,943).

Amshold Trading Limited

Strategic report (continued)

Principal risks and uncertainties

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

- The business is currently reliant on a single customer group and their European subsidiaries and in turn has a significant reliance on the European outdoor advertising sector. The advertising sector is though best placed to deliver a return on investment from digital screen solutions and is therefore the key driver of growth in the outdoor screen solution market. Clear Channel International Limited possesses a high market share of the outdoor advertising industry across Europe and therefore represents an obvious and key target for the Group's products and solutions. Part of the Group's strategy is to extend its core customer base both within and beyond Europe and to diversify in to new territories.
- The Group's lease model means that there is a significant finance lease receivable balance in the balance sheet. The recoverability of this debt is key to the future success of the business. The Group undertakes rigorous credit checks, contracts and operational processes to mitigate this risk.
- A general downturn in the performance of the UK and wider European economy may impact the main customers of the business resulting in reduced demand for the Group's core products. The Group has largely mitigated this by providing its core products on fixed term lease contracts which provide surety of income over a number of years and operates lower barriers to adoption than other providers. The Group does not anticipate any major negative implications arising from the "Brexit" negotiations and resulting process. The general market may experience a level of general uncertainty and there have been some modest increases in the cost of those components that are imported. These factors are offset somewhat by this being an early stage for what is expected to be a significant market in Europe and the currency exchange rate changes experienced over the last 18 months or so have provided some
- Benefits for UK based manufacturers looking to export their products and services.
- The move into procurement and production of the outdoor screen products has increased the Group's use of and exposure to foreign currencies. The directors' policy on hedging is to hedge all financial risks where it is feasible and cost effective to do so, although no hedges were entered into in the current or prior year.
- Whilst there are currently few direct competitors in the outdoor digital screen sector there is a risk that new competitors will enter the market bringing improved technology and creating a more competitive environment. The Group makes significant investment in new technology to ensure that its products remain both technologically advanced and competitively priced. The Group also positions itself as an end-to-end solution provider which requires a tailored service approach rather than just being regarded as a supplier of components or commodities.

Future developments and subsequent events

The Group continues to invest significant time in seeking out further opportunities in the digital signage market and the media industry and there were no subsequent events to report.

The coronavirus pandemic Covid-19 may impact our ability to receive product from our suppliers on a timely basis and a period of illness may impact our employees ability to work for us which in turn could impact our ability to service our customers. The longer term impact on the economy could impact future revenue levels.

Approved by the Board and signed on its behalf by:

M Ray
Director

21 August 2020

Amshold Trading Limited

Directors' report (continued)

The directors present their annual report and the audited financial statements for the year ended 30 September 2019. As permitted by s414c(ii) of the Companies Act 2006, details of research and development, risks and uncertainties and future developments are included in the strategic report.

Going concern

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

On the basis of this review, and after making due enquiries, the directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Since the country went into lockdown on 23rd March 2020 due to Covid19 the group has seen a significant drop in activities in the Digital Media division. The group has continued to be paid by our major customers and has partaken in the Government furlough scheme to reduce costs during this period. The Group continues to be cash generative and is projecting to repay its debt by the next financial year end. The bank facility of £6m remains in place but is currently not being used and runs until March 2021, and as such the board of directors are confident that the group is well placed to meet all its obligations for the foreseeable future. Accordingly, we continue to adopt the going concern basis in preparing the report and financial statements.

Dividends

The directors do not propose the payment of a dividend (2018: nil).

Employees

Details of the number of employees and related costs can be found in note 4 to the financial statements.

It is the Group's policy to promote equal opportunities in employment for both existing employees and applicants for employment. Every effort is made to ensure that applications for employment from disabled persons are fully and fairly considered having regard to their particular aptitudes and abilities and that disabled employees have equal opportunities in career development. In the event of an existing employee becoming disabled, every effort is made to ensure that their employment by the Group continues and that appropriate adjustments are made to their work environment.

The Group has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the Group.

Directors

The directors, all of which held office for the Company throughout the financial year and thereafter, are listed on page 1.

Directors' indemnities

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

Financial risk management

Cash flow risk

The Group's activities expose it primarily to the financial risk of changes in interest rates. The key interest bearing assets and liabilities are held at fixed rates to ensure certainty of cash flows. The committed overdraft facility is subject to a variable interest rate. The Group would consider interest rate hedging where it was deemed necessary, feasible and cost effective to do so, although no hedges were entered into in the current or prior year.

Credit risk

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

Amshold Trading Limited

Directors' report (continued)

Disclosure of information to the auditor

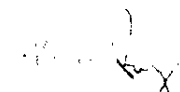
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he 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.

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 Ray

Director

21 August 2020

Amshold Trading Limited

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Amshold Trading 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 September 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 22.

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 to these matters.

Independent auditor's report to the members of Amshold Trading 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. This description forms part of our auditor's report.

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.

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

Matters on which we are required to report by exception

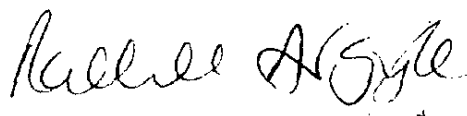
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion,

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

We have nothing to report in respect of these matters.

Use of our report

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



Rachel Argyle, (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor
Manchester, United Kingdom
25 August 2020

Amshold Trading Limited

Consolidated profit and loss account For the year ended 30 September 2019

| | Notes | 2019 £ | 2018 £ |
|--|-------|------------------|------------------|
| Group turnover | 3 | 19,964,190 | 17,273,744 |
| Operating costs | 5 | (13,207,964) | (14,781,564) |
| Group operating profit | | 6,756,226 | 2,492,180 |
| Interest receivable and similar income | 6 | 1,223,326 | 1,111,128 |
| Interest payable and similar charges | 7 | (214,611) | (179,318) |
| Profit before taxation | 8 | 7,764,941 | 3,423,990 |
| Tax (charge)/credit on profit | 9 | (971,412) | 601,480 |
| Profit after taxation | | 6,793,529 | 4,025,470 |
| Non-controlling interest | | (870,087) | (585,527) |
| Retained profit for the financial year after non-controlling interest | | 5,923,442 | 3,439,943 |

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

All results derive from continuing operations.

Amshold Trading Limited

Consolidated balance sheet As at 30 September 2019

| | Notes | 2019 £ | 2018 £ |
|--|-------|-------------------|-------------------|
| Fixed assets | | | |
| Tangible fixed assets | 10 | 204,304 | 8,445,501 |
| | | <u>204,304</u> | <u>8,445,501</u> |
| Current assets | | | |
| Stocks | 12 | 2,955,337 | 2,509,305 |
| Debtors due within one year | 13 | 12,133,393 | 9,760,789 |
| Debtors due after one year | 13 | 14,221,972 | 14,990,903 |
| Cash at bank and in hand | | 379,949 | 491,803 |
| | | <u>29,690,651</u> | <u>27,752,800</u> |
| Current liabilities | | | |
| Creditors due within one year | 14 | (6,269,925) | (5,368,804) |
| | | <u>23,420,726</u> | <u>22,383,996</u> |
| Net current assets | | | |
| Total assets less current liabilities | | <u>23,625,030</u> | <u>30,829,497</u> |
| Creditors due after one year | 14 | (7,385,738) | (21,351,401) |
| Provisions for liabilities | 16 | - | (24,004) |
| | | <u>16,239,292</u> | <u>9,454,092</u> |
| Net assets | | | |
| Capital and reserves | | | |
| Called up share capital | 17 | 5,991,886 | 5,991,886 |
| Profit and loss account | | 8,140,567 | 2,217,125 |
| | | <u>14,132,453</u> | <u>8,209,011</u> |
| Shareholder's funds | | | |
| Non-controlling interest | | 2,106,839 | 1,245,081 |
| | | <u>16,239,292</u> | <u>9,454,092</u> |
| Total capital employed | | | |

The Group financial statements of Amshold Trading Limited, registered number 8557464, were approved by the board of directors and authorised for issue on 21 August 2020. They were signed on its behalf by:

M Ray
Director

Amshold Trading Limited

Company balance sheet As at 30 September 2019

| | Notes | 2019 £ | 2018 £ |
|--|-------|-------------|-------------|
| Fixed assets | | | |
| Investments | 11 | 8,970,490 | 8,960,769 |
| Current assets | | | |
| Debtors due within one year | 13 | 73,247 | 123,507 |
| Debtors due after one year | 13 | 6,000,000 | 12,250,000 |
| Cash at bank and in hand | | 89,482 | 5 |
| | | 6,162,729 | 12,373,512 |
| Current liabilities | | | |
| Creditors due within one year | 14 | (1,878,953) | (513,393) |
| Net current assets | | 4,283,776 | 11,860,119 |
| Total assets less current liabilities | | 13,254,266 | 20,820,888 |
| Creditors due after one year | 14 | (2,004,545) | (7,380,927) |
| Net assets | | 11,249,721 | 13,439,961 |
| Capital and reserves | | | |
| Called up share capital | 17 | 5,991,886 | 5,991,886 |
| Profit and loss account | | 5,257,835 | 7,448,075 |
| Shareholder's funds | | 11,249,721 | 13,439,961 |

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these accounts. The loss after tax for the year ended 30 September 2019 accounted for in the books of the parent company was £2,190,240 (2018: £356,441 profit).

The Company financial statements of Amshold Trading Limited, registered number 8557464, were approved by the board of directors and authorised for issue on 21 August 2020. They were signed on its behalf by:


M Ray
Director

Amshold Trading Limited

Consolidated statement of changes in equity At 30 September 2019

| | Called up share capital | Profit and loss account | Shareholder's funds | Non- controlling interest | Total capital employed |
|--|----------------------------|----------------------------|------------------------|---------------------------------|---------------------------|
| | £ | £ | £ | £ | £ |
| As at 30 September 2017 | 5,991,886 | (1,222,818) | 4,769,068 | 659,554 | 5,428,622 |
| Profit for the financial year and total comprehensive income | - | 3,439,943 | 3,439,943 | 585,527 | 4,025,470 |
| As at 30 September 2018 | 5,991,886 | 2,217,125 | 8,209,011 | 1,245,081 | 9,454,092 |
| Profit for the financial year and total comprehensive income | - | 5,923,442 | 5,923,442 | 870,087 | 6,793,529 |
| Changes in stake in subsidiary | - | - | - | (8,329) | (8,329) |
| As at 30 September 2019 | 5,991,886 | 8,140,567 | 14,132,453 | 2,106,839 | 16,239,292 |

Company statement of changes in equity At 30 September 2019

| | Called up share capital | Profit and loss account | Shareholder's funds |
|--|----------------------------|----------------------------|------------------------|
| | £ | £ | £ |
| As at 30 September 2017 | 5,991,886 | 7,091,634 | 13,083,520 |
| Profit for the financial year and total comprehensive profit | - | 356,441 | 356,441 |
| As at 30 September 2018 | 5,991,886 | 7,448,075 | 13,439,961 |
| Loss for the financial year and total comprehensive expense | - | (2,190,240) | (2,190,240) |
| As at 30 September 2019 | 5,991,886 | 5,257,835 | 11,2249,721 |

Amshold Trading Limited

Consolidated cash flow statement For the year ended 30 September 2019

| | Notes | 2019 £ | 2018 £ |
|---|-------|-----------------------|-----------------------|
| Net cash outflow from operating activities | 18 | (1,042,522) | (2,702,819) |
| Cash flows from investing activities | | | |
| Interest received and similar income | | 1,219,551 | 1,111,128 |
| Payments to acquire tangible fixed assets | | (69,718) | (148,364) |
| Net cash inflow from investing activities | | <u>1,149,833</u> | <u>962,764</u> |
| Cash flows from financing activities | | | |
| Interest paid and similar charges | | (214,611) | (179,275) |
| Transfer from minority interest | | (8,331) | - |
| Net cash outflow from financing | | <u>(222,942)</u> | <u>(179,275)</u> |
| Net (decrease)/increase in cash and cash equivalents | | <u>(115,631)</u> | <u>(1,919,330)</u> |
| Cash and cash equivalents at beginning of year | | <u>491,803</u> | <u>2,411,176</u> |
| Effect of foreign exchange rate changes | | 3,777 | (43) |
| Cash and cash equivalents at end of year | | <u><u>379,949</u></u> | <u><u>491,803</u></u> |

Amshold Trading Limited

Notes to the financial statements For the year ended 30 September 2019

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted by the directors are described below, and have been applied consistently in the current and preceding years.

General information and basis of accounting

Amshold Trading Limited is a private company limited by shares registered in England & Wales and incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

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

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

Amshold Trading Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Amshold Trading Limited is consolidated in the financial statements of the Group. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, key management personnel and cash flow statement.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and financial position are set out in the strategic report and director's report, this includes the impact of Covid-19. 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 continues to trade successfully within the current facility and are projecting to have repaid all debt by the end of the next financial year. The facility remains in place and our key debtors continue to pay their liabilities as they fall due.

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 September each year.

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

Amshold Trading Limited

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

1. Accounting policies (continued)

Turnover and interest received

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

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

Financial instruments

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

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

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

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

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

Investments

Investments are shown at cost less provision for impairment.

Tangible fixed assets

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

| | |
|----------------------------------|--|
| Leasehold improvements | - 20% on a straight-line basis |
| Aircraft | - Straight line basis over 10 & 20 years |
| Fixtures, fittings and equipment | - 25% on reducing balance |
| Computer equipment and screens | - 33% on a straight-line basis |
| Plant and machinery | - 33% on a straight-line basis |

Stocks

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

Amshold Trading Limited

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

1. Accounting policies (continued)

Impairment of assets

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

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

Financial assets

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

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

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

Leases

The Group as lessee

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

The Group as lessor

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

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

Research and development

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

Foreign currencies

Transactions in foreign currencies are translated at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

Amshold Trading Limited

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

1. Accounting policies (continued)

Current taxation

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

Deferred taxation

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

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

Retirement benefits

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

Borrowings

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

2. Critical accounting judgements and key sources of estimation

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

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

Amshold Trading Limited

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

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

Critical judgements in applying the Group's accounting policies

The directors do not consider there to be any critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Revenue recognition in respect of warranty income

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

Recoverability of lease rental debtor

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

3. Turnover and segmental analysis

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

| | | 2019 | 2018 |
|--------------------------------------|-------------------|-------------------|-------------------|
| | | £ | £ |
| Turnover | | | |
| Aircraft chartering | United Kingdom | 496,592 | 1,353,572 |
| Digital signage | United Kingdom | 12,981,753 | 13,282,003 |
| Digital signage | Rest of the World | 4,696,710 | 1,030,596 |
| Media activities | United Kingdom | 1,789,135 | 1,607,573 |
| | | <u>19,964,190</u> | <u>17,273,744</u> |
| | | | |
| | | 2019 | 2018 |
| | | £ | £ |
| Profit/(Loss) before taxation | | | |
| Aircraft chartering | | 338,665 | (724,801) |
| Digital signage | | 5,586,605 | 2,589,980 |
| Media activities | | 1,533,966 | 1,117,298 |
| Other trading profits/(losses) | | 305,705 | 441,513 |
| | | <u>7,764,941</u> | <u>3,423,990</u> |

Amshold Trading Limited

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

4. Information regarding directors and employees of the Group

Directors' emoluments

| | 2019 £ | 2018 £ |
|-------------------------|----------------|----------------|
| Directors' remuneration | 471,804 | 475,610 |
| | <u>471,804</u> | <u>475,610</u> |

The emoluments of the highest paid director were £257,556 (2018: £253,750). No directors were members of a pension scheme to which the Group contributed in the current year (2018: no directors). There are no share option schemes in the Group.

| | 2019 £ | 2018 £ |
|---|------------------|------------------|
| Staff costs during the year (including directors) | | |
| Wages and salaries | 2,356,016 | 2,106,004 |
| Social security costs | 237,802 | 238,747 |
| Pension costs | 80,420 | 71,565 |
| | <u>2,674,238</u> | <u>2,416,316</u> |
| The average monthly number of employees (including directors): | | |
| Office, support and sales | 19 | 15 |
| Engineering | 13 | 15 |
| Production | 20 | 14 |
| | <u>52</u> | <u>44</u> |

At 30 September 2019, the Company Amshold Trading Limited has nil (2018: nil) employees

5. Operating costs

| | 2019 £ | 2018 £ |
|---|-------------------|-------------------|
| Raw materials and consumables | 8,576,492 | 7,828,125 |
| Other external charges | 531,433 | 1,305,382 |
| Staff costs | 2,674,238 | 2,416,316 |
| Depreciation | 484,792 | 1,204,497 |
| Reversal of Impairment of tangible fixed assets | (619,820) | - |
| Amortisation of goodwill | - | 244,868 |
| Other operating charges | 1,560,829 | 1,782,376 |
| Total operating costs | <u>13,207,964</u> | <u>14,781,564</u> |

Amshold Trading Limited

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

6. Interest receivable and similar income

Interest receivable and similar income can be split as follows:

| | 2019 £ | 2018 £ |
|--|------------------|------------------|
| Interest receivable on finance leases | 1,215,754 | 1,110,972 |
| Bank and other interest | 3,795 | 156 |
| Exchange losses on foreign currency balances | 3,777 | - |
| | <u>1,223,326</u> | <u>1,111,128</u> |

7. Interest payable and similar charges

Interest payable and similar charges can be split as follows:

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Related party loans | 25,503 | 74,786 |
| Bank and other interest | 20,533 | 323 |
| Overdrafts | 168,575 | 104,166 |
| Exchange losses on foreign currency balances | - | 43 |
| | <u>214,611</u> | <u>179,318</u> |

8. Loss before taxation is stated after charging/(crediting):

| | 2019 £ | 2018 £ |
|---|------------------|------------------|
| Audit of the Company's accounts | 15,000 | 14,250 |
| Audit of the Company's subsidiaries | 21,630 | 21,000 |
| Depreciation | 484,792 | 1,204,497 |
| Reversal of impairment of tangible fixed assets | (619,820) | - |
| Hire of plant and machinery | 42,149 | 40,362 |
| Operating lease payments | | |
| Land and buildings | 204,426 | 182,232 |
| Other | 32,226 | 35,936 |
| Amortisation of goodwill | - | 244,868 |
| Research and development | 210,390 | 226,940 |
| Foreign exchange (gains)/losses | (3,777) | 43 |
| Cost of stock recognised as an expense | <u>8,576,492</u> | <u>7,828,125</u> |

Other than audit fee, there were no other services paid to the Company's auditor (2018: nil).

Amshold Trading Limited

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

9. Tax credit/(charge) on profit/(loss)

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

| | 2019 £ | 2018 £ |
|---|------------------|------------------|
| Current year | | |
| United Kingdom corporation tax at 19% (2018: 19%) based on the profit for the year | (687,577) | (156,113) |
| Total current tax charge | (687,577) | (156,113) |
| Prior year | | |
| Research and development tax credit received in the year | - | 279,382 |
| Deferred tax asset brought forward now recognised | 208,375 | - |
| Total prior tax credit | 208,375 | 279,382 |
| Effects of decrease in tax rates on opening liability | 29,256 | 5,185 |
| Origination and reversal of timing differences | 830 | 473,026 |
| Origination and reversal of timing differences | (522,296) | - |
| Total deferred tax (charge)/credit | (492,210) | 478,211 |
| Tax (charge)/credit on profit | (971,412) | 601,480 |

(ii) Factors affecting tax charge for the current year

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 19% (2018: 19%). The actual tax credit for the current and the previous year differs from the standard rate for the reasons set out in the following reconciliation based on the changes in rates to the Finance Act 2015:

| | 2019 £ | 2018 £ |
|---|------------------|----------------|
| Profit before taxation | 7,764,943 | 3,423,990 |
| Tax charge at 19% (2018: 19%): | (1,475,339) | (650,558) |
| Factors affecting credit: | | |
| Expenses not deductible for tax purposes | (5,931) | (100,184) |
| R&D tax credits | 199,566 | 210,838 |
| Capital allowances in excess of depreciation | - | 50,063 |
| Deferred tax asset brought forward now recognised – see note 17 | - | 522,296 |
| Origination and reversal of timing differences | - | (49,270) |
| Unprovided deferred tax movements | 321,181 | 333,728 |
| Income not taxable | 48 | - |
| Effects of decrease in tax rates on opening liability | (10,937) | (45,687) |
| Total tax credit for current year | 503,927 | 322,098 |
| Prior year R&D | - | 279,382 |
| Total tax (charge)/credit | (971,412) | 601,480 |

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

Amshold Trading Limited

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

10. Tangible fixed assets

Group

| | Fixtures, fittings and equipment £ | Plant and machinery £ | Aircraft £ | Leasehold improvements £ | Computer equipment and screens £ | Total £ |
|-------------------------------------|--|-----------------------------|---------------|--------------------------------|---|--------------|
| Cost | | | | | | |
| At 1 October 2018 | 97,452 | 483,096 | 15,789,474 | 93,939 | 2,204,889 | 18,668,850 |
| Additions | 6,210 | 22,318 | - | 31,746 | 9,444 | 69,718 |
| Disposals | - | - | (15,789,474) | - | - | (15,789,474) |
| At 30 September 2019 | 103,662 | 505,414 | - | 125,685 | 2,214,333 | 2,949,094 |
| Accumulated depreciation | | | | | | |
| At 1 October 2018 | 81,554 | 334,686 | 7,634,404 | 58,620 | 2,114,085 | 10,223,349 |
| Charge for the year | 4,570 | 75,111 | 328,947 | 22,490 | 53,674 | 484,792 |
| Impairment of asset | - | - | (619,820) | - | - | (619,820) |
| Disposals | - | - | (7,343,531) | - | - | (7,343,531) |
| At 30 September 2019 | 86,124 | 409,797 | - | 81,110 | 2,167,759 | 2,744,790 |
| Net book value | | | | | | |
| At 30 September 2019 | 17,538 | 95,617 | - | 44,575 | 46,574 | 204,304 |
| At 30 September 2018 | 15,898 | 148,410 | 8,155,070 | 35,319 | 90,804 | 8,445,501 |

Amshold Trading Limited

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

11. Fixed assets investments

Company

| | 2019 | 2018 |
|------------------------------------|-----------|-----------|
| | £ | £ |
| Investment in Amscreen PLC | 8,970,489 | 8,960,768 |
| Investment in Amstar Media Limited | 1 | 1 |
| Investment in subsidiaries | 8,970,490 | 8,960,769 |

Amstar Media Limited, incorporated in the United Kingdom, is exempt from the requirements of the Companies Act relating to the audit of individual financial statements by virtue of s479A of the Companies Act 2006. The parent company holds investments in the following subsidiaries:

| | Country of incorporation | Activity | UK company registration number | Portion of ordinary shares held and voting rights % |
|--|--------------------------|-----------------|--------------------------------|---|
| Registered address: Amscreen House, Paragon Business Pk, Chorley New Road, Horwich, Bolton, BL6 6HG | | | | |
| Amscreen PLC | United Kingdom | Digital signage | 01873323 | 82.80% |
| Amscreen Group Limited (indirectly) | United Kingdom | Digital signage | 02477288 | 100% |
| Registered address: Amshold House, Goldings Hill, Loughton, Essex, IG10 2RW | | | | |
| Amstar Media Limited | United Kingdom | Media industry | 04293793 | 100% |

On 28 February 2019 Amsair Aircraft Limited was sold to Amshold Group Limited for £1 being the fair market value after Amshold Trading Limited waived £4,030,380 of debt due from Amsair Aircraft Limited.

12. Stocks

| | Group 2019 | 2018 |
|-------------------------------------|---------------|-----------|
| | £ | £ |
| Raw materials | 2,642,965 | 2,239,295 |
| Finished goods and goods for resale | 312,372 | 270,010 |
| | 2,955,337 | 2,509,305 |

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

Amshold Trading Limited

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

13. Debtors

| | Group | | Company | |
|---------------------------------|-------------------|-------------------|------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Trade debtors | 369,303 | 1,354,303 | - | - |
| Other debtors | 52 | 52 | - | - |
| Finance lease rental receivable | 25,763,923 | 22,532,932 | - | - |
| Amounts owed by group companies | - | - | 6,000,000 | 12,250,000 |
| Other taxation | 3,000 | 34,810 | - | - |
| Deferred taxation | 208,375 | 522,296 | - | - |
| Prepayments and accrued income | 10,712 | 307,299 | 73,247 | 123,507 |
| | <u>26,355,365</u> | <u>24,751,692</u> | <u>6,073,247</u> | <u>12,373,507</u> |

Group

All amounts fall due within one year, except for the finance lease rental receivable which falls due as follows:

| | 2019 | | 2018 | |
|----------------------------|--|---|--|---|
| | Present value of minimum lease payments £ | Gross investment in leases £ | Present value of minimum lease payments £ | Gross investment in leases £ |
| Within one year | 11,750,326 | 12,615,801 | 8,064,325 | 9,112,384 |
| Between one and five years | 14,013,597 | 14,503,352 | 14,468,607 | 15,332,950 |
| | <u>25,763,923</u> | <u>27,119,153</u> | <u>22,532,932</u> | <u>24,445,334</u> |

The difference between the gross investment and present value of minimum lease payments relates to the interest income due to accrue on the balance. There was no unearned finance income or unguaranteed residual values accruing to the benefit of the Company at 30 September 2019 (2018: same).

Company

Amounts owed by group companies includes £6,000,000 (2018: £12,250,000) representing a loan to Amscreen Group Limited a subsidiary undertaking repayable in more than one year. The loan bears interest of 4% per annum and is repayable on 30 September 2021.

Amshold Trading Limited

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

14. Creditors

Amounts falling due within one year

| | Group | | Company | |
|---------------------------------------|------------------|------------------|------------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Trade creditors | 1,642,150 | 2,661,777 | - | - |
| Amounts owed to other group companies | - | - | 1,805,869 | 498,393 |
| Other taxes and social security costs | 499,816 | 95,613 | - | - |
| Accruals and deferred income | 3,748,587 | 2,605,217 | 15,000 | 15,000 |
| Corporation tax | 379,372 | 6,197 | 58,084 | - |
| | <u>6,269,925</u> | <u>5,368,804</u> | <u>1,878,953</u> | <u>513,393</u> |

Amounts falling due after one year

| | Group | | Company | |
|---------------------------------|------------------|-------------------|------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Amounts owed to related parties | 2,004,545 | 18,282,621 | 2,004,545 | 7,380,927 |
| Bank loan | 3,544,907 | 2,522,355 | - | - |
| Deferred income | 1,836,286 | 546,425 | - | - |
| | <u>7,385,738</u> | <u>21,351,401</u> | <u>2,004,545</u> | <u>7,380,927</u> |

Group

At 30 September 2019 the Group owed £2,004,545 (2018: £18,282,621) to Amshold Group Limited, a company controlled by Lord Sugar, repayable in more than one year and included in other creditors. The loan bears interest of 0.4% and was fully repaid on 3 February 2020.

Company

At 30 September 2019 the Company owed £2,004,545 (2018: £7,380,927) to Amshold Group Limited, a company controlled by Lord Sugar, repayable in more than one year. The loan bears interest of 0.4% and was repaid in full on 3 February 2020.

15. Deferred tax asset

The recognised and unrecognised deferred tax asset is made up as follows:

| | Group | | Company | |
|--|----------------|-------------------------|----------|----------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| | Recognised | Recognised Unrecognised | - | - |
| Excess of depreciation over tax allowances | 207,545 | - 234,246 | - | - |
| Tax losses | - | 522,296 - | - | - |
| Other timing differences | 830 | - 20,075 | - | - |
| Deferred tax asset | <u>208,375</u> | <u>522,296 254,321</u> | <u>-</u> | <u>-</u> |

Amshold Trading Limited

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

16. Provisions for liabilities

| | Group Deferred tax | |
|--|-------------------------------|-------------|
| | 2019 | 2018 |
| | £ | £ |
| At 1 October | 24,004 | - |
| Charged to the profit and loss in the year | (24,004) | 24,004 |
| At 30 September | - | 24,004 |
| Analysis of deferred tax provision: | | |
| | 2019 | 2018 |
| | £ | £ |
| Fixed asset timing differences | - | 24,004 |

17. Called up share capital

| | Ordinary shares of £1 each | |
|--|---------------------------------------|-----------|
| | Number | £ |
| At 30 September 2018 and 30 September 2019 | | |
| Called up, allotted and fully paid | 5,991,886 | 5,991,886 |

18. Notes to the consolidated cash flow statement

Reconciliation of operating profit to net cash outflow from operating activities

| | 2019 | 2018 |
|--|--------------|-------------|
| | £ | £ |
| Group operating profit/(loss) | 6,756,226 | 2,492,180 |
| Amortisation of goodwill | - | 244,868 |
| Depreciation charge | 484,792 | 1,204,497 |
| Impairment of tangible fixed assets | (619,820) | - |
| Corporation tax paid | (206,197) | (195,000) |
| Operating cash flow before movement in working capital | 6,415,001 | 3,746,545 |
| Increase in stocks | (446,032) | (783,233) |
| Increase in debtors | (2,019,717) | (5,744,033) |
| (Decrease)/Increase in creditors | (13,437,717) | 77,902 |
| Sale of subsidiary | 8,445,943 | - |
| Net cash outflow from operating activities | (1,042,522) | (2,702,819) |

Amshold Trading Limited

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

19. Leasing commitments

At 30 September 2019 the Group has total future minimum lease payments under non-cancellable operating leases as follows:

| | 2019 | | 2018 | |
|------------------------------|----------------------------|---------------|----------------------------|---------------|
| | Land and buildings £ | Other £ | Land and buildings £ | Other £ |
| Within one year | 204,426 | 22,932 | 182,232 | 32,441 |
| In the second to fifth years | 377,923 | 20,274 | 376,252 | 22,694 |
| | <u>582,349</u> | <u>43,206</u> | <u>558,484</u> | <u>55,135</u> |

20. Related party transactions

At 30 September 2019 the Group owed £2,004,545 (2018: £18,282,621) at commercial rates of interest to Amshold Group Limited, a company ultimately controlled by Lord Sugar and paid £25,503 (2018: £74,786) of interest in the year.

During the year the Group charged Amshold Group Limited £329,870 (2018: £523,773) for travel services and incurred management charges from Amshold Group Limited of £60,000 (2018: £110,000).

During the year the Company charged Amscreen Group Limited £357,096 (2018: £490,000) for loan interest.

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

21. Controlling party

Amshold Trading Limited was transferred on 31 March 2019 from Lord Sugar to The Lord Sugar Family Trust which is now in the opinion of the directors the ultimate controlling party.

22. Post balance sheet events

The emergence of Coronavirus COVID-19 in 2020 and its recent global expansion to a large number of countries has led to the outbreak being described as a pandemic by the World Health Organisation since 11 March 2020. The consequences for the Group's operations will depend to a large extent on the evolution and extent of the pandemic in the coming months, as well as on the responsiveness and adaptation of all the economic agents impacted.

However, the Group's Management has carried out a preliminary assessment of the current situation according to the best available information. This analysis has mainly been aimed at assessing the impacts that an extension of the current state could have on the Group's main risks, understood as liquidity risks, operational risks and asset valuation. The conclusions reached, considering the degree of uncertainty that exists regarding the future evolution of the pandemic, allow us to conclude that the Group can continue to rely on current facilities and cash flows in order to continue its operations and to face its current obligations under scenarios of a prolonged pandemic, and consequently significant impacts on the development of the Group's operations or on the valuation and recoverability of its assets have not been identified. In addition, specific procedures have been established to monitor and manage the evolution of the pandemic at all times and to minimise any financial or non-financial impacts it may have on operations.