

COMPANY REGISTRATION NUMBER 07893621

ASTUS HOLDINGS LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2012

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ASTUS HOLDINGS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

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ASTUS HOLDINGS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

M Wilson
D Jones
P Jackson
D Gilmour
F Dickens

Registered office

1-2 Castle Lane
London
SW2E 6DR

Auditor

Shipleys LLP
Chartered Accountants
& Statutory Auditor
10 Orange Street
Haymarket
London
WC2H 7DQ

ASTUS HOLDINGS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2012

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 December 2012

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of a holding company. The principal activity of the group is that of corporate barter.

Astus Holdings was established during the year as a holding company for Astus UK Limited.

The Corporate Barter model allows clients to part-pay for vital expenditures, predominantly media space, using their own products or services.

Astus is a company made up of the most experienced practitioners in Corporate Barter and is the largest company of its type in the UK. The company was established over nine years ago with a brief to take barter to a whole new level of delivery. Turnover in 2012 of £106m (£114m in the 18 month period 2010/2011) has been achieved by performing time and again for more than 100 clients including Shop Direct, Diageo, Jaguar, Sky, BT, and Lloyds Banking Group.

The continued growth is down to a very simple mantra "deliver your promises".

Gross profit margin for 2012 was 6.3% and is forecast to remain at this level for 2013.

Growth has been achieved by both an increase in number of clients but more importantly, through developing relationships with existing clients. In the nine years since Astus was established, the company has retained the majority of its client base, which has led to repeat business levels of over 90%. This is a ratio unparalleled in the industry.

The growth in turnover has been offset by continuing investment both in the UK & Asia. The directors believe that these investments are necessary to ensure clients are serviced properly and that the required infrastructure is in place to encourage further growth in 2013 across the UK & Asia.

Key Financial Highlights are as follows:

	2012 £000s	2010/2011 £000s	2009 £000s
Turnover	106,227	114,058	57,844
Turnover Growth (adjusted for 18 month period in 2010/2011)	40%	31%	66%

ASTUS HOLDINGS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2012

Gross profit margin	6%	6%	7%
Profit before tax	2,904	1,867	1,631
Profit/Turnover (%)	2.7%	1.6%	2.8%

RESOURCES, PRINCIPAL RISKS AND UNCERTAINTIES

The group's main resources are its people and their relationships with clients, media agencies & media owners. The principal risks and uncertainties the group faces may appear intrinsically connected with the economic risks that concern the health of the markets in which the group operates. However, the group's business model allows it to operate successfully in boom and bust. This has been demonstrated with a strong financial performance in both 2010/2011 and more recently 2012 while the global economy still faced challenging conditions. The directors believe that the growth of the group will continue independent of the growth of the UK advertising market.

Major risks over which the group has some control are to its reputation, to its capacity to compete and to retention of staff. In all these areas its record remains exemplary.

SUMMARY OF POSITION AT YEAR END

Turnover growth during 2012 exceeded expectation, and this was not at the expense of materially reduced gross profit margins. The final result was a profitable and cash positive year.

FUTURE DEVELOPMENTS

There is no plan to significantly change the business model of the group. Gross profit margins are forecast to remain in the region of 6% with operating costs to be managed accordingly. The key to driving shareholder value will be increasing market share and the UK Corporate Barter market itself.

As previously mentioned, growth in the UK advertising market is not a key factor affecting the growth of the group. More importantly, it is the continued development of the group's resources i.e. client and trading partner relationships that will drive the growth of the group.

The group has also continued with the growth and expansion of its operations throughout the Asia region. This investment is viewed as a long term commitment and the directors look forward to successes in the region in line with its UK operations.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £2,134,548. Particulars of dividends paid are detailed in note 10 to the financial statements.

FINANCIAL INSTRUMENTS

Details of the group's financial risk management objectives and policies are included in note 15 to the accounts.

ASTUS HOLDINGS LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2012

DIRECTORS

The directors who served the company during the year were as follows

M Wilson
D Jones
P Jackson
D Gilmour
F Dickens

M Wilson was appointed as a director on 28 February 2012
D Jones was appointed as a director on 28 February 2012
P Jackson was appointed as a director on 28 February 2012
D Gilmour was appointed as a director on 28 February 2012
F Dickens was appointed as a director on 29 December 2011

DIRECTORS' RESPONSIBILITIES

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

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

In preparing those 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

ASTUS HOLDINGS LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 DECEMBER 2012

DONATIONS

During the year the company made the following contributions

	Year to 31 Dec 2012 £	Period from 1 Jul 2010 to 31 Dec 2011 £
Charitable	<u>2,608</u>	<u>4,495</u>

Registered office
1-2 Castle Lane
London
SW2E 6DR

Signed on behalf of the directors



P Jackson
Director

Approved by the directors on 31 July 2013

ASTUS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ASTUS HOLDINGS LIMITED

YEAR ENDED 31 DECEMBER 2012

We have audited the group and parent company financial statements ("the financial statements") of Astus Holdings Limited for the year ended 31 December 2012. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 to 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

ASTUS HOLDINGS LIMITED

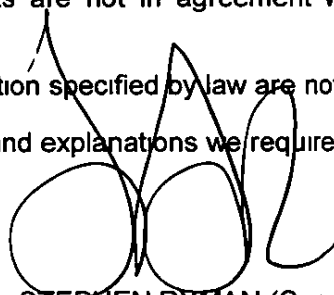
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ASTUS HOLDINGS LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2012

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept 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



STEPHEN RYMAN (Senior Statutory Auditor)

For and on behalf of
SHIPLEYS LLP
Chartered Accountants
& Statutory Auditor

10 Orange Street
Haymarket
London
WC2H 7DQ

31 July 2013

ASTUS HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2012

		Year to 31 Dec 2012	Period from 1 Jul 2010 to 31 Dec 2011
	Note	£	£
GROUP TURNOVER	2	106,227,485	114,057,787
Cost of sales		<u>99,573,206</u>	<u>106,985,104</u>
GROSS PROFIT		6,654,279	7,072,683
Administrative expenses		<u>(3,759,667)</u>	<u>(5,234,214)</u>
Other operating income	3	<u>—</u>	<u>254</u>
OPERATING PROFIT	4	2,894,612	1,838,723
Attributable to			
Operating profit before exceptional items		<u>2,894,612</u>	<u>2,332,327</u>
Exceptional items	4	<u>—</u>	<u>(493,604)</u>
		2,894,612	1,838,823
Interest receivable		<u>9,850</u>	<u>27,984</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,904,462	1,866,707
Tax on profit on ordinary activities	8	<u>769,914</u>	<u>726,253</u>
PROFIT FOR THE FINANCIAL YEAR	9	<u>2,134,548</u>	<u>1,140,454</u>

All of the activities of the group are classed as continuing

The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own Profit and Loss Account

The notes on pages 13 to 25 form part of these financial statements.

ASTUS HOLDINGS LIMITED
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 DECEMBER 2012

	Year to 31 Dec 2012 £	Period from 1 Jul 2010 to 31 Dec 2011 £
Profit for the financial year		
attributable to the shareholders of the parent company	2,134,548	1,140,454
Exchange differences on retranslation of net assets of subsidiary undertakings	—	(2,327)
Total gains and losses recognised since the last annual report	<u>2,134,548</u>	<u>1,138,127</u>

The notes on pages 13 to 25 form part of these financial statements.

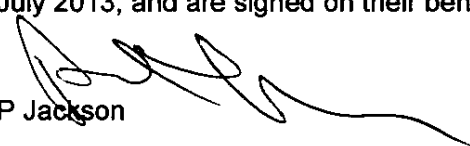
ASTUS HOLDINGS LIMITED

GROUP BALANCE SHEET

31 DECEMBER 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	11	23,082	26,644
Investments	12	—	—
		<u>23,082</u>	<u>26,644</u>
CURRENT ASSETS			
Debtors	13	26,858,304	24,473,949
Cash at bank		<u>21,366,614</u>	<u>11,650,172</u>
		48,224,918	36,124,121
CREDITORS: Amounts falling due within one year	14	<u>45,468,742</u>	<u>34,256,055</u>
NET CURRENT ASSETS		<u>2,756,176</u>	<u>1,868,066</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,779,258</u>	<u>1,894,710</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	93,219	93,219
Share premium account	19	—	—
Other reserves	19	476,781	476,781
Profit and loss account	19	<u>2,209,258</u>	<u>1,324,710</u>
SHAREHOLDERS' FUNDS	20	<u>2,779,258</u>	<u>1,894,710</u>

These financial statements were approved by the directors and authorised for issue on 31 July 2013, and are signed on their behalf by


P Jackson

Director

The notes on pages 13 to 25 form part of these financial statements.

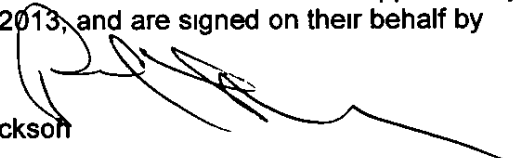
ASTUS HOLDINGS LIMITED

BALANCE SHEET

31 DECEMBER 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Investments	12	<u>93,219</u>	<u>—</u>
CURRENT ASSETS			
Debtors	13	<u>317,173</u>	<u>—</u>
TOTAL ASSETS		<u>410,392</u>	<u>—</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	<u>93,219</u>	<u>—</u>
Profit and loss account	19	<u>317,173</u>	<u>—</u>
SHAREHOLDERS' FUNDS		<u>410,392</u>	<u>—</u>

These financial statements were approved by the directors and authorised for issue on 31 July 2013, and are signed on their behalf by



P Jackson

Director

Company Registration Number 07893621

The notes on pages 13 to 25 form part of these financial statements.

ASTUS HOLDINGS LIMITED
GROUP CASH FLOW
YEAR ENDED 31 DECEMBER 2012

			Year to 31 Dec 2012 £	Period from 1 Jul 2010 to 31 Dec 2011 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	Note	£		
	21		11,906,483	4,705,668
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	21		(11,816)	(15,623)
TAXATION	21		(1,221,304)	(472,321)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	21		(31,921)	(30,249)
EQUITY DIVIDENDS PAID			(600,000)	–
CASH INFLOW BEFORE FINANCING			10,041,442	4,187,475
FINANCING	21		(325,000)	–
INCREASE IN CASH	21		<u>9,716,442</u>	<u>4,187,475</u>

The notes on pages 13 to 25 form part of these financial statements.

ASTUS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments and in accordance with applicable accounting standards

The consolidated financial statements of Astus Holdings Limited have been presented under merger accounting rules. This means that the financial statements of Astus Holdings Limited and those of its wholly owned subsidiary, Astus UK Limited, have been aggregated and presented as if the two companies have always existed as a group.

Accordingly, although Astus Holdings Limited acquired the entire share capital of Astus UK Limited on 28 February 2012, in a share for share exchange, the results of both companies are reflected in the group financial statements for the year to December 2012, and the comparative amounts for the period to December 2011 are presented on the same basis.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

The group provides goods and services, such as advertising placement, printing, travel, sponsorships, promotional merchandise, logistics and other goods and services to its clients, on a contractual basis, in exchange for assets and services such as merchandise, capital goods, cash and services. Generally, stocks and other assets are transferred to the group in exchange for trade credits to be applied against the advertising placement, goods and other services to be provided. The transferred assets are primarily resold by the group to unrelated wholesalers, retailers and brokers.

Revenue from fulfilment activities and assets acquired through fulfilment activities is generally recognised as income in the period in which advertising placements run or are displayed or in which the goods and services are provided.

Turnover is stated net of VAT and trade discounts.

Fixed assets

All fixed assets are initially recorded at cost.

ASTUS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Plant & Machinery	- 50% straight line
Fixtures & Fittings	- 30%-50% straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the profit and loss account. Exchange differences arising on non-monetary items, carried at fair value, are included in the profit and loss account, except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recorded in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

ASTUS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES *(continued)*

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoices amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below.

	Year to 31 Dec 2012 £	Period from 1 Jul 2010 to 31 Dec 2011 £
United Kingdom	<u>106,227,485</u>	<u>114,057,787</u>

3. OTHER OPERATING INCOME

	Year to 31 Dec 2012 £	Period from 1 Jul 2010 to 31 Dec 2011 £
Other operating income	<u>—</u>	<u>254</u>

4. OPERATING PROFIT

Operating profit is stated after charging

	Year to 31 Dec 2012 £	Period from 1 Jul 2010 to 31 Dec 2011 £
Depreciation of owned fixed assets	35,483	86,586
Operating lease costs		
- Other	69,430	69,430
Net loss on foreign currency translation	96,784	346
Auditor's remuneration - audit of the financial statements	15,000	13,500
Auditor's remuneration - other fees	1,000	1,000
Exceptional administrative expenses	<u>—</u>	<u>493,604</u>

ASTUS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

4. OPERATING PROFIT *(continued)*

	Year to 31 Dec 2012 £	Period from 1 Jul 2010 to 31 Dec 2011 £
Auditor's remuneration - audit of the financial statements	<u>15,000</u>	<u>13,500</u>
Auditor's remuneration - other fees		
- Accountancy	<u>1,000</u>	<u>1,000</u>

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to

	Year to 31 Dec 2012 No	Period from 1 Jul 2010 to 31 Dec 2011 No
Number of administrative staff	<u>29</u>	<u>28</u>

The aggregate payroll costs of the above were

	Year to 31 Dec 2012 £	Period from 1 Jul 2010 to 31 Dec 2011 £
Wages and salaries	2,301,221	2,893,718
Social security costs	281,551	366,414
Other pension costs	105,560	147,403
	<u>2,688,332</u>	<u>3,407,535</u>

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	Year to 31 Dec 2012 £	Period from 1 Jul 2010 to 31 Dec 2011 £
Remuneration receivable	578,325	775,292
Value of company pension contributions to money purchase schemes	<u>32,825</u>	<u>42,925</u>
	<u>611,150</u>	<u>818,217</u>

ASTUS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

6. DIRECTORS' REMUNERATION *(continued)*

Remuneration of highest paid director:

	Year to 31 Dec 2012 £	Period from 1 Jul 2010 to 31 Dec 2011 £
Total remuneration (excluding pension contributions)	205,000	307,500
Value of company pension contributions to money purchase schemes	<u>12,300</u>	<u>17,500</u>
	<u>217,300</u>	<u>325,000</u>

The number of directors who accrued benefits under company pension schemes was as follows

	Year to 31 Dec 2012 No	Period from 1 Jul 2010 to 31 Dec 2011 No
Money purchase schemes	<u>3</u>	<u>3</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 31 Dec 2012 £	Period from 1 Jul 2010 to 31 Dec 2011 £
Interest payable on bank borrowing	<u>21,666</u>	<u>43,607</u>

ASTUS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	Year to 31 Dec 2012 £	Period from 1 Jul 2010 to 31 Dec 2011 £
Current tax		
UK Corporation tax based on the results for the year at 24 50% (2011 - 27%)	769,914	726,253
Total current tax	<u>769,914</u>	<u>726,253</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 24 50% (2011 - 27%)

	Year to 31 Dec 2012 £	Period from 1 Jul 2010 to 31 Dec 2011 £
Profit on ordinary activities before taxation	<u>2,904,462</u>	<u>1,866,707</u>
Profit on ordinary activities by rate of tax	711,593	504,011
Expenses not deductible for tax purposes	58,976	178,587
Capital allowances for period in excess of depreciation	(655)	43,655
Total current tax (note 8(a))	<u>769,914</u>	<u>726,253</u>

9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the financial statements of the parent company was £917,173 (2011 - £Nil)

ASTUS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

10. DIVIDENDS

Equity dividends

	Year to 31 Dec 2012 £	Period from 1 Jul 2010 to 31 Dec 2011 £
Paid during the year		
Dividends on ordinary share capital	<u>600,000</u>	<u>—</u>

The company received dividends of £917,173 during the year from its subsidiary Astus UK Limited

A dividend was paid to the shareholders of Astus Holdings Limited of £600,000 during the year

11. TANGIBLE FIXED ASSETS

Group	Plant & Machinery £	Fixtures & Fittings £	Total £
COST			
At 1 January 2012	115,915	106,328	222,243
Additions	31,563	350	31,913
Disposals	(26,836)	(5,215)	(32,051)
At 31 December 2012	<u>120,642</u>	<u>101,463</u>	<u>222,105</u>
DEPRECIATION			
At 1 January 2012	99,289	96,310	195,599
Charge for the year	26,593	8,890	35,483
On disposals	(26,836)	(5,223)	(32,059)
At 31 December 2012	<u>99,046</u>	<u>99,977</u>	<u>199,023</u>
NET BOOK VALUE			
At 31 December 2012	<u>21,596</u>	<u>1,486</u>	<u>23,082</u>
At 31 December 2011	<u>16,626</u>	<u>10,018</u>	<u>26,644</u>

ASTUS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

12. INVESTMENTS

Company	£ Group companies £
COST	
Additions	93,219
At 31 December 2012	<u>93,219</u>
NET BOOK VALUE	
At 31 December 2012	<u>93,219</u>
At 31 December 2011	<u>-</u>

13. DEBTORS

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	18,307,148	18,095,346	-	-
Other debtors	8,230,572	5,439,674	317,173	-
Prepayments and accrued income	320,584	938,929	-	-
	<u>26,858,304</u>	<u>24,473,949</u>	<u>317,173</u>	<u>-</u>

Makay Securities PLC hold a charge over the rent deposit of £21,738, included within other debtors

14. CREDITORS: Amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade creditors	17,718,814	16,883,699	-	-
Directors' loan accounts	325,000	-	-	-
Corporation tax	274,863	726,253	-	-
Other taxation and social security	657,990	498,560	-	-
Other creditors	17,577,975	8,079,601	-	-
Accruals and deferred income	8,914,100	8,067,942	-	-
	<u>45,468,742</u>	<u>34,256,055</u>	<u>-</u>	<u>-</u>

Contained within the bank balance is a bond for the purpose of securing a trade and assets creditor of £3,100,000 (2011 £1,100,000) This amount is restricted and cannot be used for any other purpose

ASTUS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group is exposed to various financial risks that arise as a normal part of its trading activities. The main such risks are considered to be foreign exchange risk, credit risk, and liquidity risk.

Interest rate risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Hong Kong Dollars, Euros, and US Dollars. Management monitors exchange rate movements closely and ensure adequate funds are maintained in appropriate currencies to meet known liabilities.

Credit risk

The group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by management based on prior experience and the current economic environment. The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The company aims at maintaining flexibility in funding by keeping committed credit lines available. Management monitors rolling forecasts of the group's liquidity reserve on the basis of expected cash flow and does not foresee any significant liquidity risk over the next two years.

Currency risk

The group monitors currency risk closely and considers that its current policies of risk management meet its objectives of managing exposure to currency risk.

16. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2012 the group had annual commitments under non-cancellable operating leases as set out below:

Group	Land and buildings	
	2012	2011
	£	£
Operating leases which expire		
Within 2 to 5 years	<u>69,430</u>	<u>69,430</u>

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17. RELATED PARTY TRANSACTIONS

During the year various goods were sold to the directors and key management personnel of Astus UK Ltd at their fair value as follows £2,239 (2011 £3,258) to D Jones, £332 (2011 £37,920) to M Wilson, £nil (2011 £1,159) to N Beck, £nil (2011 £1,162) to P Hallam, £111 (2011 £1,575) to P Jackson and £649 (2011 £180) to D Gilmour No other transactions are required to be disclosed under FRS8

18. SHARE CAPITAL

Authorised share capital:

	2012	2011
	£	£
93,219 (2011 - 93,219) Ordinary shares of £1 each	<u>93,219</u>	<u>93,219</u>

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
93,219 Ordinary shares (2011 - 93,219) of £1 each	<u>93,219</u>	<u>93,219</u>	<u>93,219</u>	<u>93,219</u>

19. RESERVES

Group	Other Reserves	Profit and loss account
	£	£
Balance brought forward	476,781	1,324,710
Profit for the year	—	2,134,548
Equity dividends	—	(600,000)
Purchase of own shares	—	(650,000)
Balance carried forward	<u>476,781</u>	<u>2,209,258</u>

Company	Profit and loss account
	£
Profit for the year	917,173
Equity dividends	(600,000)
Balance carried forward	<u>317,173</u>

ASTUS HOLDINGS LIMITED
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20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	2012	2011
	£	£
Profit for the financial year	2,134,548	1,140,454
Premium on purchase of own ordinary shares	(650,000)	—
Equity dividends	(600,000)	—
	(1,250,000)	
Net addition to shareholders' funds	884,548	1,140,454
Opening shareholders' funds	1,894,710	754,256
Closing shareholders' funds	2,779,258	1,894,710

Company	Profit and loss account
	£
Profit for the year	917,173
Equity dividends	(600,000)
Balance carried forward	317,173

21. NOTES TO THE CASH FLOW STATEMENT

**RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM
OPERATING ACTIVITIES**

	Year to 31 Dec 2012	Period from 1 Jul 2010 to 31 Dec 2011
	£	£
Operating profit	2,894,612	1,838,823
Interest paid	21,666	43,607
Depreciation	35,483	86,586
Increase in debtors	(2,384,355)	(12,471,897)
Increase in creditors	11,339,077	14,715,045
Net cash inflow from operating activities	11,906,483	4,705,668

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	Year to 31 Dec 2012	Period from 1 Jul 2010 to 31 Dec 2011
	£	£
Interest received	9,850	27,984
Interest paid	(21,666)	(43,607)
Net cash outflow from returns on investments and servicing of finance	(11,816)	(15,623)

ASTUS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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21. NOTES TO THE CASH FLOW STATEMENT *(continued)*

TAXATION

	Year to 31 Dec 2012 £	Period from 1 Jul 2010 to 31 Dec 2011 £
Taxation	<u>(1,221,304)</u>	<u>(472,321)</u>

CAPITAL EXPENDITURE

	Year to 31 Dec 2012 £	Period from 1 Jul 2010 to 31 Dec 2011 £
Payments to acquire tangible fixed assets	(31,921)	(30,249)
Acquisition of fixed asset investments	93,219	—
Acquisition of own shares	(93,219)	—
Net cash outflow from capital expenditure	<u>(31,921)</u>	<u>(30,249)</u>

FINANCING

	Year to 31 Dec 2012 £	Period from 1 Jul 2010 to 31 Dec 2011 £
Purchase of own equity shares	(5,225)	—
Premium on purchase of own equity shares	(644,775)	—
Increase in directors' current accounts	325,000	—
Net cash outflow from financing	<u>(325,000)</u>	<u>—</u>

ASTUS HOLDINGS LIMITED
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21. NOTES TO THE CASH FLOW STATEMENT *(continued)*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Year to 31 Dec 2012 £	Period from 1 Jul 2010 to 31 Dec 2011 £
Increase in cash in the period	<u>9,716,442</u>	<u>4,187,475</u>
Movement in net funds in the period	<u>9,716,442</u>	<u>4,187,475</u>
Net funds at 1 January 2012	<u>11,650,172</u>	<u>7,524,362</u>
Net funds at 31 December 2012	<u><u>21,366,614</u></u>	<u><u>11,650,172</u></u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2012 £	Cash flows £	At 31 Dec 2012 £
Net cash			
Cash in hand and at bank	<u>11,650,172</u>	<u>9,716,442</u>	<u>21,366,614</u>
Net funds	<u><u>11,650,172</u></u>	<u><u>9,716,442</u></u>	<u><u>21,366,614</u></u>