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Company Registration No. 3306867 (England and Wales)



CREATIVITY ENTHUSIASM ENERGY VISION

THORNEYCROFT ASSET MANAGEMENT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

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THORNEYCROFT ASSET MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	M. S. Chadha D. E. Buckland
Company number	3306867
Registered office	Acre House 11-15 William Road London NW1 3ER
Auditors	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER United Kingdom
Business address	15 Colonial Way Watford Herts WD24 4PT
Bankers	Arbuthnot Latham & Co. Arbuthnot House 20 Ropemaker Street London EC2Y 9AR
Solicitors	Kenneth Elliot & Rowe 162 - 166 South Street Romford Essex RM1 1SX

THORNEYCROFT ASSET MANAGEMENT LIMITED

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THORNEYCROFT ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2014

The directors present their report and financial statements for the year ended 31 March 2014.

Principal activities

The principal activity of the company continues to be that of managing property deals through its subsidiaries and investing in joint ventures. During the period, the company has reduced its operations as a result of the disposal of a number of its properties within its subsidiaries.

Directors

The directors who served during the year were:

M. S. Chadha

D. E. Buckland

Disclosure of information to auditors

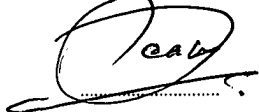
Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

The auditors, H W Fisher & Company, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



M. S. Chadha

Director

Dated: 24.12.14

THORNEYCROFT ASSET MANAGEMENT LIMITED

STATEMENT OF 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 of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

THORNEYCROFT ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THORNEYCROFT ASSET MANAGEMENT LIMITED

We have audited the financial statements of Thorneycroft Asset Management Limited for the year ended 31 March 2014 set out on pages 4 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement on page 2, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its 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 matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from preparing a strategic report and in preparing the directors' report.

Sailesh Mehta (Senior Statutory Auditor)

for and on behalf of H W Fisher & Company

Chartered Accountants

Statutory Auditor

Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

Dated: 24.12.2014

THORNEYCROFT ASSET MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 £	2013 £
Administrative expenses		(485,821)	(863,650)
Exceptional administrative expenses	2	-	(1,293,916)
		(485,821)	(2,157,566)
Other operating income		222,838	204,646
Operating loss	3	(262,983)	(1,952,920)
Investment income	6	942,598	-
Other interest receivable and similar income		44	-
Amounts written off investments	7	(27)	-
Interest payable and similar charges	8	(49,295)	(53,253)
Profit/(loss) on ordinary activities before taxation		630,337	(2,006,173)
Tax on profit/(loss) on ordinary activities	9	-	-
Profit/(loss) for the year	16	630,337	(2,006,173)

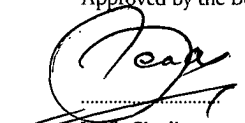
The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

THORNEYCROFT ASSET MANAGEMENT LIMITED**BALANCE SHEET****AS AT 31 MARCH 2014**

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	10	15,688	18,457
Investments	11	3	30
		<u>15,691</u>	<u>18,487</u>
Current assets			
Debtors	12	1,009,374	1,256,025
Cash at bank and in hand		67,943	57,565
		<u>1,077,317</u>	<u>1,313,590</u>
Creditors: amounts falling due within one year	13	<u>(106,987)</u>	<u>(976,393)</u>
Net current assets		<u>970,330</u>	<u>337,197</u>
Total assets less current liabilities		<u>986,021</u>	<u>355,684</u>
Creditors: amounts falling due after more than one year	14	<u>(1,000,000)</u>	<u>(1,000,000)</u>
		<u>(13,979)</u>	<u>(644,316)</u>
Capital and reserves			
Called up share capital	15	5,502,500	5,502,500
Profit and loss account	16	(5,516,479)	(6,146,816)
Shareholders' funds	17	<u>(13,979)</u>	<u>(644,316)</u>

Approved by the Board and authorised for issue on 24.12.14



M. S. Chadha
Director

THORNEYCROFT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The directors consider the company to be a going concern due to post year end property sales, expected income streams and the continued support of the directors.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	15% Reducing balance
Motor vehicles	25% Reducing balance

1.4 Leasing

Rental payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

1.7 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 399 of the Companies Act 2006 not to prepare group accounts.

2 Exceptional administrative expenses

	2014	2013
	£	£
Intercompany loan waiver	-	(1,293,916)
	-	(1,293,916)

In the year to 31 March 2014, a waiver of Nil (2013: £1,293,916) was agreed between Thorneycroft Asset Management Limited and its subsidiaries.

THORNEYCROFT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

3	Operating loss	2014	2013
		£	£
	Operating loss is stated after charging:		
	Depreciation of owned tangible fixed assets	2,769	9,829
	Loss on disposal of tangible fixed assets	-	59,691
	Operating lease rentals	160,000	160,000
	Auditors' remuneration (including expenses and benefits in kind)	30,000	36,000
4	Directors' emoluments	2014	2013
		£	£
	Emoluments for qualifying services	-	23,139
5	Employees		
	Number of employees		
	The average monthly number of employees (including directors) during the year was:		
		2014	2013
		Number	Number
	Directors	2	2
	Administration	-	2
		2	4
	Employment costs	2014	2013
		£	£
	Wages and salaries	-	80,449
	Social security costs	4,983	3,619
		4,983	84,068
6	Investment income	2014	2013
		£	£
	Income from shares in group undertakings	942,598	-

THORNEYCROFT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

7	Amounts written off investments	2014	2013
		£	£
	Amounts written off fixed asset investments:		
	- permanent diminution in value	27	-
8	Interest payable	2014	2013
		£	£
	On amounts payable to group companies	49,295	49,431
	On bank loans and overdrafts	-	3,822
		49,295	53,253
9	Taxation	2014	2013
	Current tax charge	-	-
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	630,337	(2,006,173)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00% (2013 - 24.00%)	144,978	(481,482)
	Effects of:		
	Non deductible expenses	12,321	305,375
	Depreciation add back	353	2,359
	Capital allowances	(733)	(884)
	Movements in tax losses	59,005	174,632
	Dividends and distributions received	(216,798)	-
	Other tax adjustments	874	-
		(144,978)	481,482
	Current tax charge	-	-

The company has estimated losses of £ 3,045,620 (2013 - £ 2,617,169) available for carry forward against future trading profits.

THORNEYCROFT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

10 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2013 & at 31 March 2014	70,086
Depreciation	
At 1 April 2013	51,629
Charge for the year	2,769
At 31 March 2014	54,398
Net book value	
At 31 March 2014	15,688
At 31 March 2013	18,457

THORNEYCROFT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

11 Fixed asset investments

	Shares in subsidiary undertakings
	£
Cost	
At 1 April 2013	30
Diminution in value	(27)
At 31 March 2014	3
Net book value	
At 31 March 2014	3
At 31 March 2013	30

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held	%
Subsidiary undertakings				
TAM (Bellbrook) Limited	UK	Ordinary	100.00	
TAM (Salfords) Limited	UK	Ordinary	100.00	
TAM (Harrow) Limited	UK	Ordinary	100.00	

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves	Profit/(loss) for the period
		2014	2014
	Principal activity	£	£
TAM (Bellbrook) Limited	Property Trading	(6,902)	(25,351)
TAM (Salfords) Limited	Property Trading	(25,286)	(148,154)
TAM (Harrow) Limited	Property Trading	1	3,800

THORNEYCROFT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

12 Debtors	2014	2013
	£	£
Amounts owed by group undertakings	239,309	527,195
Other debtors	678,264	590,152
Prepayments and accrued income	91,801	138,678
	<u>1,009,374</u>	<u>1,256,025</u>
13 Creditors: amounts falling due within one year	2014	2013
	£	£
Amounts owed to group undertakings	-	140,151
Corporation tax	8,993	91,611
Directors' current accounts	16,061	61,734
Other creditors	22,500	366,434
Accruals and deferred income	59,433	316,463
	<u>106,987</u>	<u>976,393</u>
14 Creditors: amounts falling due after more than one year	2014	2013
	£	£
Debenture loans	<u>1,000,000</u>	<u>1,000,000</u>
Analysis of loans		
Wholly repayable within five years	<u>1,000,000</u>	<u>1,000,000</u>
	<u>1,000,000</u>	<u>1,000,000</u>
Loan maturity analysis		
In more than one year but not more than two years	1,000,000	-
In more than two years but not more than five years	-	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

THORNEYCROFT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

15	Share capital	2014 £	2013 £
	Allotted, called up and fully paid		
	50,000 Ordinary 'A' Shares of £1 each	50,000	50,000
	50,000 Ordinary 'B' Shares of £1 each	50,000	50,000
	2,500 Ordinary 'C' Shares of £1 each	2,500	2,500
	5,400,000 Irredeemable preference shares of £1 each	5,400,000	5,400,000
		<u>5,502,500</u>	<u>5,502,500</u>

The Ordinary 'A' and 'B' Shares carry one voting right per share.

The Ordinary 'C' Shares have no voting rights but have the same rights to dividends as the Ordinary 'A' and 'B' Shares.

The company issued £5.4 million preference shares at nominal value on 8 March 2012. On a winding up the amount would be paid up in priority to other classes of shares. They carry no right of redemption, and they carry one voting right per share.

16 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2013	(6,146,816)
Profit for the year	<u>630,337</u>
Balance at 31 March 2014	<u>(5,516,479)</u>

17 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit/(loss) for the financial year	630,337	(2,006,173)
Opening shareholders' funds	<u>(644,316)</u>	<u>1,361,857</u>
Closing shareholders' funds	<u>(13,979)</u>	<u>(644,316)</u>

THORNEYCROFT ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

18 Financial commitments

At 31 March 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2015:

	Land and buildings 2014	2013
	£	£
Operating leases which expire:		
Between two and five years	40,000	40,000

19 Related party transactions

Included in the accounts are the following balances:

* £16,061 (2013: £61,734) was owed to M S Chadha & £402,413 (2013: £366,443) was owed by D E Buckland respectively, both directors of the company

*£100,626 (2013: £343,934 -due to) due from Thorneycroft Investment Properties LLP, an entity in which M S Chadha and D E Buckland are partners;

*£21,090 (2013: £75,951) due from Arco Property Holdings Limited. This amount relates to expenses paid on behalf of Arco Property Holdings Limited. There was also £1,000,000 (2013: £1,000,000) due to Arco Property Holdings Limited in respect of the debenture loan. Interest was charged on the loan for the year of £49,295 (2013: £49,431).

The company has taken advantage of the exemption conferred by Financial Reporting Standard No. 8 from the requirement to disclose details of transactions with wholly-owned group companies.

20 Controlling parties

The immediate and ultimate parent company is Arco Property Holdings Limited. There is no ultimate controlling party.