

AMICREST HOLDINGS PLC

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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AMICREST HOLDINGS PLC

CHAIRMAN'S STATEMENT

Dear Shareholder

Gerard Lee
Chairman

29 June 2012

AMICREST HOLDINGS PLC
OPERATING AND FINANCIAL REVIEW

Investment Property

During the year the group continued to hold investment properties, which include the freehold interest at Corporation Street, Manchester, and a freehold interest of a block of 15 apartments based in Manchester. The 125 year leasehold property at Baltic Quay, London was disposed during the year.

Development Property

The company continues to hold the 7 apartments from the completed development at Corporation Street, Manchester. These are currently rented out. Five 120 year leasehold apartments located in Manchester were disposed during the year.

Results

Turnover for the period comprises of the sale of developed property, rent receivable on freehold land acquired for development and investment properties. Despite the sale of the property located in Manchester, and combined with the rent received from the apartments at Corporation Street, Manchester during the year, a gross loss of £39,000 (2010 – Gross loss of £348,000) was recorded in the profit and loss account.

Administrative expenses for the year were at £335,000 compared to £337,000 in 2010 due to certain companies in the group being dormant.

Net interest income for 2011 is £30,000 compared with net interest cost of £2,000 in 2010. This is a result of the income on loans to related parties.

The investment in a listed company was written down to reflect the current market value of the shares traded on AIM. This write down was for £7,000. The market value of the shares on AIM is 3.025 pence per share. The company owns 260,000 shares.

Overall losses before tax were £362,000 compared with losses before tax of £693,000 in 2010.

A prior year tax refund of £12,000 was received during the year.

Dividends

No interim or final dividends have been paid or proposed in the year.

Net Assets

The movement in the shareholders funds from £4,662,000 (2010) to £4,257, 000 (2011) was attributable to a loss of £350,000 during the year and the revaluation movement on the property located at Baltic Quay, London. The net assets at the year end are £0.88 per share, compared with £0.97 per share at 31 December 2010. The treasury shares are not entitled to voting rights or dividends.

Borrowings and Cash flows

There were no borrowings by the group during the year. Cash in hand amounted to £254,000 (2010: £878,000). Decrease in the cash balance was due to the loans to related parties during the year. The gearing ratio remained at nil.

AMICREST HOLDINGS PLC

OPERATING AND FINANCIAL REVIEW (Continued)

Current and Future Trading

We continue to implement the policy of rationalising the investment properties with a view to maximising the realisation of your investment.

We intend to continue to take advantage of any short-term development projects and property trading opportunities that may be appropriate to the business, to maximise the capital employed in the company.

Gerard Lee
Executive Directors

Enrique Elliott

Victor Lipien

29 June 2012

AMICREST HOLDINGS PLC

PROPERTY REVIEW

PROPERTY UNDER DEVELOPMENT

115 Corporation Street, Manchester

100% owned through Amicrest Limited.

The company developed this site into 70 residential one and two bedroom apartments, 63 of the apartments have been sold. A valuation of the remaining 7 apartments was carried out in August 2008 and the apartments continue to be held for re-sale. The valuation is not considered materially different at 31st December 2011.

109-111 Corporation Street, Manchester

27% owned through an associate company, Hazelgrove Estates Limited.

The company is refurbishing the 97 residential apartments of which 85 apartments remain at the year end.

Kendal Court, Eccles, Manchester

100% owned through Amicrest Growth Limited

The company sold the five 125 year leasehold apartments it owned during the year.

INVESTMENT PROPERTY PORTFOLIO

Baltic Quay, London

100% owned through Britanniagate Limited.

The company owned a 125 year leasehold flat which was sold during the year.

Corporation Street, Manchester

100% owned through Amicrest Limited.

The company owns the freehold interest with 70 apartments which will generate ground rents of approximately £8,750 per annum rising by £1,750 per annum every fifty years.

Kendal Court, Eccles, Manchester

100% owned through Silvercrest Properties Limited

The company owns a freehold interest of a block of 15 apartments. A 125 year leasehold apartment was sold during the year.

Gerard Lee, aged 60, Chairman

Gerard Lee has been a property developer and investor in and around Greater London for over 20 years. As one of the founders of Kerrington Limited, (a business expansion scheme company – “BES”) he has extensive experience in the development, management and sale of residential properties let under assured tenancies. Latterly he has used his investment skills to great effect in Manchester where the company has successfully completed three developments for sale and is currently refurbishing a fourth building. As chairman of former “BES” companies he is well versed in running public limited companies.

Enrique Elliott, aged 47, CEO

Enrique Elliott joined Kerrington Limited in 1989. He has had responsibility for the day to day management of the Groups property portfolio and has an in-depth knowledge of letting under assured tenancies. Whilst working for the Group, he completed his second degree, in Estate Management and is now a member of the Royal Institute of Chartered Surveyors. He was responsible for the sales and marketing campaign for the developments in Manchester, three of which sold prior to completion of the works.

Victor Lipien, aged 57, Executive Director

Victor Lipien is a project management consultant and has had responsibility for several multi million pound developments. He has gained extensive experience of corporate and management issues as Chairman of a number of public limited property companies.

Robert Yorke-Starkey, aged 60, Non-executive Director

Robert Yorke-Starkey has more than twenty years experience in finance and property with previous main board directorships in public property companies. He was a partner with J Rothschild Assurance. He currently holds several other executive directorships.

David Jarvis, aged 70, Non-executive Director

David Jarvis is qualified as a Chartered Surveyor in 1967 and had been the building surveyor and engineer to the Group. As well as working for public companies, he has had experience in private practice and with local authorities. He has undertaken fire precaution work with the London County Council and has had postings with the City District Surveyors’ office, Hackney District Surveyors and St. Pancras District Surveyors. He has also worked with the Greater London Council as Project Manager for the rehabilitation of the Councils’ housing stock. He has been an executive director up to 31 December 2005 and has now taken up non-executive duties.

AMICREST HOLDINGS PLC
OFFICERS AND ADVISERS

SECRETARY

Enrique Elliott

COMPANY NUMBER

2835415 (England and Wales)

REGISTERED OFFICE

Grove Lodge
287 Regents Park Road
London
N3 3JY

AUDITORS

SRLV
89 New Bond Street
London W1S 1DA

SOLICITORS

Michael Simkins LLP
Lynton House
7-12 Tavistock Square
London
WC1H, 9LT

NOMINATED ADVISER

Religare Capital Markets PLC
100 Cannon Street
London
EC4N 6EU

REGISTRARS

Capita Registrars Limited
Capita House
Woodsome Park
Huddersfield HD8 0JQ

BANKERS

The Royal Bank of Scotland PLC
1 Dale Street
Liverpool
L2 2PP

AMICREST HOLDINGS PLC

DIRECTORS' REPORT

The Directors present their report and the group financial statements of Amicrest Holdings PLC for the year ended 31 December 2011.

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activities during the year were general property development, investment and trading.

The review of the business and future developments is contained in the Chairman's Statement and the Operating and Financial Review on pages 1 to 3.

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks and uncertainties facing the group are contained in the chairman's statements on page 1.

KEY PERFORMANCE INDICATORS

The key financial performance indicators for the year are rental income and income from the sale of development properties. The non-financial key performance indicators would be the number of properties developed and the number sold in any one year. Please refer to operating and financial review and property review on pages 2 and 4 respectively for further details.

RESULTS AND DIVIDENDS

The Group's losses on ordinary activities after taxation was £350,000 (2010: losses of £693,000).

The Directors do not recommend the payment of a dividend.

IFRS ADOPTION

The company does not currently intend to adopt International Financial Reporting Standards (IFRS) until it is required to do so by the E.U. As such no detailed conversion planning exercise has been carried out.

DIRECTORS AND THEIR INTERESTS

The Directors and their beneficial interests (including family interests) in the shares of the company are as follows: -

	No of 50p Ordinary shares	
	31 December 2011	31 December 2010
Gerard Lee*	-	-
David Jarvis	-	-
Enrique Elliott	-	-
Victor Lipien	90,000	90,000
Robert Yorke-Starkey	80,000	80,000

*Longfield Investments Limited holds 1,211,947 shares, which is an associated company in which G Lee has a material interest. Kerrington Limited holds 301,500 shares, which is a company in which G Lee is a director and G Lee has a material interest in the parent company of Kerrington Limited.

Messrs Lipien and Yorke-Starkey retire from the Board at the Annual General Meeting and being eligible offer themselves for re-election.

No director has been granted an option to purchase shares in the company.

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

The Company's and the Group's policy for the year ended 31 December 2011 is to agree terms of payment when entering into major business transactions, to ensure that the supplier is aware of these terms, and to abide by the agreed terms of payment. At 31 December 2011, the Company had an average of 20 days (2010: 10 days) credit taken on the outstanding balance at the year end.

CHARITABLE CONTRIBUTIONS

The Group made no charitable contributions during the year (2010: £nil).

AMICREST HOLDINGS PLC

DIRECTORS' REPORT (Continued)

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group'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.

The Directors are responsible for 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.

SUBSTANTIAL SHAREHOLDINGS

At 29 June 2012 the following had notified the Company of an interest in 3% or more of the Company's ordinary share capital:

Name	Number of ordinary shares	Shareholding %
Longfield Investments Limited	1,211,947	25.14%
Kerrington Limited	301,500	6.25%

FINANCIAL INSTRUMENTS

The Group's financial instruments comprised of cash that arise directly from its operations. The main purpose of these financial instruments was to fund the Group's operations as well as to manage working capital, liquidity and invest surplus funds. It is, and has been throughout the period under review, the Group's policy not to enter into derivative transactions and no trading in financial instruments has been undertaken.

Interest rate risk

Group continues to finance its operations from the original issue of equity and cash from its operations. Accordingly lending was at variable interest rates which were subject to fluctuations in the base rates and LIBOR rates.

Liquidity risk

The combined entity has sufficient cash and cash equivalents to meet its operational requirements.

Currency risk

The Group's income and expenses are denominated in sterling. Thus the Group is not exposed to significant currency risk.

Credit risk

The Group has no significant concentration of credit risk. The Group has policies in place to ensure that sales and loans are made to customers with an appropriate credit history.

AMICREST HOLDINGS PLC

DIRECTORS REPORT (Continued)

FINANCIAL INSTRUMENTS (continued)

Management of risks

The Directors continue to assess the risks facing the company which are those associated with investments, property development and loan arrangements. These are closely monitored by the directors.

AUDITORS

A resolution proposing that SRLV be re-appointed as auditors will be put to the shareholders at the AGM.

STATEMENT OF DISCLOSURE TO AUDITOR

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

POST BALANCE SHEET EVENTS

At a general meeting held on 30th April 2012, a special resolution was duly passed whereby the admission of the Company's ordinary shares of 50 pence each to trading on PLUS Market be cancelled with effect from 15th May 2012.

ANNUAL GENERAL MEETING

A notice of the Annual General Meeting to be held on 14th September 2012 is set out on pages 31 and 32 together with explanatory notes.

By Order of the Board

Enrique Elliott
Company Secretary

29 June 2012

AMICREST HOLDINGS PLC

CORPORATE GOVERNANCE

The Directors have considered the provisions set out in the Principles of Good Governance and Code of Best practice (“the Combined Code”). The Company adopted and has applied the principles and complies, as far as practicable and appropriate given the size and constitution of the board, with the code provisions set out in Section 1 of the Combined Code since its admission to trading on PLUS Market and has complied with those principles and provisions since that date.

Directors

The Board of Directors comprises three executive Directors and two non-executive Directors, as detailed on page 5. The independent non-executive Directors are David Jarvis and Robert Yorke-Starkey. The Board is structured so that no one individual or group dominates the decision-making process.

Board meetings are held every month. A formal schedule of matters specifically reserved to the Board, including inter alia, overall strategy and monitoring of financial performance, has been adopted.

The Board has established an Audit Committee and a Remuneration Committee with duties and responsibilities formally delegated to them. The members of these committees are entitled to seek, at the expense of the Company, independent professional advice in connection with their roles on these committees.

Remuneration Committee

The Remuneration Committee is responsible for setting the remuneration of the executive Directors, the terms of their service contracts with due regards to the interests of the shareholders and for any pension schemes operated by the Company. The remuneration and terms and conditions of appointment of the non-executive directors are set by the Remuneration Committee. The report of the Remuneration Committee is shown on page 12.

Audit Committee

The Audit Committee, which meets at least twice a year, comprises the non-executive directors and Gerard Lee, and is responsible for ensuring that the financial performance of the Group is properly measured and reported and for reviewing reports from auditors relating to the Group’s financial statements and the Group’s internal control systems. The committee has unrestricted access to the company’s auditors. Executives’ attendance is required.

Internal Control

The Board is ultimately responsible for the Group’s system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

Key elements of the Group’s system of internal control are as follows:

Control environment

- The setting of appropriate levels of authorisation which must be adhered to as the Group conducts its business;
- The implementation of a recognised organisational and management reporting structure within which individual executive directors have responsibility for the day to day running of the business;
- Established procedures for setting of development budgets and the ongoing monitoring of actual financial performance against these on a monthly basis; and
- A clearly defined and well established set of accounting policies which ensure that the financial performance is recorded on a consistent and appropriate basis throughout the Group’s reporting entities.
- The group appoints experienced professionals of the necessary calibre to fulfil their allotted responsibilities with regards to group statutory financial reporting.

Monitoring and corrective action

There are ongoing procedures in place for monitoring the system of internal control. The Group does not have an internal audit function. Whilst the Board believes that the current size of the Group does not warrant the establishment of an internal audit function, the remit of the Audit Committee includes the review of the effectiveness of the Group’s system of internal control.

AMICREST HOLDINGS PLC

CORPORATE GOVERNANCE (Continued)

Risk management

The Group's management is responsible for the identification and evaluation of key risks applicable to their areas of business. Risks which may be associated with a variety of internal and external sources including control breakdowns, disruption in information systems, competition, natural catastrophe and regulatory requirements are assessed on a continuous basis. Board approval is obtained for every significant stage of the development of a project together with any significant acquisition/disposal from the property portfolio.

Relations with shareholders

The Board supports the principal of clear reporting of financial performance to shareholders. Each year, shareholders receive a full annual report and interim report. The Board regards the Annual General Meeting as an opportunity to communicate directly with private investors. Directors attend the Annual General Meeting and are available to answer questions from the shareholders present. The Board actively encourages feedback and shareholder dialogue, whether verbal or written.

Going concern

After making enquiries, the Board considers that the Group has adequate resources to continue operating for the foreseeable future. The Group has received commitment from companies in which the directors have a material interest that they will continue to provide sufficient funds to the group for these purposes. Consequently, they have continued to adopt the going concern basis in preparing these financial statements.

Authority to buy back shares

The company is generally and unconditionally authorised in accordance with section 724(5) of the Companies Act 2006 to make market purchases of ordinary shares of 50 pence each in the capital of the company, subject to the passing of a special resolution at the AGM.

Gerard Lee
Chairman

29 June 2012

AMICREST HOLDINGS PLC

REPORT OF THE REMUNERATION COMMITTEE

The following is a report from the Remuneration Committee which has been approved and adopted by the Board for submission to the shareholders.

The Remuneration Committee

The Remuneration Committee comprises of two non-executive Directors, David Jarvis and Robert Yorke-Starkey. The policy of the Remuneration Committee is framed to give consideration to the provisions as to best practice set out in the Combined Code. The committee meets as required during the year. Executive directors may also be invited to attend meetings but may not vote and are not involved in any matter relating to themselves.

Remuneration of Directors

The current executive Directors are paid a salary, which is reviewed annually by the Remuneration Committee. The service contracts of the executive Directors incorporate notice periods of 12 months.

The consultancy agreements for the non-executive directors are terminable on six months notice by either party and renewable annually.

The following table shows the emoluments of the Directors for the years ended 31 December 2011 and 2010. No bonuses, pensions or benefits in kind were paid during the year. No share remuneration or share options were granted to any of the directors.

	Salary Year ended 31 December 2011 £	Fees Year ended 31 December 2011 £	Salary Year ended 31 December 2010 £	Fees Year ended 31 December 2010 £
Gerard Lee	20,000	-	20,000	-
Enrique Elliott	52,500	-	52,500	-
Victor Lipien *	-	20,000	-	20,000
David Jarvis	-	-	-	-
Robert Yorke-Starkey **	-	20,000	-	20,000

* Fees paid to Elesys Limited, company of which Mr V Lipien is a director and a shareholder

** Fees paid to Belvedere Ventures Limited, a company in which Mr R Yorke-Starkey is a director and a shareholder.

AMICREST HOLDINGS PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	Year ended 31 December 2011	Year ended 31 December 2010
		£000	£000
Turnover including associates		630	1,528
Less: Share of associates		<u>(270)</u>	<u>(252)</u>
Group Turnover	2	360	1,276
Cost of sales		<u>(399)</u>	<u>(1,624)</u>
Group gross (Loss) / profit		(39)	(348)
Share of profit / (loss) of associates		-	-
Administration expenses		<u>(335)</u>	<u>(337)</u>
Operating (loss) / profit including associates		(374)	(685)
Amounts written off investments		(13)	(6)
Amounts written off fixed assets		<u>(5)</u>	<u>(-)</u>
Operating (loss) / profit before interest		(392)	(691)
Interest receivable		30	9
Interest payable	4	<u>(-)</u>	<u>(11)</u>
(Loss) / profit on ordinary activities before taxation	3	(362)	(693)
Taxation	7	<u>12</u>	<u>-</u>
(Loss) / profit on ordinary activities after tax		<u>(350)</u>	<u>(693)</u>
(Loss) / profit for the year		<u>(350)</u>	<u>(693)</u>
		Pence	Pence
(Loss) / earnings per share		(7.26)	(14.4)
Diluted (loss) / earnings per share		(7.26)	(14.4)

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

The notes on pages 18 to 28 form part of these financial statements.

AMICREST HOLDINGS PLC

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Year ended 31 December 2011 £000	Year ended 31 December 2011 £000
(Loss) for the financial year	(350)	(693)
Unrealised surplus on revaluation of properties	<u>(55)</u>	<u>55</u>
Total recognised gains and losses relating to the year	<u>(405)</u>	<u>(638)</u>

**RECONCILIATION OF SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Year ended 31 December 2011 £000	Year ended 31 December 2011 £000
(Loss) / profit for the financial year	(350)	(693)
Dividends paid	-	-
Unrealised surplus on property revaluation	(55)	55
Opening shareholders' funds	<u>4,662</u>	<u>5,300</u>
Closing shareholders' funds	<u>4,257</u>	<u>4,662</u>

**NOTE OF HISTORICAL COST PROFIT AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Year ended 31 December 2011 £000	Year ended 31 December 2010 £000
Reported loss on ordinary activities before taxation	(362)	(693)
Realisation of property revaluation gains of previous years	<u>-</u>	<u>-</u>
Historical cost (loss) / profit on ordinary activities before taxation	<u>(362)</u>	<u>(693)</u>
Historical cost (loss) / profit on ordinary activities after taxation and dividends	<u>(350)</u>	<u>(693)</u>

The notes on pages 18 to 28 form part of these financial statements

AMICREST HOLDINGS PLC
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2011

	Notes	31 December 2011		31 December 2010	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	10		82		484
Investments – Other	11		8		15
Investments in associates	11		<u>1,498</u>		<u>1,504</u>
			1,588		2,003
Current assets					
Work in progress		745		1,043	
Debtors	12	1,823		969	
Cash at bank		<u>254</u>		<u>878</u>	
		2,822		2,890	
Creditors: Amounts falling due within one year	13	<u>(153)</u>		<u>(231)</u>	
Net current assets			<u>2,669</u>		<u>2,659</u>
Total assets less current liabilities			4257		4,662
Creditors: Amounts falling due after more than one year	14		<u>(-)</u>		<u>(-)</u>
Net assets			<u>4,257</u>		<u>4,662</u>
Capital and reserves					
Called up share capital	16		2,410		2,410
Other reserves	17		(334)		(334)
Share premium account	17		1,802		1,802
Capital redemption reserve	17		425		425
Revaluation reserve	17		-		55
Profit and loss account	17		<u>(46)</u>		<u>304</u>
Equity shareholders' funds			<u>4,257</u>		<u>4,662</u>
			Pence		Pence
Net assets per share attributable to ordinary shareholders			88		97

Approved by the Board on 29 June 2012 and signed on its behalf by

Gerard Lee
Chairman

Company Registration No: 2835415

The notes on pages 18 to 28 form part of these financial statements

AMICREST HOLDINGS PLC
COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2011

	Notes	31 December 2011		31 December 2010	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	10		-		-
Investments – Other	11		8		18
Investments - Associates	11		<u>1,500</u>		<u>1,500</u>
			1,508		1,518
Current assets					
Debtors	12	3,605		3,925	
Cash at bank		<u>-</u>		<u>1</u>	
		3,605		3,926	
Creditors: amount falling due within one year	13		<u>(37)</u>		<u>(169)</u>
Net current assets			<u>3,568</u>		<u>3,757</u>
Net assets			<u>5,076</u>		<u>5,275</u>
Capital and reserves					
Called up share capital	16		2,410		2,410
Other reserves	17		(334)		(334)
Share premium account	17		1,802		1,802
Capital redemption reserve	17		425		425
Revaluation reserve	17		-		-
Profit and loss account	17		<u>773</u>		<u>972</u>
Equity shareholders' funds			<u>5,076</u>		<u>5,275</u>

Approved by the Board on 29 June 2012 and signed on its behalf by

Gerard Lee
Chairman

Company Registration No: 2835415

The notes on pages 18 to 28 form part of these financial statements

AMICREST HOLDINGS PLC

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	31 December 2011		31 December 2010	
		£000	£000	£000	£000
Net cash (outflow)/inflow from operating activities	18		(1,004)		838
Returns on investments and servicing of finance					
Interest received		30		9	
Interest paid		<u>(-)</u>		<u>(11)</u>	
Net cash inflow/(outflow) from returns on investments and servicing of finance			30		(2)
Taxation					
Taxation recovered			12		-
Capital expenditure and financial investment					
Proceeds from sale of fixed assets		340		-	
Purchase of tangible fixed assets		<u>(-)</u>		<u>(-)</u>	
Net cash inflow/(outflow) from capital expenditure and financial investment			340		(-)
Financing					
Repayment of loans		(-)		(-)	
Overdrafts		<u>(2)</u>		<u>5</u>	
Net cash/ (outflow) /inflow from financing			<u>(2)</u>		<u>5</u>
(Decrease) /increase in cash	20		<u>(624)</u>		<u>841</u>

The notes on pages 18 to 28 form part of these financial statements

AMICREST HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES

1.1 Basis of Accounting

The financial statements have been prepared under the historical cost convention modified by the valuation of investment properties and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) which have been applied consistently (except as otherwise stated) and the Companies Act 2006. The company has not adopted International Financial Reporting Standards (IFRS) until it is required to do so by the E.U.

In preparing the financial statements, the directors are required to make an assessment of the group's ability to continue to trade as a going concern. The directors have considered the group companies' cash requirements to settle the debts as they fall due and have compared this against the facilities available to them for a period greater than 12 months from the approval of the financial statements. Based on this analysis, the group companies' are dependent on continuing finance from companies in which the directors have a material interest to enable it to meet the liabilities as they fall due. The parent company has received commitment from these companies, in which the directors have a material interest that they will continue to provide sufficient funds to the parent company for these purposes. The companies in which the directors have a material interest are profitable entities, with strong net assets positions and the directors are confident over their ability to provide such funds as and when required. It is on this basis that the directors consider it to be appropriate to prepare the financial statements on a going concern basis.

1.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries drawn up to 31 December each year. Where a subsidiary is acquired during the period, the profit attributable to shareholders includes only the profits or losses from the effective date of acquisition. Where a subsidiary has been disposed of during this period, the profit attributable to shareholders includes only profit or losses to the effective date of disposal. As permitted by s.408 of the Companies Act 2006, the company has not presented its own profit and loss account.

1.3 Turnover

Turnover comprises:

- a) Gross rental income receivable from investment properties;
- b) The value of the development stock and work-in-progress sold during the year; and
- c) Fees from management contracts.

Revenue from sales of investment and development properties are recognised on completion of contracts.

Rental income is recognised when due. Any amounts received in advance or arrears are included in debtors or creditors as applicable.

Turnover is derived from activities undertaken in the United Kingdom.

1.4 Tangible fixed assets

Fixed assets (with the exception of investment properties) are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Fixtures and fittings	over 5 years.
Motor Vehicles	over 4 years

1.5 Investment properties

Investment properties are included in the balance sheet at their open market value at the balance sheet date on the basis of an annual valuation.

Depreciation is not provided on investment properties. This treatment, as regards certain of the group's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

In the opinion of the Directors it is the current value of these investment properties, and changes in their current values, which are of prime importance.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

1. ACCOUNTING POLICIES (continued)

Investment properties are recognised in the financial statements once an irrevocable purchase contract has been entered into. Sales of investment properties are recorded once an irrevocable sales contract has been entered into provided that the sale has been completed by the first date these financial statements are approved by the Board.

1.6 Fixed asset investments

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

The Group's interests in joint ventures are accounted for using the gross equity method. Where the company exercises significant influence over certain investments, these are treated as associates and the interest is accounted for using the net equity method. Where the company no longer exercises significant influence, these are treated as investments from the date at which the ability to exercise significant influence ceased.

1.7 Work-in-progress

Developments in progress are valued at the lower of cost and net realisable value. Provision is made for any anticipated losses. Cost includes acquisition and directly attributable development expenses incurred such as professional fees less any related income. Properties are treated as acquired on exchange of contracts with the vendors.

1.8 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.

A deferred tax asset is regarded as recoverable and therefore 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 reversal of the underlying timing differences can be deducted.

Any assets and liabilities recognised have not been discounted

No provision is made for deferred tax on gains recognised on revaluing property to its market value, unless the group has entered into a binding agreement to sell revalued property by the balance sheet date.

1.9 Financial Instruments

The Group's financial instruments comprise of cash that arise directly from its operations. The main purpose of these financial instruments is to fund the Group's operations as well as to manage working capital, liquidity and invest surplus funds. It is, and has been throughout the period under review, the Group's policy not to enter into derivative transactions and no trading in financial instruments has been undertaken.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

2. SEGMENTAL ANALYSIS

	Development	Year ended 31	Investment	Year ended 31	Total	Year ended 31
	Year ended 31	December 2011	Year ended 31	December 2010	Year ended 31	December 2010
	£000	£000	£000	£000	£000	£000
Turnover						
Continuing excluding associates	<u>286</u>	<u>1,204</u>	<u>74</u>	<u>72</u>	<u>360</u>	<u>1,276</u>
Share of associates	<u>270</u>	<u>252</u>	<u>=</u>	<u>=</u>	<u>270</u>	<u>252</u>
(Loss) / profit on ordinary activities before taxation						
From continuing operations excluding associates	<u>(64)</u>	<u>(405)</u>	<u>25</u>	<u>57</u>	<u>(39)</u>	<u>(348)</u>
Common costs					<u>(335)</u>	<u>(337)</u>
Operating (loss)/profit					<u>(374)</u>	<u>(685)</u>
Investments written off					<u>(13)</u>	<u>(6)</u>
Fixed assets written off					<u>(5)</u>	<u>-</u>
Share of operating profit in associates					<u>-</u>	<u>-</u>
Net interest income/(cost)					<u>30</u>	<u>(2)</u>
					<u>(362)</u>	<u>(693)</u>

3. (LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)/profit on ordinary activities before taxation is stated after (crediting)/charging:

	Year ended 31	Year ended 31
	December 2011	December 2010
	£000	£000
Depreciation and amounts written off tangible fixed assets:		
- charge for the year: owned assets	4	14
Auditor's remuneration:		
- audit services of these financial statements	20	20
- audit of financial statements of subsidiaries pursuant to legislation	12	12
- tax compliance	5	5
Other operating income:		
- interest receivable	<u>(30)</u>	<u>(9)</u>

4. INTEREST PAYABLE

	Year ended 31	Year ended 31
	December 2011	December 2010
	£000	£000
Interest on bank loans	-	-
Other interest payable	<u>-</u>	<u>11</u>
	<u>=</u>	<u>11</u>

AMICREST HOLDINGS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

5. DIRECTORS EMOLUMENTS

Details of Directors' interests and emoluments are given on pages 7 and 12 respectively. Details of other transactions in which Directors have interests are given in note 26.

There are no pension benefits accruing to any of the directors.

6. EMPLOYEES

The average number of employees, including directors, employed by the group during the year was.

	Year ended 31 December 2011	Year ended 31 December 2010
	No	No
Management	5	5
Administration	<u>3</u>	<u>2</u>
	8	7
Staff costs for the above persons were:	£	£
Wages and salaries	186,098	169,857
Social security costs	<u>17,540</u>	<u>16,590</u>
	<u>203,638</u>	<u>186,447</u>

7. TAXATION

	Year ended 31 December 2011	Year ended 31 December 2010
	£000	£000
UK corporation tax – Group	-	-
UK corporation tax under/(over) provided in previous years	<u>(12)</u>	<u>-</u>
	<u>(12)</u>	<u>-</u>
Factors affecting the tax charge / (credit) for the year		
(Loss) / profit on ordinary activities before taxation	<u>(362)</u>	<u>(693)</u>
(Loss) / profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28% (2010: 28%)	(101)	(194)
Effects of:		
Unutilised losses carried forward	101	194
Over provision of tax charge in previous years	<u>(12)</u>	<u>-</u>
Current tax (credit) / charge	<u>(12)</u>	<u>-</u>

8. DIVIDENDS

No dividends were paid during the year (2010 - £nil).

9. (LOSS) / EARNINGS PER SHARE

The calculation of (loss) / earnings per share is based on losses from continuing operations of £350,000 (2010 – losses of £693,000) and on 4,820,247 (2010 – 4,820,247) ordinary shares, being the weighted average number of ordinary shares in issue during the year. There is no difference between earnings and fully diluted earnings per share.

AMICREST HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

10. TANGIBLE FIXED ASSETS

Group

	Investment properties	Motor Vehicles, Fixtures & fittings	Total
	£000	£000	£000
Cost or valuation:			
1 January 2011	477	180	657
Additions	-	-	-
Disposals	(390)	(5)	(395)
31 December 2011	<u>87</u>	<u>175</u>	<u>262</u>
Depreciation:			
1 January 2011	-	173	173
Disposals	-	(2)	(2)
Charge for the year	-	4	4
31 December 2011	<u>-</u>	<u>175</u>	<u>175</u>
Provision in diminution in value			
1 January 2011	-	-	-
Movement	5	-	5
31 December 2011	<u>5</u>	<u>-</u>	<u>5</u>
Net book value:			
31 December 2011	<u>82</u>	<u>-</u>	<u>82</u>
31 December 2010	<u>477</u>	<u>7</u>	<u>484</u>

Company

	Investment properties	Motor Vehicles, Fixtures & fittings	Total
	£000	£000	£000
Cost or valuation:			
1 January 2011	-	-	-
Disposals	-	-	-
31 December 2011	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation:			
1 January 2011	-	-	-
Disposals	-	-	-
Charge for the year	-	-	-
31 December 2011	<u>-</u>	<u>-</u>	<u>-</u>
Provision in diminution in value			
1 January 2011	-	-	-
Movement	-	-	-
31 December 2011	<u>-</u>	<u>-</u>	<u>-</u>
Net book value:			
31 December 2011	<u>-</u>	<u>-</u>	<u>-</u>
31 December 2010	<u>-</u>	<u>-</u>	<u>-</u>

AMICREST HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

10. TANGIBLE FIXED ASSETS (continued)

The net book value of the Group's and Company's properties is analysed as follows:

	Group		Company	
	Year ended 31 December 2011 £000	Year ended 31 December 2010 £000	Year ended 31 December 2011 £000	Year ended 31 December 2010 £000
Freehold	82	137	-	-
Long leasehold	-	340	-	-
	<u>82</u>	<u>477</u>	<u>-</u>	<u>-</u>
The historical cost of the properties was	82	422	-	-
Revaluation	-	55	-	-
Net book value	<u>82</u>	<u>477</u>	<u>-</u>	<u>-</u>

The freehold investment properties at Corporation Street, Manchester and Kendal Court, Eccles, Manchester were valued by the Directors on the basis of open market value.

In the opinion of the Directors the value of the freehold as at 31 December 2011 is not materially different to the value disclosed in these financial statements.

11. INVESTMENTS

	Associates £000	Other £000	Total £000	
Group				
Cost				
As at 1 January 2011	1,504	36	1,540	
Disposals	-	-	-	
Share of associate's results	-	-	-	
As at 31 December 2011	<u>1,504</u>	<u>36</u>	<u>1,540</u>	
Impairment				
As at 1 January 2011	-	(21)	(21)	
Movement in the year	(6)	(7)	(13)	
As at 31 December 2011	<u>(6)</u>	<u>(28)</u>	<u>(34)</u>	
Net book value				
As at 31 December 2011	<u>1,498</u>	<u>8</u>	<u>1,506</u>	
As at 31 December 2010	<u>1,504</u>	<u>15</u>	<u>1,519</u>	
	Subsidiary Undertakings £000	Associates £000	Other £000	Total £000
Company				
As at 1 January 2011	3	1,500	36	1,539
Additions	-	-	-	-
Disposals	-	-	-	-
As at 31 December 2011	<u>3</u>	<u>1,500</u>	<u>36</u>	<u>1,539</u>
Impairment				
As at 1 January 2011	-	-	(21)	(21)
Movement in the year	(3)	-	(7)	(10)
As at 31 December 2011	<u>(3)</u>	<u>-</u>	<u>(28)</u>	<u>(31)</u>
Net book value				
As at 31 December 2011	<u>-</u>	<u>1,500</u>	<u>8</u>	<u>1,508</u>
As at 31 December 2010	<u>3</u>	<u>1,500</u>	<u>15</u>	<u>1,518</u>

AMICREST HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

11. INVESTMENTS (Continued)

Details of the investments in which the Group and the Company holds 20% or more of the nominal value of any class of share capital are as follows. All investments are held by the Company unless otherwise indicated.

	Holding	Proportion of voting rights and shares held	Nature of business
Subsidiary undertakings			
Amicrest (Tib Street) Limited	Ordinary shares	100%	Property development
Amicrest Limited	Ordinary shares	100%	Property development
Britanniagate Limited	Ordinary shares	100%	Property investment
Amicrest Growth Limited	Ordinary shares	100%	Property development
Silvercrest Properties Limited	Ordinary shares	100%	Property investments and development
Silvercrest (Bristol) Limited	Ordinary shares	100%	Property development
Associates			
Hazelgrove Estates Limited	Ordinary shares	27%	Holding company
Euromanor Properties Limited *	Ordinary shares	27%	Property development

* owned by Hazelgrove Estates Limited

Summarised financial information in respect of the associates, Hazelgrove Estates Limited and Euromanor Properties Limited are set out below:

	31 December 2011	31 December 2010
	£000	£000
Share of fixed assets	3	3
Share of current assets	3,365	3,323
Share of liabilities less than one year	(1,870)	(1,822)
Share of liabilities more than one year	—	—
Share of associates net assets	<u>1,498</u>	<u>1,504</u>
Turnover	<u>1,014</u>	<u>947</u>
Share of associates turnover	<u>270</u>	<u>252</u>
Loss for the period	<u>(22)</u>	<u>—</u>
Share of loss	<u>(6)</u>	<u>—</u>
Share of taxation	<u>—</u>	<u>—</u>

12. DEBTORS

	Group		Company	
	Year ended	Year ended 31	Year ended	Year ended 31
	31 December	December	31 December	December
	2011	2010	2011	2010
	£000	£000	£000	£000
Due within one year:				
Trade Debtors	52	3	-	-
Amounts owed by group undertakings	-	-	3,029	3,472
Amounts due from associates	617	541	56	56
Other debtors	1,140	411	510	387
Prepayments and accrued income	<u>14</u>	<u>14</u>	<u>10</u>	<u>10</u>
	<u>1,823</u>	<u>969</u>	<u>3,605</u>	<u>3,925</u>

AMICREST HOLDINGS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	Year ended 31 December 2011 £000	Year ended 31 December 2010 £000	Year ended 31 December 2011 £000	Year ended 31 December 2010 £000
Bank overdrafts	3	5	3	-
Trade creditors	65	5	3	1
Taxation and social security costs	7	5	6	4
Other creditors	35	166	-	137
Accruals and deferred income	<u>43</u>	<u>50</u>	<u>25</u>	<u>27</u>
	<u>153</u>	<u>231</u>	<u>37</u>	<u>169</u>

The bank overdraft is secured by a fixed and floating charge over the assets of the group.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Borrowings	Group		Company	
	Year ended 31 December 2011 £000	Year ended 31 December 2010 £000	Year ended 31 December 2011 £000	Year ended 31 December 2010 £000
Bank loans	===-	===-	===-	===-

15. OTHER FINANCIAL INSTRUMENTS

Other than the bank overdraft and cash at bank the Group has no financial instruments.

16. SHARE CAPITAL

	31 December 2011 £000	31 December 2010 £000
Authorised:		
10,417,066 (2010:10,417,066) ordinary shares of 50p each	<u>5,209</u>	<u>5,209</u>
Allotted, issued and fully paid:		
4,820,247 (2010: 4,820,247) ordinary shares of 50p each	<u>2,410</u>	<u>2,410</u>

AMICREST HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

17. RESERVES

Group	Share premium account £000	Capital redemption reserve £000	Revaluation reserve £000	Profit and loss account £000
1 January 2011	1,802	425	55	304
Property revaluation	-	-	(55)	-
Loss for the year	-	-	-	(350)
31 December 2011	<u>1,802</u>	<u>425</u>	<u>-</u>	<u>(46)</u>

Other Reserves

1 January 2011	(334)
Movements	-
31 December 2011	<u>(334)</u>

Company	Share Premium Account £000	Capital Redemption Reserve £000	Revaluation Reserve £000	Profit and Loss account £000
1 January 2011	1,802	425	-	972
Loss for the year	-	-	-	(199)
31 December 2011	<u>1,802</u>	<u>425</u>	<u>-</u>	<u>773</u>

Other Reserves

1 January 2011	(334)
Movements	-
31 December 2011	<u>(334)</u>

OTHER RESERVES

Other reserves account comprises own shares held. Own shares held at 31 December 2011 amounted to £333,583 comprise 201,663 shares (nominal value - £ 100,831.50) held in treasury. The shares held in treasury were purchased at a weighted average price of £1.65. At 29 June 2012, the total market value of own shares held in treasury was £25,208 (2010 - £32,266).

18. RECONCILIATION OF OPERATING (LOSS) / PROFIT TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	Year ended 31 December 2011 £000	Year ended 31 December 2010 £000
Operating (loss)	(374)	(685)
Depreciation	4	14
Decrease in work in progress	298	1,398
(Increase)/decrease in debtors	(854)	286
(Decrease) in creditors	(78)	(175)
Net cash (outflow)/inflow from operating activities	<u>(1,004)</u>	<u>838</u>

AMICREST HOLDINGS PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

19. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	31 December 2011	31 December 2010	Change in Year
	£000	£000	£000
Cash at bank	254	878	624
Bank overdraft	<u>(3)</u>	<u>(5)</u>	<u>(2)</u>
	<u>251</u>	<u>873</u>	<u>622</u>

20. ANALYSIS OF CHANGES IN NET CASH / (DEBT)

	31 December 2010	Cash flows	31 December 2011
	£000	£000	£000
Net cash			
Cash at bank and in hand	878	(624)	254
Bank overdrafts	<u>(5)</u>	<u>2</u>	<u>(3)</u>
	873	(622)	251
Debt			
Loans	<u>-</u>	<u>-</u>	<u>-</u>
Net cash	<u>873</u>	<u>(622)</u>	<u>251</u>

21. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET CASH

	2011	2010
	£000	£000
(Decrease) /increase in cash in the year	(624)	841
Cash inflow / (outflow) from loans	<u>2</u>	<u>(5)</u>
Movement in net cash in the year	(622)	836
Net cash at 1 January 2011	<u>873</u>	<u>37</u>
Net cash at 31 December 2011	<u>251</u>	<u>873</u>

22. MAJOR NON-CASH TRANSACTIONS

There were no major non-cash transactions during the year.

23. COMPANY PROFIT AND LOSS ACCOUNT

As permitted by s 408 Companies Act 2006, the company has not presented its own profit and loss account.

The (loss) attributable to members of the parent company was dealt with as follows:

	Year ended 31 December 2011	Year ended 31 December 2010
	£000	£000
In the financial statements of the parent company	<u>(199)</u>	<u>(53)</u>

24. CONTINGENT LIABILITIES

At the balance sheet date, the company's contingent liabilities amounted to £nil (2010-£250,000)..

AMICREST HOLDINGS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

25. CONTROLLING PARTY

There is no ultimate controlling party.

26. RELATED PARTY TRANSACTIONS

(a) General

- a. The group has taken advantage of the exemptions of FRS8 and has not disclosed transactions and balances between group companies that have been eliminated on consolidation.
- b. During the year £20,000 (2010: £20,000) in respect of office rent; £3,130 (2010 - £456) in respect of administration expenses and £5,000 (2010 - £20,000) in respect of management fees were paid to Kerrington Limited, a company in which Gerard Lee and Enrique Elliott are directors. Gerard Lee also holds a material interest in Kerrington Limited. During the year, expenses amounting to £28,453 and £15,061 were re-charged to Kerrington Growth Limited and Islandpost Limited respectively, companies in which Gerard Lee and Enrique Elliott are directors. The balance outstanding at the year end due from Kerrington Limited group was £215,399 (2010: due to Kerrington Limited £137,061). The loan is repayable on demand and interest is charged at 2% over LIBOR. Interest of £4,054 was charged during the year of which £3,779 was receivable from Kerrington Limited at the year end. Kerrington Limited has not charged interest to Amicrest Holdings PLC on balances due to them in the previous years.
- c. As at the year end, an amount of £56,198 (2010 - £56,198) was due from the associate company, Hazelgrove Estates Limited. This balance is interest free and repayable on demand. The company is owned 27% by the Amicrest Group. Together with Euromanor Properties Limited, a wholly owned subsidiary company of Hazelgrove Estates Limited, those companies owed the group £616,507 (2010 - £540,645) as at the year end.
- d. During the year, consultancy fees of £nil (2010 - £50,000) were paid to Belvedere Ventures Limited and £nil (2010 - £50,000) were paid to Elesys Limited in respect of properties based in Bristol. Robert Yorke-Starkey and Victor Lipien are directors and shareholders of the companies respectively. As at the year end, an amount of £402 was due from Robert Yorke-Starkey in respect of a refund from a supplier. An amount of £10,000 has been prepaid in respect of directors' fees to Robert Yorke-Starkey in advance for the following year.
- e. The group provided an advance of £500,750 at an interest rate of 10% pa to Waterside Finance Limited during the year. Waterside Finance Limited has re-lent that money to a third party. The advance is secured by way of a sub-mortgage on a property that Waterside Finance Limited has a first legal charge on. The market value of that property is £1m. Waterside Finance Limited is controlled by G. Lee and 2 other shareholders related to G. Lee. The interest in the sum of £16,399 was receivable at the year end.
- f. The Company owns 260,000 ordinary shares of 1 pence each in Pathfinder Minerals PLC (Formerly Pathfinder Properties PLC) representing 3.3% of the issued share capital, a Company in which G. Lee was a director up to 15th June 2010

AMICREST HOLDINGS PLC

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AMICREST HOLDINGS PLC

We have audited the financial statements of Amicrest Holdings Plc for the year ended 31 December 2011 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement and the related notes 1 to 26. 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 set out on page 8 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 group's and the parent 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. If we become aware of any apparent material mis-statements 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 group's and of the parent company's affairs as at 31 December 2011 and of the group's loss 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 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.

INDEPENDENT AUDITOR'S REPORT (continued)

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.

.....

Date: 29 June 2012

Marc Voulters

Senior Statutory Auditor

For and on behalf of SRLV, Statutory Auditor
89 New Bond Street
London
W1S 1DA

AMICREST HOLDINGS PLC

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at Avenue House, East End Road, London N3 3QE, on 14th September 2012 at 10am for the following purposes:

1. To receive and adopt the Directors' Report and Financial Statements for the year ended 31 December 2011.
2. To re-appoint Messrs SRLV, Chartered Accountants, as Auditors in accordance with Section 489 of the Companies Act 2006, to hold Office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting at which Accounts are laid before the members.
3. To authorise the directors to fix the remuneration of the Auditors.
4. To re-elect Mr V Lipien, who is retiring by rotation, as a director.
5. To re-elect Mr R Yorke-Starkey, who is retiring by rotation, as a director.

Special business

To consider, and if thought fit, pass the following resolution which will be proposed as a special resolution:-

- 6 That the company be generally and unconditionally authorised in accordance with section 724 (5) of the Companies Act 2006 to make market purchases of ordinary shares of 50 pence each in the capital of the company subject to the following conditions:
 - (i) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 482,024 shares;
 - (ii) the minimum price (exclusive of expenses) which may be paid for each ordinary share is 50 pence, being the nominal value thereof;
 - (iii) the maximum price (exclusive of expenses) which may be paid for each ordinary share for as long as the ordinary shares of the company are listed on the PLUS Market shall be an amount equal to 105% of the average middle market quotation for an ordinary share derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made;
 - (iv) this authority shall expire, unless previously renewed, varied or revoked by the company, on the earlier of the conclusion of the next Annual General Meeting of the company or the date which is eighteen months after the date on which the resolution is passed;
 - (v) the company may make a contract to purchase its own shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority; and make a purchase of its own shares in pursuant to any such contract.

By order of the Board
Enrique Elliott
Company Secretary

Registered office:
Grove Lodge
287 Regents Park Road
London
N3 3JY

Dated 29 June 2012

AMICREST HOLDINGS PLC

ANNUAL GENERAL MEETING EXPLANATORY NOTES

1. Report and financial statements

The directors of the Company must present the financial statements to the meeting for adoption.

2. Reappointment of auditors

The Company is required to appoint auditors at each general meeting at which the financial statements are presented to the shareholder for adoption. SRLV served as the Company's auditors during the accounting period last ended and it is proposed that they be reappointed.

3. Remuneration of auditors

This resolution provides that the Board be authorised to fix the remuneration of the auditors.

4. Re-election of director

The Company's Article of Association provide that one third of the Directors are obliged to retire by rotation at each Annual General Meeting. Mr Lipien retires by rotation at the meeting and is standing for re-election.

5. Re-election of director

The Company's Article of Association provide that one third of the Directors are obliged to retire by rotation at each Annual General Meeting. Mr Yorke-Starkey retires by rotation at the meeting and is standing for re-election

6. Authority to purchase own shares

It may be advantageous for the company, in certain circumstances, to purchase its own shares and the directors require the authority of shareholders in advance in order to do so. The authority seeks to purchase up to 482,024 shares in the company which represents 10% of the company's issued ordinary share capital within the minimum and maximum prices set out in the resolution. The directors would only purchase shares if in their opinion, the expected effect would be to result in an increase in earnings per share and would benefit shareholders generally. This authority expires no later than eighteen months after the passing of the resolution.

Notes:

- i. A member entitled to attend and vote at the Meeting may appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a Member of the Company.
- ii. A form of proxy is provided with this notice. To be valid, proxies must be received at this office or the Company's Registrars, Capita Registrars Limited, Capita House, Woodsome Park, Fenay Bridge, Huddersfield HD8 0JQ no later than 48 hours before the time fixed for the next meeting.
- iii. Please indicate how you wish your votes to be cast by placing a cross in the appropriate spaces. Unless otherwise indicated the proxy will vote as he thinks fit or will abstain (including any other matter which may properly come before the meeting.)
- iv. Completion and return of this form of proxy will not prevent a member from attending the meeting and voting in person should the member wish to do so.
- v. There will be available for inspection at the Registered Office during normal business hours from the date of this notice to the date of the Annual General Meeting and at the place of the Meeting for 15 minutes prior to and during the Meeting, the Register of Directors Interests and copies of the Directors Service contracts.