

Registered number: 05662199

THE AMPHION GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



THE AMPHION GROUP LIMITED

COMPANY INFORMATION

Directors	Mr R Slee Mr J Pell
Company secretary	Ms R Jefferies
Registered number	05662199
Registered office	240 Blackfriars Road London SE1 8NW
Independent auditor	RSM UK Audit LLP Chartered Accountants Marlborough House Victoria Road South Chelmsford Essex CM1 1LN

THE AMPHION GROUP LIMITED

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THE AMPHION GROUP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

The Directors present their Strategic Report for the year ended 31 December 2018.

Business review

The loss after tax for the year under review decreased to £95,170 as against £96,290 in the previous year, an improvement of 1%. The Statement of Financial Position remains strong with net assets of £9.8 million (2017: £9.9 million).

Principal risks and uncertainties

Introduction

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss. The Board regularly reviews the effectiveness of the Company's system of financial and non-financial internal controls, including operational and compliance controls and risk management. As part of our reform programme, internal controls and risk management were strengthened in 2018.

The Board is of the view that an ongoing process for identifying, evaluating and managing the Company's significant risks has been in place for the year ended 31 December 2018 and up to the date of approval of the Annual Report and Accounts. The Board monitors the risks of the Company on a regular basis to ensure significant risks have been identified, evaluated, managed and controlled and that necessary actions have been or are being taken to remedy any significant failings identified. Risk is measured in terms of impact, inherent risk and residual risk, and takes account of management's control actions in mitigating against both external and internal risk events.

There is clear accountability for risk management throughout the business; risk is a key performance area of line managers throughout the Company. Continuous monitoring of risk and control processes by management, across headline risk areas and other business-specific risk areas, provides the basis for regular and exception reporting to the Board.

Exposure to risks

The Board's oversight of risk covers all significant risks to the Company, including strategic, financial, operational and governance risk, which could impact on the achievement of business objectives.

Financial risk management objectives

The Board seeks to identify those financial risks which it believes the management of the business is better placed to manage than can be achieved by the procurement of hedging, insurance or other financial risk instruments. For example, the Company is better placed to assess debtor related risks, but will seek to hedge against currency or other risks which are outside the company's capacity to control. The Board takes steps to ensure it understands the impact of each risk and the likelihood of each occurring. The Board then makes an assessment of the best way to manage each risk based on the type of risk and an assessment of impact and likelihood. As its parent company, the Directors consider the risks and uncertainties of Adam Smith International Ltd to also apply to The Amphion Group Ltd.

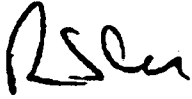
Financial key performance indicators

Management uses a number of performance indicators as part of managing the business. These are reported and monitored throughout the year. As its parent company, the Directors consider the financial key performance indicators of Adam Smith International Ltd to also apply to The Amphion Group Ltd.

THE AMPHION GROUP LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

This report was approved by the board and signed on its behalf.



.....
Mr R Slee
Director

Date: 30 September 2019

THE AMPHION GROUP LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their report and the financial statements for the year ended 31 December 2018.

Principal activity

The principal activity of the company is holding an interest in the trading company Adam Smith International Limited.

Results and dividends

The loss for the year, after taxation, amounted to £95,170 (2017 - loss £96,290).

No dividends were paid during the current year to Adam Smith Advisory Group Limited (2017: nil). On 22 May 2019 the directors proposed a dividend of £32,000,000.

Directors

The directors who served during the year were:

Mr R Slee
Mr J Pell
Mr R George (resigned 26 July 2019)
Ms R English (resigned 30 April 2018)
Mr K Prince (resigned 31 May 2018)

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

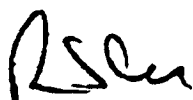
Post balance sheet events

On 25 March 2019 dividends of £23m were declared up to the Company by its subsidiary, Adam Adam Smith International Ltd. These dividends were declared to clear intercompany loan balances and had no cash impact.

Auditor

The auditor, RSM UK Audit LLP, Chartered Accountants has indicated its willingness to continue in office.

This report was approved by the board and signed on its behalf.



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Mr R Slee
Director

Date: 30 September 2019

THE AMPHION GROUP LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 for the Company's financial statements 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 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE AMPHION GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE AMPHION GROUP LIMITED

Opinion

We have audited the financial statements of The Amphion Group Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of income and retained earnings, the Statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its 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 the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Other information

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

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

THE AMPHION GROUP LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE AMPHION GROUP LIMITED
(CONTINUED)**

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

THE AMPHION GROUP LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE AMPHION GROUP LIMITED
(CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

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

RSM UK AUDIT LLP

Andrew Monteith (Senior statutory auditor)

for and on behalf of
RSM UK Audit LLP (Statutory auditor)

Chartered Accountants

Marlborough House
Victoria Road South
Chelmsford
Essex
CM1 1LN

30 September 2019

THE AMPHION GROUP LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Administrative expenses		(3,105)	(7,748)
Operating loss		(3,105)	(7,748)
Interest receivable and similar income	6	1,719,267	1,436,558
Interest payable and expenses	7	(1,833,655)	(1,547,686)
Loss before tax		(117,493)	(118,876)
Tax on loss	8	22,323	22,586
Loss after tax		(95,170)	(96,290)
Retained earnings at the beginning of the year		9,521,592	9,617,882
		9,521,592	9,617,882
Loss for the year		(95,170)	(96,290)
Retained earnings at the end of the year		9,426,422	9,521,592

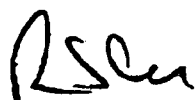
The notes on pages 10 to 20 form part of these financial statements.

THE AMPHION GROUP LIMITED
REGISTERED NUMBER: 05662199

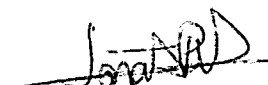
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	10	12,093,835	12,093,835
		<u>12,093,835</u>	<u>12,093,835</u>
Current assets			
Debtors: amounts falling due within one year	11	41,169,938	32,939,511
Cash at bank and in hand	12	89	338,085
		<u>41,170,027</u>	<u>33,277,596</u>
Creditors: amounts falling due within one year	13	(43,508,056)	(35,520,455)
Net current liabilities		<u>(2,338,029)</u>	<u>(2,242,859)</u>
Total assets less current liabilities		<u>9,755,806</u>	<u>9,850,976</u>
Net assets		<u><u>9,755,806</u></u>	<u><u>9,850,976</u></u>
Capital and reserves			
Called up share capital	15	242,384	242,384
Capital redemption reserve	16	87,000	87,000
Profit and loss account	16	9,426,422	9,521,592
		<u>9,755,806</u>	<u>9,850,976</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
 Mr R Slee
 Director



.....
 Mr J Pell
 Director

Date: 30 September 2019

The notes on pages 10 to 20 form part of these financial statements.

THE AMPHION GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

The Amphion Group Limited ("the Company") is a private company limited by shares domiciled and incorporated in England. The address of the Company's registered office and principal place of business is 240 Blackfriars Road, London, SE1 8NW. The Company's principal activities and nature of operations are set out within the Director's Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Adam Smith Advisory Group Limited as at 31 December 2018 and these financial statements may be obtained from Companies House.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.4 Going concern

The Company has a net current liability balance as at 31 December 2018 of £2.3m (2017: £2.2m); the company has met its day-to-day working capital requirements through day-to-day support from its subsidiary undertaking Adam Smith International Limited, which is expected to continue for the foreseeable future. The directors therefore consider it appropriate to prepare the financial statements on the going concern basis.

2.5 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.6 Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Taxation

Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.13 Financial Liabilities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequently, the measurement of financial liabilities depends on their classification as follows:

Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

Derecognition of financial liabilities

A liability is derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such as an exchange or modification, this is treated as a derecognition of the original liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Directors are of the opinion that there are no estimates or judgements within these financial statements that can cause a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

THE AMPHION GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. Auditor's remuneration

	2018	2017
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	3,000	4,500

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2017 - *£NIL*).

6. Interest receivable

	2018	2017
	£	£
Interest receivable from group companies	1,719,267	1,436,558
	1,719,267	1,436,558

7. Interest payable and similar expenses

	2018	2017
	£	£
Loans from group undertakings	1,833,655	1,547,686
	1,833,655	1,547,686

THE AMPHION GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	(22,323)	(22,586)
	<u>(22,323)</u>	<u>(22,586)</u>
Total current tax	<u>(22,323)</u>	<u>(22,586)</u>
Deferred tax		
Total deferred tax	-	-
	<u>-</u>	<u>-</u>
Taxation on loss	<u>(22,323)</u>	<u>(22,586)</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2017 - the same as) the standard rate of corporation tax in the UK of 19% (2017 - 19%) as set out below:

	2018 £	2017 £
Loss before tax	(117,493)	(118,876)
	<u>(117,493)</u>	<u>(118,876)</u>
Loss on multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19%)	(22,323)	(22,586)
Effects of:		
Group relief	(22,323)	(22,586)
Receipt for group relief	22,323	22,586
	<u>(22,323)</u>	<u>(22,586)</u>
Total tax charge for the year	<u>(22,323)</u>	<u>(22,586)</u>

9. Dividends

On 22 May 2019 the directors proposed a dividend of £32,000,000.

THE AMPHION GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2018	12,093,835
At 31 December 2018	<u>12,093,835</u>

THE AMPHION GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Adam Smith International Limited	240 Blackfriars Road, London, SE1 8NW, United Kingdom	International development consultancy	Ordinary	100%
Adam Smith Services Limited	240 Blackfriars Road, London, SE1 8NW, United Kingdom	Provision of business services	Ordinary	100%
Adam Smith International Africa Limited	2nd Floor Cavendish, 14 Riverside, Riverside Drive, Nairobi, Kenya	International development consultancy	Ordinary	99%
Adam Smith International India Limited	Bharat Yuvak Bhawan, 1Jai Singh Road, NewDelhi, 110 001, India	International development consultancy	Ordinary	99%
Adam Smith International (Australia) PTY Limited	301/88 Foveaux Street, Surry Hills, SydneyNSW, 2010, Australia	International development consultancy	Ordinary	100%
Adam Smith International Mongolia Limited	202, Infrastructure LLCBuilding, Tourist Street-35, Khoroo 1, ChingelteiDistrict, Ulaanbaatar, Mongolia	International development consultancy	Ordinary	100%
Adam Smith International Turkey Limited	Kavaklik Mah, AhmetApaydin Cad, No: 3 ParkApt, Daire, 5 27100 Sahinbey, Turkey	International development consultancy	Ordinary	100%
AS Operations West Africa Limited	24 Buchanan Crescent, Off Aminu KanoCrescent, Wuse 2, Abuja, Nigeria	International development consultancy	Ordinary	99%
Adam Smith International Uganda Limited	S&L Chambers, plot 14, Mackinnon Road, Nakasero, P. O. Box12088, Kampala, Uganda	International development consultancy	Ordinary	100%
Adam Smith International Ghana Limited	Secant Tower, Plot H309, Papa Morovia, Morovia Street, Osu Re, Accra, Greater Accra, Ghana	International development consultancy	Ordinary	100%
Adam Smith International South Africa (PTY) Limited	1st Floor Block G, Hatfield Gardens, 333 Grosvenor Street, Gauteng, 0127, South Africa	International development consultancy	Ordinary	100%

THE AMPHION GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Fixed asset investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Principal activity	Class of shares	Holding
Adam Smith International US Inc.	1025 Connecticut Avenue, NW; Suite 615, Washington, District of Columbia 20036, United States of America	International development consultancy	Ordinary	100%
Adam Smith Europe B.V.	Keizersgracht 62, 1015CS Amsterdam, Netherlands	International development consultancy	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2018 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Adam Smith International Limited	71,544,280	3,632,687
Adam Smith Services Limited	351,296	12,517
Adam Smith International Africa Limited	2,386,445	3,372
Adam Smith International India Limited	(3,558)	-
Adam Smith International (Australia) PTY Limited	1,760,846	738,589
Adam Smith International Mongolia Limited	78,085	7,290
Adam Smith International Turkey Limited	314,491	(1,116,959)
AS Operations West Africa Limited	316,342	262,430
Adam Smith International Uganda Limited	254,857	81,931
Adam Smith International Ghana Limited	(25,699)	(16,313)
Adam Smith International South Africa (PTY) Limited	(213,155)	(203,712)
Adam Smith International US Inc.	(424,428)	(407,193)
Adam Smith Europe B.V.	(157,253)	(155,379)

The 100% of the issued ordinary shares Adam Smith International Limited is held by The Ampion Group Limited. All shares in other subsidiaries are held indirectly.

11. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	41,169,938	32,939,511

THE AMPHION GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

11. Debtors (continued)

	41,169,938	32,939,511
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12. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	89	338,085
	89	338,085

13. Creditors: Amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	43,505,056	35,508,305
Accruals and deferred income	3,000	12,150
	43,508,056	35,520,455

14. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	41,169,938	32,939,511
	41,169,938	32,939,511
Financial liabilities		
Financial liabilities measured at amortised cost	(43,508,056)	(35,520,455)
	(43,508,056)	(35,520,455)

15. Share capital

	2018 £	2017 £
Authorised, allotted, called up and fully paid		
242,384 (2017 - 242,384) Ordinary shares of £1.00 each	242,384	242,384
	242,384	242,384

THE AMPHION GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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15. Share capital (continued)

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

16. Reserves

Capital redemption reserve

The nominal value of shares repurchased and still held at the end of the reporting period.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

17. Contingent liabilities

The company is party to cross guarantees securing the borrowings of other group companies. At the year end these borrowings amounted to £1,333,333 (2017: £7,500,000).

18. Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standards No. 102 from the requirement to make disclosures concerning other group companies, since it is a wholly owned subsidiary of a company preparing consolidated financial statements.

19. Controlling party

The ultimate and immediate holding company is Adam Smith Advisory Group Limited, a company incorporated in England and Wales. The registered address for The Adam Smith Advisory Group Limited is 240 Blackfriars Road, London, SE1 8NW and group accounts are available from this address.

The ultimate controlling party is Adam Smith International Employee Ownership Trust. No sole individual has control of this entity.