

**Company Registration No. 2344929**

**Amsprop London Limited**

**Report and Unaudited Financial Statements**

**Year ended 30 June 2015**

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# **Amsprop London Limited**

## **Report and unaudited financial statements 2015**

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# **Amsprop London Limited**

## **Report and unaudited financial statements 2015**

### **Officers and professional advisers**

#### **Directors**

Lord Alan M Sugar  
Louise J Baron  
Andrew N Cohen  
Daniel P Sugar  
Simon Sugar  
James Hughes  
Claude M Littner  
Roger G Adams  
Michael E Ray

#### **Secretary**

Michael E Ray

#### **Registered office**

Amshold House  
Goldings Hill  
Loughton  
Essex  
IG10 2RW

#### **Bankers**

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

#### **Solicitors**

Maples Teesdale LLP  
30 King Street  
London  
EC2V 8EE

# **Amsprop London Limited**

## **Directors' report**

The directors present their annual report and the unaudited financial statements for the year to 30 June 2015

This directors' report has been prepared in accordance with the special provisions relating to small companies under S415A the Companies Act 2006

### **Principal activities**

The Company is principally engaged in the business of property investment. These properties are held for their long term investment potential and accordingly are treated as investment properties.

### **Business review**

The result for the 12 months to 30 June 2015 after taxation was a profit of £4,048,894 (2014 £223,973,841). The profit and loss account for the period is set out on page 5.

The Company has adopted Financial Reporting Standard 102 (FRS 102) for the preparation of its accounts at 30 June 2015 and restated the prior year statements. The first material change that this brought to the Company's financial reporting was the passing of unrealised investment property revaluation movements directly through the profit and loss account rather than into a revaluation reserve within shareholders' funds. This alone has no effect on net assets. The second material change was the recognition of deferred taxation on this movement less any deferred tax on brought forward capital losses. Prior to adoption of FRS 102 this was not recognised but only disclosed. This has affected the reported net asset position. A full explanation of the transition to FRS 102 is shown in note 17.

### **Going concern**

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

On the basis of this review, and after making due enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

### **Financial risks**

The directors considered the risks attached to the Company's financial instruments which principally comprise operating debtors and operating creditors and loans to and from other group companies. The directors have taken a prudent approach in their consideration of the various risks attached to the financial instruments of the Company. The Company's exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of assets, liabilities and the financial statements.

The director's policy on hedging is to hedge all financial risks where it is feasible and cost effective to do so. The Company had no hedged transactions during the year.

### **Dividends**

On 30 June 2015 the Company declared and paid a dividend of £6,900,000 (2014 £220,000,000) to Amshold Group Limited.

### **Directors**

The directors who held office throughout the period are listed on page 1.

## **Amsprop London Limited**

### **Directors' report (continued)**

#### **Directors indemnities**

The directors and officers of the Company use the indemnity insurance policy taken out by Amshold Group Limited, the ultimate parent company

Approved by the Board and signed on its behalf by



M E Ray

Director

29 March 2016

# **Amsprop London Limited**

## **Directors' responsibilities statement**

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

# Amsprop London Limited

## Profit and loss account Year ended 30 June 2015

	Notes	2015 £	2014 £
<b>Turnover</b>	2	2,956,362	2,206,149
Operating costs		(326,889)	(2,031,832)
<b>Operating profit</b>		2,629,473	174,317
Profit on disposal of investment property		-	6,907,400
Fair value movement on investment property		2,219,320	7,528,600
Finance income	4	132,961	212,137,600
Finance costs	5	(8)	(5)
<b>Profit on ordinary activities before taxation</b>		4,981,746	226,747,912
Tax charge on profit on ordinary activities	6	(932,852)	(2,774,071)
<b>Profit on ordinary activities after taxation</b>		4,048,894	223,973,841

All amounts derive from continuing operations

As there are no other sources of comprehensive income other than the profit for the financial year, the Company has not included a consolidated statement of comprehensive income. As a result of the Company adopting FRS102 the results for the prior year have been restated. These are explained in note 17 to the financial statements.

# Amsprop London Limited

## Balance sheet 30 June 2015

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Investment properties	8	54,017,000	52,469,600
Other Investments	9	24,400	24,400
		<u>54,041,400</u>	<u>52,494,000</u>
<b>Current assets</b>			
Debtors	10	27,919,968	32,285,455
Cash at bank and in hand	11	135,619	231,669
		<u>28,055,587</u>	<u>32,517,124</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(4,629,458)</u>	<u>(5,105,617)</u>
<b>Net current assets</b>		<u>23,426,129</u>	<u>27,411,507</u>
<b>Net assets</b>		<u>77,467,529</u>	<u>79,905,507</u>
Provision for liabilities	13	<u>(4,176,630)</u>	<u>(3,763,502)</u>
<b>Total Net assets</b>		<u>73,290,899</u>	<u>76,142,005</u>
<b>Capital and reserves</b>			
Called up share capital	14	41,514,400	41,514,400
Profit and loss account		<u>31,776,499</u>	<u>34,627,605</u>
<b>Shareholders' funds</b>		<u>73,290,899</u>	<u>76,142,005</u>

As a result of the Company adopting FRS102 the results for the prior year have been restated. These are explained in note 17 to the financial statements.

For the year ending 30 June 2015 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476,
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of Amsprop London Limited, registered number 2344929, were approved by the board of directors and authorised for issue on 29 March 2016. They were signed on its behalf by



M E Ray

Director



## Amsprop London Limited

### Statement of changes in equity At 30 June 2015

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Shareholder's funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
As at 30 June 2013	41,514,400	30,653,764	72,168,164
Dividends paid	-	(220,000,000)	(220,000,000)
Profit for the financial year	-	223,973,841	223,973,841
	<hr/>	<hr/>	<hr/>
As at 30 June 2014	41,514,400	34,627,605	76,142,005
Dividends paid	-	(6,900,000)	(6,900,000)
Profit for the financial year	-	4,048,894	4,048,894
	<hr/>	<hr/>	<hr/>
As at 30 June 2015	<u>41,514,400</u>	<u>31,776,499</u>	<u>73,290,899</u>

# Amsprop London Limited

## Additional unaudited information

### 1. Accounting policies

The particular accounting policies adopted by the directors are described below, and have been applied consistently in the current and preceding years

#### General information and basis of accounting

Amsprop Portland Limited is a company incorporated in the United Kingdom with its registered office at Amshold House, Goldings Hill, Loughton, Essex, IG10 2RW

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information see note 17

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates

#### Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and financial position are set out in the director's report. This describes the financial position of the Company, its cash flows, liquidity position and borrowing facilities, and its exposure to credit risk and liquidity risk.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facility

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements

#### Investment properties

Investment properties for which fair value can be measured reliably without undue cost of effort on an ongoing basis are measured at fair value annually with any change recognised in the profit and loss account

#### Sale of properties

Disposals of properties are recognised where contracts have been unconditionally exchanged during the accounting year

#### Taxation

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

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

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

# Amsprop London Limited

## Additional unaudited information

### 1. Accounting policies (continued)

#### Taxation (continued)

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to investment property is measured using the tax rates and allowances that apply to the sale of the asset.

The tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

#### Cash flows

As the Company is a wholly-owned subsidiary, the cash flows of the Company are included in the consolidated accounts of Amshold Group Limited which are publicly available (note 17). Consequently the Company is exempt under the provisions of Financial Reporting Standard 1 (Revised) – “Cash Flow Statements”, from publishing a separate cash flow statement.

### 2. Turnover

Turnover represents amounts derived from the provision of services and rental income on investment properties which fall within the Company's ordinary activities after deduction of trade discounts and value added tax. The turnover and pre-tax loss all arises in the United Kingdom. Rent increases arising from rent reviews are taken into account when such reviews have been agreed with tenants. On new leases with rent free periods rental income is allocated evenly over the period from the date of lease commencement to the date of the first rent review. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year. Turnover can be analysed as follows:

	2015 £	2014 £
Rental income	2,144,868	1,862,581
Miscellaneous income	811,494	343,568
	<u>2,956,362</u>	<u>2,206,149</u>

### 3. Staff costs

The Company had no employees in either the current or prior year. The directors received no emoluments during the current or prior year.

### 4. Finance income

	2015 £	2014 £
Dividend income	-	212,000,000
Interest payable from other group companies	132,893	136,935
Bank and other interest	68	665
	<u>132,961</u>	<u>212,137,600</u>

# Amsprop London Limited

## Additional unaudited information

### 5. Finance costs

	2015 £	2014 £
Bank and other interest	8	5

### 6. Tax charge on profit on ordinary activities

#### (i) Analysis of tax charge on profit on ordinary activities

	2015 £	2014 £
UK corporation tax charge at 20 75% (2014 22 50%)	470,951	522,275
Total current tax charge	470,951	522,275
Origination and reversal of timing differences	24,800	517,761
Adjustment in respect of prior periods	-	830,990
Effects of decrease in tax rates on opening liability	23,973	(48,013)
Profit on fair value movement of investment property	413,128	951,058
Total deferred tax	461,901	2,251,796
Tax charge on profit on ordinary activities	932,852	2,774,071

#### (ii) Factors affecting tax charge for the current year

The standard rate of tax for the year, based on the UK standard of corporation tax is 20 75% (2014 22 50%)  
The actual tax charge for the current and previous year is the same as the standard rate for the reasons set out in the following reconciliation

	2015 £	2014 £
Profit on ordinary activities before tax	4,981,746	226,747,912
Tax charge at 20 75% (2014 22 50%)	1,033,747	51,018,280
Factors affecting charge		
Income not taxable for tax purposes	-	(47,700,000)
Permanent differences	(60,770)	(1,314,076)
Other temporary differences	-	752,915
Effects of changes in tax rates	27,691	(446,435)
Effects of indexation	(67,816)	(367,603)
Adjustment in respect of prior periods	-	830,990
Tax current tax charge for year	932,852	2,774,071

# Amsprop London Limited

## Additional unaudited information

### 7. Dividends

On 30 June 2015 the Company declared and paid a dividend of £6,900,000 (2014 £220,000,000) to Amshold Group Limited

### 8. Investment properties

	Total £
At 1 July 2014	52,469,600
Additions	3,080
Disposals	(675,000)
Surplus arising on valuation	2,219,320
	<u>54,017,000</u>
At 30 June 2015	<u>54,017,000</u>

The majority of the investment properties were valued by the directors at 30 June 2015 on a valuation prepared internally by a Company director, a qualified chartered surveyor, on an open market basis. The remaining properties were valued externally at 30 June 2015. The external valuation basis is market value, conforms to RICS Valuation Professional Standards and was arrived at by reference to market evidence of the transaction prices for similar properties. The external valuer is a qualified independent valuer who holds a recognised and relevant professional qualification and has recent experience in the relevant location and type of property being valued.

It is the Company's intention to retain the property for the foreseeable future.

### 9. Other investments

	2015 £	2013 £
Investment in subsidiaries		
Cost and net book value	<u>24,400</u>	<u>24,400</u>

The subsidiary investments at 30 June 2015 comprise a 100% shareholding in Amshold International Limited.

### 10. Debtors

	2015 £	2014 £
Amounts falling due within one year		
Amounts owed from other group companies	27,464,070	31,719,896
Trade debtors	879	61,609
Deferred taxation	454,667	503,440
Prepayments and accrued income	352	510
	<u>27,919,968</u>	<u>32,285,455</u>

Interest is payable on the amounts owed by other group companies at variable rates based on Bank of England base rates.

# Amsprop London Limited

## Additional unaudited information

### 11. Cash at bank and in hand

	2015 £	2014 £
Company cash at bank and in hand	7,555	12,688
Tenant deposits	128,064	218,981
	<u>135,619</u>	<u>231,669</u>

### 12. Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	1,619	13,824
Other creditors	128,064	218,981
Other taxation	99,748	97,305
Corporation tax	235,476	261,137
Accruals and deferred income	4,164,551	4,514,370
	<u>4,629,458</u>	<u>5,105,617</u>

### 13. Provisions for liabilities

	2015 £	2014 £
<b>Deferred taxation movement for the year</b>		
At 1 July	3,763,502	1,008,266
Charge/(Credit) to profit and loss account	413,128	2,755,236
At 30 June	<u>4,176,630</u>	<u>3,763,502</u>
<b>Analysis of deferred tax provision:</b>		
	2015 £	2014 £
Deferred tax on retained surplus on revaluation of property	6,371,904	5,958,776
Less deferred tax on capital losses	(2,195,274)	(2,195,274)
At 30 June	<u>4,176,630</u>	<u>3,763,502</u>

### 14. Share capital

	2015 £	2014 £
<b>Authorised:</b>		
100,000 ordinary shares of £1 each	<u>50,000,000</u>	<u>50,000,000</u>
<b>Called up, allotted and fully paid:</b>		
100 ordinary shares of £1 each	<u>41,514,400</u>	<u>41,514,400</u>

## **Amsprop London Limited**

### **Additional unaudited information**

#### **15. Ultimate parent company and controlling party**

At 30 June 2015, the Company was indirectly wholly-owned by Lord Sugar

The immediate parent company is Amshold Group Limited, a company incorporated in the United Kingdom and registered in England and Wales

The ultimate parent company is Amshold Group Limited, a company incorporated in the United Kingdom and is the parent undertaking of the smallest and largest group which includes the Company and for which group financial statements are prepared. Copies of the group financial statements of Amshold Group Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ

#### **16. Related party transactions**

In respect of other related party transactions, the Company has taken advantage of the exemption from related party disclosure in accordance with Paragraph 3(c) of Financial Reporting Standard No 8

# Amsprop London Limited

## Additional unaudited information

### 17. Explanation of transition to FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 30 June 2014 and the date of transition to FRS 102 was therefore 1 July 2013. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard.

#### Reconciliation of equity

	At 1 July 2013 £	At 30 June 2014 £
Equity reported under previous UKGAAP	73,176,430	80,245,166
<b>Adjustments to equity on transition to FRS 102</b>		
Deferred tax on property revaluation surplus	(5,007,718)	(5,958,776)
Deferred tax on capital losses	3,999,452	2,195,274
Deferred lease premium income	-	(390,502)
Deferred tax on lease premium income	-	50,843
Equity reported under FRS 102	72,168,164	76,142,005

#### Reconciliation of profit or loss for year to 30 June 2014

	£
Profit for the financial year under previous UKGAAP	219,540,136
<b>Adjustments to profit or loss on transition to FRS 102</b>	
Investment property revaluation surplus in the year	7,528,600
Deferred tax on investment property revaluation surplus	(951,058)
Deferred tax on utilisation of capital losses	(1,804,178)
Deferred lease premium income	(390,502)
Corporation tax on lease premium income	50,843
Profit for the financial year under FRS 102	223,973,841

#### Notes to the reconciliation of equity and profit or loss for the year to 30 June 2014

FRS 102 states that there is a requirement to recognise deferred tax on the net investment property revaluation surplus within the Company. This was not a requirement under UK GAAP. After any indexation has been applied to the historical costs a deferred tax provision has been made against the net revaluation surplus within the Company at each balance sheet date.

FRS 102 states that any lease incentive or premium should be spread from inception up to the first possible break. UK GAAP permitted the spread up to a rent review if sooner. An appropriate adjustment to deferred tax has been recognised on this change.

At 1 July 2013 the Company had £19,045,011 of capital losses. Under UKGAAP the Company did not recognise a deferred tax asset on these losses as it was felt they were unlikely to be utilised in the foreseeable future. In the year to 30 June 2014 £8,068,639 of these losses were utilised with £10,976,372 remaining at 30 June 2014. Under FRS 102, the Company has reduced the deferred tax liability it recognises on investment property revaluation surpluses by the deferred tax on these capital losses.