

**Company Registration No. 02801817**

**Amsprop Estates Limited**

**Report and Financial Statements**

**Year ended 30 June 2012**



# **Amsprop Estates Limited**

## **Report and financial statements 2012**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Directors' responsibilities statement</b>	<b>4</b>
<b>Independent auditor's report</b>	<b>5</b>
<b>Profit and loss account</b>	<b>7</b>
<b>Balance sheet</b>	<b>8</b>
<b>Notes to the financial statements</b>	<b>9</b>

# **Amsprop Estates Limited**

## **Report and financial statements 2012**

### **Officers and professional advisers**

#### **Directors**

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

#### **Secretary**

Michael E Ray

#### **Registered Office**

Amshold House  
Goldings Hill  
Loughton  
Essex  
IG10 2RW

#### **Bankers**

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

#### **Solicitors**

Deveraux Solicitors  
4<sup>th</sup> Floor  
9-13 Cursitor Street  
London  
EC4A 1LL

Kingsley Napley LLP  
Knights Quarter  
14 St John's Lane  
London  
EC1M 4AJ

#### **Auditor**

Deloitte LLP  
London

# **Amsprop Estates Limited**

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

The directors present their annual report and the audited financial statements for the year ended 30 June 2012

### **Principal activities**

The principal business of the Company is the acquisition of land and buildings for resale at a later date so as to maximise profit, together with the collection of rents therefrom

Amsprop Estates Limited is a wholly owned subsidiary of Amsprop Limited, a Company incorporated in the United Kingdom and registered in the England and Wales which is the parent company of the Amsprop Group of companies. Amsgal Properties Limited and Amsted Properties Limited are wholly-owned subsidiaries of Amsprop Estates Limited

### **Business review**

The result for the year after taxation was a profit of £1,826,328 (2011 £4,733,339). The profit and loss account for the year is shown on page 7

The decrease in profits in the year is due to the sale of two properties in the previous year which contributed significantly to the previous years result

On 29 June 2012 the Company received a dividend of £1,442,259 from its subsidiary, Amsgal Properties Limited

The property market continues to be challenging but the directors are confident that the Company's assets will continue to provide a strong yield and asset growth

### **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**

The directors do not propose the payment of a dividend (2011 £nil)

# **Amsprop Estates Limited**

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

### **Directors**

The directors who held office throughout the year are listed on page 1 with the exception of the following changes on 7 February 2012

Colin T Sandy resigned

Roger G Adams was appointed

On 7 February 2012 Colin T Sandy resigned as Company Secretary and Michael E Ray was appointed as Company Secretary

### **Directors' indemnities**

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

### **Auditor**

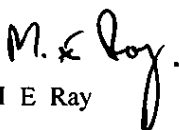
Each of the persons who is a director at the date of approval of this annual report confirms that

- 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 he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

A resolution to re-appoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting

Approved by the Board and signed on its behalf by

  
M E Ray

Director

3 December 2012

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

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

## **Independent auditor's report to the sole member of Amsprop Estates Limited**

We have audited the financial statements of Amsprop Estates Limited for the year ended 30 June 2012 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16. 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 member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

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

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 June 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

## **Independent auditor's report to the sole member of Amsprop Estates Limited (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, 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



Andrew Clark FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

3 December 2012

# Amsprop Estates Limited

## Profit and loss account

For the year ended 30 June 2012

	Notes	2012 £	2011 £
<b>Turnover</b>	2	1,483,240	29,720,296
Cost of sales	3	17,673	(22,730,555)
<b>Gross profit</b>		1,500,913	6,989,741
Administrative expenses		(914,014)	(526,047)
<b>Operating profit</b>	3	586,899	6,463,694
Dividends receivable		1,442,259	-
Interest receivable and similar income	4	142,503	95,568
Interest payable and similar charges	5	(6,827)	(30,782)
<b>Profit on ordinary activities before taxation</b>		2,164,834	6,528,480
Tax charge on profit on ordinary activities	6	(338,506)	(1,795,141)
<b>Profit for the financial year</b>	13	1,826,328	4,733,339

All activities derive from continuing operations

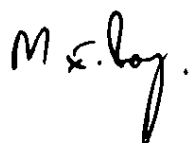
The statement of total recognised gains and losses has been omitted because there have been no recognised gains or losses other than the profit or loss for the year in the current and preceding year

# Amsprop Estates Limited

## Balance sheet 30 June 2012

	Notes	2012 £	2011 £
<b>Fixed assets</b>			
Investments	7	200,002	695,632
		<u>200,002</u>	<u>695,632</u>
<b>Current assets</b>			
Property held for resale		13,407,073	13,389,401
Debtors	8	28,646,529	27,841,972
Cash at bank and in hand	9	358,551	333,277
		<u>42,412,153</u>	<u>41,564,650</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(896,506)</u>	<u>(2,370,961)</u>
<b>Net current assets</b>		<u>41,515,647</u>	<u>39,193,689</u>
<b>Net assets</b>		<u>41,715,649</u>	<u>39,889,321</u>
<b>Capital and reserves</b>			
Called up share capital	12	100	100
Profit and loss account	13	<u>41,715,549</u>	<u>39,889,221</u>
<b>Shareholders' funds</b>	14	<u>41,715,649</u>	<u>39,889,321</u>

The financial statements of Amsprop Estates Limited, registered number 02801817, were approved by the board of directors and authorised for issue on 3 December 2012. They were signed on its behalf by



M E Ray  
Director

# **Amsprop Estates Limited**

## **Notes to the financial statements For the year ended 30 June 2012**

### **1. Accounting policies**

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted by the directors are described below. They have been applied consistently throughout the current and preceding year.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention. The Company is exempt from the obligation to prepare and deliver group accounts in accordance with s400 of the Companies Act 2006. Consequently, these accounts present the results of the entity only.

#### **Going concern**

The financial statements are prepared on a going concern basis as discussed in the directors' report on page 2.

#### **Investments**

Investments are stated at cost less any provision for impairment in value.

#### **Properties held for resale**

Properties held as dealing stocks are included in the balance sheet at the lower of cost and net realisable value. Cost includes appropriate property purchase expenses.

#### **Leases**

Rental costs under operating leases are charged to profit and loss account in equal annual amounts over the periods of the leases.

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively 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 group'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.

A net 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 future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured on an undiscounted basis at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is not discounted.

# Amsprop Estates Limited

## Notes to the financial statements For the year ended 30 June 2012

### 1. Accounting policies (continued)

#### 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 15). 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 comprises rental income receivable by the Company and the value of property sales, dilapidation receipts, insurance recoveries, commission income and service and management charges, all arising 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. All other turnover is recognised net of VAT as it is earned. Turnover can be analysed as follows:

	2012 £	2011 £
Rental income	1,451,944	1,476,190
Other income	31,296	24,106
Sale of trading properties	-	28,220,000
	<u>1,483,240</u>	<u>29,720,296</u>

### 3. Operating profit

	2012 £	2011 £
Operating profit is stated after charging		
Administrative expenses including		
Auditor's remuneration		
- fees payable for the audit of the Company's annual accounts	7,100	7,566
- company secretarial fees	674	539
Investment provisions	495,630	-
Cost of sales including		
Decrease in provisions for property held for resale	<u>17,673</u>	<u>472,000</u>

# Amsprop Estates Limited

## Notes to the financial statements For the year ended 30 June 2012

### 4. Interest receivable and similar income

	2012 £	2011 £
Interest receivable from group undertaking	141,481	88,235
Other interest	1,022	7,333
	<u>142,503</u>	<u>95,568</u>

### 5. Interest payable and similar charges

	2012 £	2011 £
Interest payable to group undertaking	6,827	30,644
Bank loans, overdrafts and other charges	-	138
	<u>6,827</u>	<u>30,782</u>

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

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

	2012 £	2011 £
UK corporation tax at 25.5% (2011: 27.5%)	(305,608)	-
Group relief paid	(16,316)	(1,793,501)
Adjustments in respect of prior periods	(15,364)	-
Total current tax charge	<u>(337,288)</u>	<u>(1,793,501)</u>
Origination and reversal of timing differences	(907)	(1,252)
Effects of decrease in tax rates on opening liability	(311)	(388)
Total deferred tax charge (note 11)	<u>(1,218)</u>	<u>(1,640)</u>
Total tax charge on profit on ordinary activities	<u>(338,506)</u>	<u>(1,795,141)</u>

The 2012 budget (delivered on 21 March 2012) announced a reduction of the UK corporation tax rate to 24% effective from 1 April 2012. The rate change was substantively enacted on 29 March 2012 therefore deferred tax assets or liabilities have been measured at 24% in these financial statements.

The Finance Act 2012, which provides for a reduction in the main rate of corporation tax from 24% to 23% effective from 1 April 2013, was substantively enacted on 3 July 2012. As it was not substantively enacted at the balance sheet date, this rate reduction is not yet reflected in these financial statements in accordance with FRS 21, as it is a non-adjusting event occurring after the reporting period.

# Amsprop Estates Limited

## Notes to the financial statements For the year ended 30 June 2012

### 6. Tax charge on profit on ordinary activities (continued)

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

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 25.5% (2011: 27.5%)  
The actual tax charge for the current and the previous year differs from the standard rate for the reasons set out in the following reconciliation

	2012 £	2011 £
Profit on ordinary activities before tax	2,164,834	6,528,480
Tax charge at 25.5% (2011: 27.5%)	(552,092)	(1,795,421)
Factors affecting charge		
Expenses not deductible for tax purposes	(126,399)	-
Income not taxable for tax purposes	367,815	-
Capital allowances for the period in excess of depreciation	907	1,252
Utilisation of tax (gains)/losses	(12,155)	668
Adjustments in respect of prior periods	(15,364)	
Total current tax charge for year	<u>(337,288)</u>	<u>(1,793,501)</u>

### 7. Investments

#### Investments in subsidiary undertakings

	Cost £	Provision £	Net book value £
At 1 July 2011	695,632	-	695,632
Movement in the year	-	(495,630)	(495,630)
At 30 June 2012	<u>695,632</u>	<u>(495,630)</u>	<u>200,002</u>

Subsidiary Undertakings	Country of incorporation	Principal Activity	Holding of ordinary shares%
Amsted Properties Ltd	Great Britain	Property Development	100
Amsgal Properties Ltd	Great Britain	Property Development	100

### 8. Debtors

	2012 £	2011 £
Amounts falling due within one year		
Amounts owed by group undertakings	28,379,019	27,667,925
Trade debtors	130,678	111,303
Deferred tax asset (see note 11)	3,521	4,739
Prepayments and accrued income	133,311	58,005
	<u>28,646,529</u>	<u>27,841,972</u>

# Amsprop Estates Limited

## Notes to the financial statements For the year ended 30 June 2012

### 9. Cash at bank and in hand

	2012 £	2011 £
Company cash at bank and in hand	13,641	39,871
Tenant deposits	344,910	293,406
	<u>358,551</u>	<u>333,277</u>

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

	2012 £	2011 £
Trade creditors	49,300	17,086
Amounts owed to Group undertakings	2	1,682,082
Corporation tax	152,804	5,040
Other taxation and social security	59,716	36,826
Other creditors	370,058	323,897
Accruals and deferred income	264,626	306,030
	<u>896,506</u>	<u>2,370,961</u>

Interest is payable on the amount owed to other group companies at variable rates based on Bank of England base rates

### 11. Deferred taxation

	2012 £	2011 £
Depreciation in excess of Capital allowances at 1 July	4,379	6,379
Charge to profit and loss account	(1,218)	(1,640)
Depreciation in excess of Capital allowances at 30 June (see note 8)	<u>3,161</u>	<u>4,739</u>

### 12. Called up share capital

	2012 £	2011 £
<b>Authorised:</b>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Called up, allotted and fully paid.</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

# Amsprop Estates Limited

## Notes to the financial statements For the year ended 30 June 2012

### 13. Reserves

	Profit and loss £
At 1 July 2011	39,889,221
Profit for the financial year	<u>1,826,328</u>
At 30 June 2012	<u><u>41,715,549</u></u>

### 14 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Opening shareholders' funds	39,889,321	35,155,982
Profit for the financial year	<u>1,826,328</u>	<u>4,733,339</u>
Closing shareholders' funds	<u><u>41,715,649</u></u>	<u><u>39,889,321</u></u>

### 15. Ultimate parent company and controlling party

At 30 June 2012, the Company was indirectly wholly-owned by Lord Sugar

The immediate parent company is Amsprop 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, which 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, Mandy, Cardiff CF14 3UZ

### 16. 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