

**Company Registration No. 02801817**

**Amsprop Estates Limited**

**Report and Financial Statements**

**30 June 2009**

**TUESDAY**



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**COMPANIES HOUSE**

# **Amsprop Estates Limited**

## **Report and financial statements 2009**

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# **Amsprop Estates Limited**

## **Report and financial statements 2009**

### **Officers and professional advisers**

#### **Directors**

Lord Sugar (resigned 30 June 2009)  
Lady Ann Sugar (resigned 30 June 2009)  
C T Sandy  
L J Baron  
A N Cohen  
D P Sugar  
S Sugar  
J Hughes  
C Littner was appointed as a director with effect 1 July 2009  
M E Ray was appointed as a director with effect 1 July 2009

#### **Secretary**

C T Sandy

#### **Registered Office**

West Wing  
Sterling House  
Langston Road  
Loughton  
Essex  
IG10 3TS

#### **Bankers**

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

#### **Solicitors**

H Montlake & Co.	Herbert Smith
197 High Road	Exchange House
Ilford	Primrose Street
Essex	London
IG1 1LX	EC2A 2HS

#### **Auditors**

Deloitte LLP  
Chartered Accountants  
London

# **Amsprop Estates Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 30 June 2009.

### **Principal activities and review of performance**

Amsprop Estates Limited is a wholly owned subsidiary of Amsprop Limited, a company incorporated in Great Britain 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.

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.

The loss on ordinary activities before taxation for the year amounted to (£1,784,424) (2008: Profit £17,082,912) as shown on page 7. The current market is difficult to trade in and as a consequence we have only disposed of one property during the year, however we have continued to acquire where it is our interest to do so. As a result of the difficult market, the stock write down provision had to be increased

On a like for like basis there was a steady increase in rental income although overall this has decreased due to the sale of properties in the previous year at £1,785,745 (2008: £2,452,620). The market value of the properties remaining decreased in line with the UK property market in general. The value of properties held for resale increased to £35,871,900 at 30 June 2009 (2008: £16,189,920) due mainly to purchases of property amounting to £21,739,500 in the year.

Until the market stabilises, the company will only enter the market when the conditions for either purchase or sale are advantageous to us. Through its strong professional management team the company expects to continue its long term growth pattern.

### **Financial instruments**

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.

### **Future prospects**

By having a stable, strong management team together with our own financial resources and the facilities available from our bankers, we have the ability to move into the market when the correct conditions apply. This gives us great confidence for future growth prospects.

# **Amsprop Estates Limited**

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

### **Principal risks and uncertainties**

Property prices are down from their all time high which could result in the company being able to acquire properties at favourable prices. The estates team are fully aware of this and consequently will remain diligent in seeking acquisitions that can provide future growth from active management. There is a risk of further movements impacting the amounts that the company could realise however noted that there is only one property that has fallen below cost during this period and the loss in valuation has been taken to the profit and loss account.

The amount owed by group undertakings to the company has reduced to £2,325,136 (2008: £15,534,682), but it also now owes other group undertakings £8,945,644 (2008: nil). The directors consider that the risk of both the debtor and creditor being recalled is low, as both the parent company and itself are able to service the interest due.

The cash flows of the company are managed by the close monitoring of tenant arrears and voids. Tenant bad debts during the year amounted to only £9,986 due to the active management of debtors. Void periods are likewise minimised due to active management and careful selection of properties in the first instance.

### **Going concern**

The directors have reviewed the current and projected financial position of the company, making reasonable assumptions about future trading. The company has received a letter from Amshold Group Limited stating that it will continue to provide financial support.

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.

### **Indemnities**

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

### **Dividends**

The directors do not recommend the payment of a dividend (2008: £nil).

### **Close company status**

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

# Amsprop Estates Limited

## Directors' report (continued)

### Directors

The directors who held office throughout the year, except where noted, are listed below:

Lord Sugar (resigned 30 June 2009)  
Lady Ann Sugar (resigned 30 June 2009)  
C T Sandy  
L J Baron  
A N Cohen  
D P Sugar  
S Sugar  
J Hughes  
C Littner was appointed as a director with effect 1 July 2009  
M E Ray was appointed as a director with effect 1 July 2009

### Information to auditors

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 auditors are 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 auditors are aware of that information.

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

### Auditors

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

Approved by the Board of Directors  
and signed on behalf of the Board



C T Sandy  
Secretary

15 December 2009



# **Amsprop Estates Limited**

## **Statement of directors' responsibilities**

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditors' report to the members of Amsprop Estates Limited**

We have audited the financial statements of Amsprop Estates Limited for the year ended 30 June 2009 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 members, as a body, in accordance with sections 495 and 496 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, 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 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 (APB'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.

### **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 2009 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.

### **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 auditors' report to the members 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*

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

15 December 2009

# Amsprop Estates Limited

## Profit and loss account Year ended 30 June 2009

	Notes	2009 £	2008 £
<b>Turnover</b>	2		
Rental income		1,785,745	2,452,620
Other income		473,309	858,378
Sale of trading properties		1,300,000	39,070,000
		<u>3,559,054</u>	<u>42,380,998</u>
Cost of sales		<u>(3,329,051)</u>	<u>(22,156,217)</u>
<b>Gross profit</b>		230,003	20,224,781
Administrative expenses		<u>(2,317,538)</u>	<u>(3,419,831)</u>
<b>Operating (loss)/profit</b>	3	<u>(2,087,535)</u>	<u>16,804,950</u>
Interest receivable and similar income	5	457,445	280,481
Interest payable and similar charges	6	<u>(154,334)</u>	<u>(2,519)</u>
<b>(Loss)/Profit on ordinary activities before taxation</b>		<u>(1,784,424)</u>	<u>17,082,912</u>
Tax credit/(charge) on (loss)/profit on ordinary activities	7	<u>781,071</u>	<u>(7,676,293)</u>
<b>(Loss)/Profit on ordinary activities after taxation and (loss)/profit for the year</b>	14	<u><u>(1,003,353)</u></u>	<u><u>9,406,619</u></u>

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 or prior years.

The results derive from the company's continuing activities.

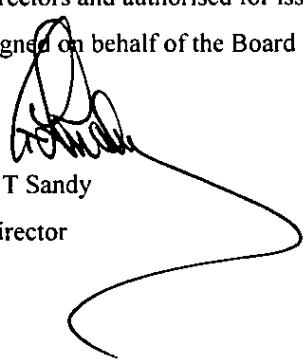
# Amsprop Estates Limited

## Balance sheet 30 June 2009

	Notes	2009 £	2008 £
<b>Fixed assets</b>			
Tangible fixed assets	8	-	18,286
Investments	9	695,632	695,632
		<u>695,632</u>	<u>713,918</u>
<b>Current assets</b>			
Property held for resale		35,871,900	16,189,920
Debtors	10	3,298,704	16,661,213
Cash at bank and in hand (including tenant deposits of £186,341 (2008: £171,726))		3,673,269	3,129,111
		<u>42,843,873</u>	<u>35,980,244</u>
<b>Creditors: amounts falling due within one year</b>			
Trade creditors		(150,362)	(250,594)
Amounts owed to group undertakings		(8,997,522)	-
Other creditors including taxation and social security	11	(267,731)	(1,784,885)
Accruals and deferred income		(910,200)	(441,640)
		<u>(10,325,815)</u>	<u>(2,477,119)</u>
<b>Net current assets</b>		<u>32,518,058</u>	<u>33,503,125</u>
<b>Total assets less current liabilities</b>		<u>33,213,690</u>	<u>34,217,043</u>
<b>Total net assets</b>		<u>33,213,690</u>	<u>34,217,043</u>
<b>Capital and reserves</b>			
Called up share capital	13	100	100
Profit and loss account		33,213,590	34,216,943
<b>Total shareholders' funds</b>	14	<u>33,213,690</u>	<u>34,217,043</u>

The financial statements of Amsprop Estates Limited, registered number 02801817 were approved by the board of directors and authorised for issue on 15 December 2009.

Signed on behalf of the Board of Directors

  
C T Sandy

Director

# Amsprop Estates Limited

## Notes to the accounts Year ended 30 June 2009

### 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 as described below and have been applied on a consistent basis in the current and prior year.

#### Accounting convention

The financial statements are prepared under the historical cost convention and prepared on a going concern basis as discussed in the directors' report on page 2. The company is exempt from the obligation to prepare and deliver group accounts in accordance with s398 of the Companies Act 2006. Consequently, these accounts present the results of the entity only.

#### 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.

# Amsprop Estates Limited

## Notes to the accounts Year ended 30 June 2009

### 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 cash flow statement of its parent undertaking. 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. Rental income is recognised over the term of the lease on a straight-line basis. 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.

### 3. Operating (loss)/profit

	2009 £	2008 £
Operating (loss)/profit is stated after charging/(crediting):		
Administrative expenses including:		
Depreciation of owned assets	-	13,433
Auditors' remuneration – fee for the statutory audit of the company's annual accounts	6,500	7,200
- other non-audit services	3,222	2,994
Loss on sale of tangible fixed assets	(16,653)	-
Cost of sales includes:		
Increase in provisions for property held for resale	(2,029,051)	(2,957,955)

### 3. Staff costs

Directors' emoluments amounted to £1,180,742 (2008: £1,201,245). None of the directors exercised options or were members of a pension scheme to which the company contributed. The emoluments of the highest paid director were £342,705 (2008: £474,002).

The average number of other employees in the year was seven (2008: seven). Their total remuneration was:

	2009 £	2008 £
Wages and salaries	328,014	361,801
Social security costs	45,866	74,017
	<u>373,880</u>	<u>435,818</u>

# Amsprop Estates Limited

## Notes to the accounts Year ended 30 June 2009

### 4. Interest receivable and similar income

	2009 £	2008 £
Intercompany interest	360,349	224,960
Other interest	97,096	55,521
	<u>457,445</u>	<u>280,481</u>

### 5. Interest payable and similar charges

	2009 £	2008 £
Bank loans and overdrafts	154,334	2,519
	<u>154,334</u>	<u>2,519</u>

### 6. Tax on profit on ordinary activities

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

	2009 £	2008 £
United Kingdom corporation tax at 28% (2008: 29.5%)	-	(4,499,154)
Group relief received at 100% of loss	913,909	(3,177,309)
Prior year adjustment	(135,508)	6,875-
	<u>778,401</u>	<u>(7,669,588)</u>
Deferred taxation	2,670	170
	<u>781,071</u>	<u>(7,669,418)</u>

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

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK: 28% (2008: 29.5%). The differences are explained below:

	2009 £	2008 £
(Loss)/Profit on ordinary activities before tax	(1,784,424)	17,082,912
Tax at 28% (2008: 29.5%) thereon:	499,639	(5,039,926)
Effects of:		
Expenses not deductible for tax purposes	(241,075)	(215,362)
Depreciation in excess of capital allowances	(2,670)	(540)
Group relief received at 100% of loss	658,015	(2,233,041)
Prior year adjustments	(135,508)	(180,719)
Current tax credit/(charge) for year	<u>778,401</u>	<u>(7,669,588)</u>

# Amsprop Estates Limited

## Notes to the accounts Year ended 30 June 2009

### 7. Tangible fixed assets

	Office equipment
	£
<b>Cost</b>	
At 1 July 2008	84,793
Disposals	(84,793)
	<hr/>
At 30 June 2009	-
	<hr/>
<b>Depreciation</b>	
At 1 July 2008	66,507
Disposals	(66,507)
	<hr/>
At 30 June 2009	-
	<hr/>
<b>Net book value</b>	
At 30 June 2009	-
	<hr/>
At 30 June 2008	18,286
	<hr/>

### 8. Investments

	£
<b>Investments in subsidiary undertakings</b>	
Cost and net book value at 1 July 2008 and 30 June 2009	695,632
	<hr/>

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

# Amsprop Estates Limited

## Notes to the accounts Year ended 30 June 2009

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

	2009 £	2008 £
Trade debtors	361,149	94,545
Other debtors	47,938	3,314
Deferred tax asset (see note 12)	7,974	5,304
Amounts owed by group undertakings	2,325,136	15,534,682
Prepayments and accrued income	556,507	1,023,368
	<u>3,298,704</u>	<u>16,661,213</u>

Interest is receivable on the amount due from other group companies at variable rates based on Bank of England base rates.

### 11. Other creditors including taxation and social security

	2009 £	2008 £
Other taxation and social security	75,783	28,347
Corporation tax creditor	-	1,544,799
Other creditors	191,948	211,739
	<u>267,731</u>	<u>1,784,885</u>

### 12. Deferred taxation

	2009 £	2008 £
Capital allowances in excess of depreciation at 1 July	(5,304)	(5,134)
Credit to profit and loss account	(2,670)	(170)
	<u>(7,974)</u>	<u>(5,304)</u>
Capital allowances in excess of depreciation at 30 June (see note 10)		

### 13. Called up share capital

	2009 £	2008 £
<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 accounts Year ended 30 June 2009

### 14. Reconciliation of movement in shareholders' funds

	2009 £	2008 £
At 1 July 2008	34,217,043	24,810,424
(Loss)/Profit for the financial year	<u>(1,003,353)</u>	<u>9,406,619</u>
At 30 June 2009	<u>33,213,690</u>	<u>34,217,043</u>

### 15. Events during the year

Dealing stock sold during the year was the property: Brentwood House at Brentwood on 13 August 2008 for £1,300,000.

### 16. Ultimate parent undertaking and related party transactions

At 30 June 2009, the company was indirectly wholly owned by Lord Sugar. Following his appointment as a Government advisor, Lord Sugar resigned as a director of all group companies on 30 June 2009.

The immediate parent company is Amsprop Limited, a company incorporated in Great Britain and registered in England and Wales.

The ultimate parent company is Amshold Group Limited, a company incorporated in Great Britain, 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, Maindy, Cardiff CF14 3UZ.

The company has taken advantage of the exemption from related party disclosure in accordance with Paragraph 3(c) of Financial Reporting Standard No. 8.