

Company Registration No. 02801817

Amsprop Estates Limited

Report and Financial Statements

30 June 2010

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Amsprop Estates Limited

Report and financial statements 2010

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Amsprop Estates Limited

Report and financial statements 2010

Officers and professional advisers

Directors

C T Sandy
L J Baron
A N Cohen
D P Sugar
S Sugar
J Hughes
C M Littner
M E Ray

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
197 High Road
Ilford
Essex
IG1 1LX

Herbert Smith
Exchange House
Primrose Street
London
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 2010

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 profit on ordinary activities before taxation for the year amounted to £2,734,874 (2009 Loss of £1,784,424) as shown on page 8. The current market is difficult to trade in and as a consequence we have only disposed of one property during the year. As a consequence of confidence returning to the market property valuations have improved. As a result of this, stock previously written down has recovered the majority of its losses.

Rental income of £2,868,101 is better than the previous year's income of £1,785,745. The book value of properties held for resale increased to £35,928,400 at 30 June 2010 (2009 £35,871,900).

Until the market completely stabilises, the company will only enter the market when the conditions for either purchase or sale are advantageous to us.

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. The directors acknowledge that property valuations continue to be impacted by economic conditions.

The amount owed by group undertakings to the company has increased to £2,337,973 (2009 £2,325,136). Amounts owed to other group undertakings decreased to £4,114,647 (2009 £8,997,522). 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. 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.

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 (2009 £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, are listed below

C T Sandy
L J Baron
A N Cohen
D P Sugar
S Sugar
J Hughes
C M Littner
M E Ray

Information to auditors

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

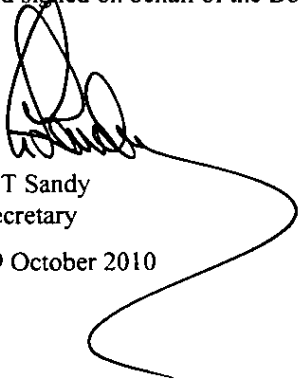
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that 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

29 October 2010

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 2010 which comprise the profit and loss account, the balance sheet and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, 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 2010 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 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 (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

29 October 2010

Amsprop Estates Limited

Profit and loss account Year ended 30 June 2010

	Notes	2010 £	2009 £
Turnover	2		
Rental income		2,868,101	1,785,745
Other income		301,952	473,309
Sale of trading properties		1,920,000	1,300,000
		<u>5,090,053</u>	<u>3,559,054</u>
 Cost of sales	3	 21,895	 (3,329,051)
Gross profit		<u>5,111,948</u>	<u>230,003</u>
Administrative expenses		(2,166,957)	(2,317,538)
Operating profit/(loss)	3	<u>2,944,991</u>	<u>(2,087,535)</u>
Interest receivable and similar income	5	118,020	457,445
Interest payable and similar charges	6	(328,137)	(154,334)
Profit/(Loss) on ordinary activities before taxation		<u>2,734,874</u>	<u>(1,784,424)</u>
Tax (charge)/credit on profit/(loss) on ordinary activities	7	(792,582)	781,071
Profit/(Loss) on ordinary activities after taxation	14	<u><u>1,942,292</u></u>	<u><u>(1,003,353)</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

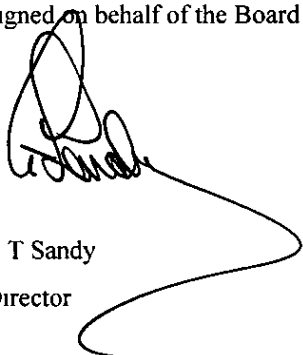
Amsprop Estates Limited

Balance sheet 30 June 2010

	Notes	2010 £	2009 £
Fixed assets			
Investments	8	695,632	695,632
		<u>695,632</u>	<u>695,632</u>
Current assets			
Property held for resale		35,928,432	35,871,900
Debtors	9	784,066	973,568
Amounts owed by group undertakings		2,337,973	2,325,136
Cash at bank and in hand	10	780,322	3,673,269
		<u>39,830,793</u>	<u>42,843,873</u>
Creditors: amounts falling due within one year			
Trade creditors		(51,424)	(150,362)
Amounts owed to group undertakings		(4,114,647)	(8,997,522)
Other creditors including taxation and social security	11	(492,303)	(267,731)
Accruals and deferred income		(712,069)	(910,200)
		<u>(5,370,443)</u>	<u>(10,325,815)</u>
Net current assets		<u>34,460,350</u>	<u>32,518,058</u>
Total assets less current liabilities		<u>35,155,982</u>	<u>33,213,690</u>
Net assets		<u>35,155,982</u>	<u>33,213,690</u>
Capital and reserves			
Called up share capital	13	100	100
Profit and loss account		<u>35,155,882</u>	<u>33,213,590</u>
Shareholders' funds	14	<u>35,155,982</u>	<u>33,213,690</u>

The financial statements of Amsprop Estates Limited, registered number 02801817, were approved by the board of directors and authorised for issue on 29 October 2010

Signed on behalf of the Board of Directors



C T Sandy
Director

Amsprop Estates Limited

Notes to the accounts Year ended 30 June 2010

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 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 historical cost convention basis and 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.

Amsprop Estates Limited

Notes to the accounts Year ended 30 June 2010

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 profit/(loss)

	2010 £	2009 £
Operating profit/(loss) is stated after charging/(crediting)		
Administrative expenses including		
Auditors' remuneration – fee for the statutory audit		
of the company's annual accounts	8,135	6,500
- other non-audit services	4,204	3,222
Loss on sale of tangible fixed assets	-	(16,653)
Cost of sales includes		
Decrease/(Increase) in provisions for property held for resale	1,211,532	(2,029,051)

4. Staff costs

Directors' emoluments amounted to £1,138,250 (2009 £1,180,742). No directors were members of a pension scheme to which the company contributed in either the current or preceding financial years. There are no share option schemes in the company. The emoluments of the highest paid director were £385,404 (2009 £342,705).

The average number of other employees in the year was 11 (2009 seven). Their total remuneration was

	2010 £	2009 £
Wages and salaries	661,765	328,014
Social security costs	77,814	45,866
	<u>739,579</u>	<u>373,880</u>

Amsprop Estates Limited

Notes to the accounts Year ended 30 June 2010

5. Interest receivable and similar income

	2010 £	2009 £
Intercompany interest	96,086	360,349
Other interest	21,934	97,096
	<u>118,020</u>	<u>457,445</u>

6 Interest payable and similar charges

	2010 £	2009 £
Intercompany interest	319,540	148,413
Bank loans, overdrafts and other charges	8,597	5,921
	<u>328,137</u>	<u>154,334</u>

7. Tax (charge)/credit on profit/(loss) on ordinary activities

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

	2010 £	2009 £
United Kingdom corporation tax at 28% (2009 28%)	(129,556)	-
Group relief (paid)/received	(803,263)	913,909
Adjustment in respect of prior years	141,832	(135,508)
Total current tax (charge)/credit	<u>(790,987)</u>	<u>778,401</u>
Deferred taxation (note 12)	<u>(1,595)</u>	<u>2,670</u>
Tax (charge)/credit on profit/(loss) on ordinary activities	<u>(792,582)</u>	<u>781,071</u>

Amsprop Estates Limited

Notes to the accounts Year ended 30 June 2010

7 Tax (charge)/credit on profit/(loss) on ordinary activities (continued)

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

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 28% (2009 28%) 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

	2010 £	2009 £
Profit/(Loss) on ordinary activities before tax	2,734,874	(1,784,424)
Tax at 28% (2009 28%) thereon	(765,765)	499,639
Effects of		
Expenses not deductible for tax purposes	(169,308)	(241,075)
Capital allowances for the period in excess of/(less than) depreciation	1,595	(2,670)
Group relief surrendered and paid for at 100% of gross loss	-	658,015
Utilisation of tax losses	659	-
Adjustment in respect of prior years	141,832	(135,508)
Total current tax (charge)/credit	<u>(790,987)</u>	<u>778,401</u>

8. Investments

Investments in subsidiary undertakings

Cost and net book value at 1 July 2009 and 30 June 2010	£ <u>695,632</u>
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Subsidiary Undertakings	Country of incorporation	Principal Activity	Holding of ordinary shares %
Amsted Properties Ltd	Great Britain	Property Development	100
Amshal Properties Ltd	Great Britain	Property Development	100

9. Debtors: amounts falling due within one year

	2010 £	2009 £
Trade debtors	218,130	361,149
Other debtors	-	47,938
Deferred tax asset (see note 12)	6,379	7,974
Prepayments and accrued income	559,557	556,507
	<u>784,066</u>	<u>973,568</u>

Amsprop Estates Limited

Notes to the accounts Year ended 30 June 2010

10 Cash at bank and in hand

	2010 £	2009 £
Company accounts	568,726	3,486,928
Tenant deposits	211,596	186,341
	<u>780,322</u>	<u>3,673,269</u>

11. Other creditors including taxation and social security

	2010 £	2009 £
Other taxation and social security	169,410	75,783
Corporation tax creditor	104,760	-
Other creditors	218,133	191,948
	<u>492,303</u>	<u>267,731</u>

12. Deferred taxation

	2010 £	2009 £
Capital allowances in excess of depreciation at 1 July	7,974	5,304
(Charge)/Credit to profit and loss account	(1,595)	2,670
Capital allowances in excess of depreciation at 30 June (see note 9)	<u>6,379</u>	<u>7,974</u>

13. Called up share capital

	2010 £	2009 £
Authorised:		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

14. Reconciliation of movement in shareholders' funds

	2010 £	2009 £
At 1 July 2009	33,213,690	34,217,043
Profit/(Loss) for the financial year	<u>1,942,292</u>	<u>(1,003,353)</u>
At 30 June 2010	<u>35,155,982</u>	<u>33,213,690</u>

Amsprop Estates Limited

Notes to the accounts Year ended 30 June 2010

15. Events during the year

Dealing stock sold during the year was the property at Josselin Road, Basildon on 22 January 2010 for £1,920,000

16. Post balance sheet events

On 5 August 2010 the Company completed the sale of 125-139 Queen Street, Cardiff for £17,020,000 and on 31 August 2010 the Company completed the sale of 31-37 Islington High Street, London for £11,200,000

On 1 July 2010 the employment contracts with the directors and staff of Amsprop Estates Limited were transferred to the ultimate parent company, Amshold Group Limited

17. Ultimate parent undertaking and related party transactions

At 30 June 2010, the company was indirectly wholly owned by Lord Sugar

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