

**Company Registration No. 3058930**

**Amsgal Properties Limited**

**Report and Financial Statements**

**Year ended 30 June 2011**

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# **Amsgal Properties Limited**

## **Report and financial statements 2011**

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# **Amsgal Properties Limited**

## **Report and financial statements 2011**

### **Officers and professional advisers**

#### **Directors**

Louise J Baron  
Colin T Sandy  
Andrew N Cohen  
Daniel P Sugar  
Simon Sugar  
James Hughes  
Claude M Littner

#### **Secretary**

Colin T Sandy

#### **Registered Office**

West Wing  
Sterling House  
Langston Road  
Loughton  
Essex  
IG10 3TS

#### **Bankers**

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

#### **Solicitors**

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

#### **Auditor**

Deloitte LLP  
Chartered Accountants  
London

# **Amsgal Properties Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 30 June 2011

This Directors' report has been prepared in accordance with the special provisions relating to small companies under S417 of the Companies Act 2006

### **Principal activities**

The Company holds a stock of development land with a view to generating profit from its sale. Rental income is also generated from this land.

### **Business review**

The result for the year after taxation was a profit of £1,382,579 (2010 £8,545)

The Company sold its only stock property during the year, and at present has no income except interest on the parent company debt and a potential income stream from the new owners should they sell on.

### **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 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.

### **Dividends**

The directors do not recommend the payment of a dividend (2010 £nil)

# **Amsgal Properties Limited**

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

### **Directors**

The directors who served throughout the year were as follows

Louise J Baron  
Colin T Sandy  
Andrew N Cohen  
Daniel P Sugar  
Simon Sugar  
James Hughes  
Claude M Littner

### **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**

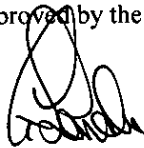
Each of the persons who is a director at the date of approval of this annual report confirms that

- 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

  
Colin T Sandy  
Secretary  
1 November 2011

Registered Office  
West Wing, Sterling House, Langston Road  
Loughton, Essex IG10 3TS

# **Amsgal Properties 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, 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 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 Amsgal Properties Limited**

We have audited the financial statements of Amsgal Properties Limited for the year ended 30 June 2011 which comprise the profit and loss account, the balance sheet and the related notes 1 to 14. 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 2011 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 Amsgal Properties 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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report

*Andrew Clark FCA*

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

1 November 2011



# Amsgal Properties Limited

## Profit and loss account For the year ended 30 June 2011

	Notes	2011 £	2010 £
Turnover	2	4,435,524	42,696
Cost of sales		(2,480,940)	-
Gross profit		1,954,584	42,696
Administrative expenses		(55,210)	(20,328)
Operating profit	3	1,899,374	22,368
Interest payable and similar charges	5	-	(11,410)
Interest receivable and similar income	6	7,668	-
Profit on ordinary activities before taxation		1,907,042	10,958
Tax charge on profit on ordinary activities	7	(524,463)	(2,413)
Profit for the financial year	12	1,382,579	8,545

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

# Amsgal Properties Limited

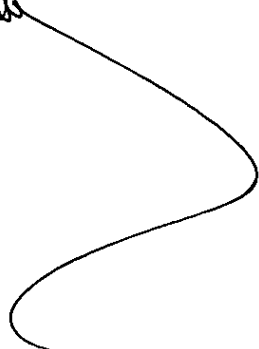
## Balance sheet 30 June 2011

	Notes	2011 £	2010 £
<b>Current assets</b>			
Land held for resale		-	2,377,150
Debtors	8	1,702,791	1,017
Cash at bank and in hand		625	-
<b>Total current assets</b>		<u>1,703,416</u>	<u>2,378,167</u>
<b>Creditors: amounts falling due within one year</b>	9	(264,591)	(2,321,921)
<b>Net assets</b>		<u>1,438,825</u>	<u>56,246</u>
<b>Capital and reserves</b>			
Called up share capital	10	2	2
Profit and loss account	11	1,438,823	56,244
<b>Shareholder's funds</b>	12	<u>1,438,825</u>	<u>56,246</u>

The financial statements of Amsgal Properties Limited, registered number 3058930, were approved by the board of directors and authorised for issue on 1 November 2011. They were signed on its behalf by



Colin T Sandy  
Director



# Amsgal Properties Limited

## Notes to the accounts For the year ended 30 June 2011

### 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.

#### Going concern

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

#### Land for development

Land for development is stated at the lower of cost or net realisable value. Cost includes appropriate land purchase expenses.

#### 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 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.

#### 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.

# Amsgal Properties Limited

## Notes to the accounts

### For the year ended 30 June 2011

#### 2. Turnover

Turnover represents rental income and sale of land net of value added tax, receivable by the Company, wholly 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.

#### 3. Operating profit

Operating profit is stated after charging

	2011 £	2010 £
Auditor's remuneration		
- fees payable for the audit of the Company's annual accounts	2,060	2,000
- company secretarial fees	565	820
	<u>2,625</u>	<u>2,820</u>

#### 4. 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.

#### 5. Interest payable

	2011 £	2010 £
Amounts payable to Group undertakings	-	11,410
	<u>-</u>	<u>11,410</u>

#### 6. Interest receivable

	2011 £	2010 £
Amounts receivable from Group undertakings	7,629	-
Other interest	39	-
	<u>7,668</u>	<u>-</u>

# Amsgal Properties Limited

## Notes to the accounts For the year ended 30 June 2011

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

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

	2011 £	2010 £
UK corporation tax at 27.5% (2010: 28%)	(524,463)	(2,413)
Total current tax charge	<u>(524,463)</u>	<u>(2,413)</u>

The Finance Act 2011, which provides for a reduction in the main rate of corporation tax from 26% to 25% effective from 1 April 2011, was subsequently enacted on 5<sup>th</sup> July 2011. 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.

The Government has also indicated that it intends to enact future reductions in the main tax rate of 1% each year down to 24% by 1 April 2014. The future 1% main tax rate reductions are expected to have a similar impact on our financial statements as outlined above, however the actual impact will be dependent on our deferred tax position at that time.

#### (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 27.5% (2010: 28%). The actual tax charge for the current and the previous period differs from the standard rate for the reasons set out in the following reconciliation:

	2011 £	2010 £
Profit on ordinary activities before tax	1,907,042	10,958
Tax charge at 27.5% (2010: 28.0%)	(524,463)	(3,068)
Factors affecting charge	-	655
Effects of marginal relief	-	-
Total current tax charge for year	<u>(524,463)</u>	<u>(2,413)</u>

### 8. Debtors

	2011 £	2010 £
Amounts falling due within one year		
Trade debtors	-	38
Other debtors	20,709	979
Amounts owed from group undertakings	1,682,082	-
	<u>1,702,791</u>	<u>1,017</u>

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

# Amsgal Properties Limited

## Notes to the accounts For the year ended 30 June 2011

### 9 Creditors: amounts falling due within one year

	2011 £	2010 £
Bank overdraft	-	2,915
Corporation tax	262,231	2,413
Amounts owed to Group undertakings	-	2,303,752
Accruals and deferred income	2,360	12,841
	<u>264,591</u>	<u>2,321,921</u>

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

### 10. Called up share capital

	2011 £	2010 £
<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>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 11. Reserves

	Profit and loss £
At 1 July 2010	56,244
Profit for the financial year	<u>1,382,579</u>
At 30 June 2011	<u>1,438,823</u>

### 12. Reconciliation of movements in shareholder's funds

	2011 £	2010 £
Opening shareholder's funds	56,246	47,701
Profit for the financial year	<u>1,382,579</u>	<u>8,545</u>
Closing shareholder's funds	<u>1,438,825</u>	<u>56,246</u>

# **Amsgal Properties Limited**

## **Notes to the accounts For the year ended 30 June 2011**

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

At 30 June 2011, the Company was indirectly wholly-owned by Lord Sugar

The immediate parent Company is Amsprop Estates 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, Mandy, Cardiff CF14 3UZ

### **14. 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