

**Company Registration No. 4203471**

**Amsprop City Properties Limited**

**Report and Financial Statements**

**30 June 2010**

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# **Amsprop City Properties Limited**

## **Report and financial statements 2010**

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# **Amsprop City Properties Limited**

## **Report and financial statements 2010**

### **Officers and professional advisers**

#### **Directors**

Colin T Sandy  
Louise J Baron  
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  
Knights Quarter  
14 St Johns Lane  
London EC1M 4AJ

#### **Auditors**

Deloitte LLP  
Chartered Accountants  
London

# **Amsprop City Properties Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 30 June 2010

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

### **Activities**

The principal activity of the company is the holding of investment property

### **Review of developments**

The profit and loss account for the year is set out on page 7

### **Dividends**

The directors do not propose the payment of a dividend (2009 £nil)

### **Future prospects**

There are no planned changes to the company's activities

### **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

### **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, via the policy taken out by Amshold Group Limited, the ultimate parent company have indemnity insurance

# Amsprop City Properties Limited

## Directors' report (continued)

### Directors

The directors who held office throughout the year, are listed below

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

### 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



Colin T Sandy

Secretary

29 October 2010



# **Amsprop City Properties 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 judgments and accounting estimates that are reasonable and prudent,
- 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 City Properties Limited**

We have audited the financial statements of Amsprop City Properties Limited for the year ended 30 June 2010 which comprise the profit and loss account, the statement of total recognised gains and losses, 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 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 sole member of Amsprop City 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 Auditors  
London, United Kingdom

29 October 2010



## Amsprop City Properties Limited

### Profit and loss account Year ended 30 June 2010

	Notes	2010 £	2009 £
Turnover	2	602,268	648,332
Gross profit		602,268	648,332
Administrative expenses		(99,871)	(33,005)
Operating profit	4	502,397	615,327
Interest receivable and similar income		-	354
Interest payable and similar charges	5	(36,839)	(199,118)
Profit on ordinary activities before taxation		465,558	416,563
Tax charge on profit on ordinary activities	6	(130,356)	(145,637)
Profit for the financial year		335,202	270,926

All activities derive from continuing operations

There is no difference between the reported profit on ordinary activities after taxation and the equivalent historical cost amount

## **Amsprop City Properties Limited**

### **Statement of total recognised gains and losses Year ended 30 June 2010**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	335,202	270,926
Unrealised surplus/(deficit) on revaluation of property	<u>1,777,030</u>	<u>(2,242,879)</u>
Total recognised gains/(losses) relating to the year	<u><u>2,112,232</u></u>	<u><u>(1,971,953)</u></u>

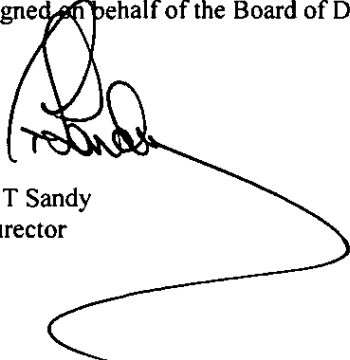
# Amsprop City Properties Limited

## Balance sheet 30 June 2010

	Notes	2010 £	2009 £
<b>Fixed assets</b>			
Investment property	7	10,292,013	8,524,190
Tangible fixed assets	8	789	1,053
		<u>10,292,802</u>	<u>8,525,243</u>
<b>Current assets</b>			
Debtors	9	114,363	94,175
Cash at bank and in hand	10	495,076	453,494
		<u>609,439</u>	<u>547,669</u>
<b>Creditors: amounts falling due within one year</b>			
Trade creditors		(10,937)	(6,173)
Amounts owed to group undertakings		(7,245,109)	(7,515,862)
Other creditors including taxation and social security		(513,271)	(556,386)
Accruals and deferred income		(194,416)	(179,235)
Corporation tax creditor		(48,567)	(72,701)
		<u>(8,012,300)</u>	<u>(8,330,357)</u>
<b>Net current liabilities</b>		<u>(7,402,861)</u>	<u>(7,782,688)</u>
<b>Provisions for liabilities</b>	11	<u>(154,677)</u>	<u>(119,523)</u>
<b>Net assets</b>		<u>2,735,264</u>	<u>623,032</u>
<b>Capital and reserves</b>			
Called up share capital	12	2	2
Profit and loss account	13	1,260,697	925,495
Revaluation reserve	13	1,474,565	(302,465)
<b>Shareholders' funds</b>	14	<u>2,735,264</u>	<u>623,032</u>

The financial statements of Amsprop City Properties Limited, registered number 4203471 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 City Properties Limited**

## **Notes to the accounts**

**Year ended 30 June 2010**

### **1. Accounting policies**

The financial statements are prepared in accordance with United Kingdom accounting standards. Compliance with Statements of Standard Accounting Practice 19 "Accounting for investment properties" requires departure from the requirements of the Companies Act 2006 relating to depreciation and an explanation of the departure is given below. The particular accounting policies adopted by the directors are described below and have been applied consistently in the current and preceeding financial years.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention modified by the revaluation of certain freehold properties.

#### **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.

#### **Investment properties**

In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to revaluation reserve. Any diminution in value which is believed to be permanent is written off to the profit and loss account in the year in which it arises. No depreciation is provided in respect of investment properties.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principles set out in SSAP 19. The directors consider that, as these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

If this departure from the Companies Act 2006 had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

#### **Depreciation**

Depreciation is calculated to write off the cost, less estimated residual values, of tangible fixed assets over their estimated useful lives. The annual depreciation rates and methods are as follows:

Office equipment	25% on a reducing balance basis
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#### **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.

# Amsprop City Properties Limited

## Notes to the accounts

Year ended 30 June 2010

### 1. Accounting policies (continued)

#### Taxation (continued)

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.

### 2. Turnover

Turnover represents amounts derived from the provision of goods and services and rental income on investment properties which fall within the company's ordinary activities after deduction of trade discounts and value added tax. The turnover and pre-tax profit all arises in the United Kingdom. Rent increases arising from rent reviews are taken into account when such reviews have been agreed with tenants. On new leases with rent free periods rental income is allocated evenly over the period from the date of lease commencement to the date of the first rent review. Turnover can be analysed as follows:

	2010 £	2009 £
Rental income	595,237	638,632
Miscellaneous income	7,031	9,700
	<u>602,268</u>	<u>648,332</u>

### 3. Staff costs

The company had no employees in either year. The directors received no emoluments during the current or preceding year.

### 4. Operating profit

Operating profit for the year is stated after charging

	2010 £	2009 £
Auditors remuneration- fee for the statutory audit of the company's annual accounts	2,000	2,000
- other non-audit services	820	640
	<u>2,820</u>	<u>2,640</u>

# Amsprop City Properties Limited

## Notes to the accounts

Year ended 30 June 2010

### 5. Interest payable and similar charges

	2010 £	2009 £
Interest payable to other group companies	<u>36,839</u>	<u>199,118</u>

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

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

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

	2010 £	2009 £
United Kingdom corporation tax at 28%	(95,202)	(72,701)
Adjustment in respect of prior periods	-	(28,999)
Total current tax charge	<u>(95,202)</u>	<u>(101,700)</u>
Deferred taxation	<u>(35,154)</u>	<u>(43,937)</u>
	<u>(130,356)</u>	<u>(145,637)</u>

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

The tax assessed for the year is higher than that resulting from applying the standard rate of corporation tax in the UK 28% (2009 28%) The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before tax	<u>465,558</u>	<u>416,563</u>
Tax charge at 28% (2009 28%) thereon	<u>(130,356)</u>	<u>(116,638)</u>
Effects of		
Capital allowances in excess of depreciation	35,154	43,937
Adjustments in respect of prior periods	-	(28,999)
Current tax charge for year	<u>(95,202)</u>	<u>(101,700)</u>

# Amsprop City Properties Limited

## Notes to the accounts Year ended 30 June 2010

### 7. Investment property

	<b>Freehold £</b>
At 1 July 2009	8,524,190
Reductions to cost	(9,207)
Surplus on valuation	<u>1,777,030</u>
At 30 June 2010	<u><u>10,292,013</u></u>
Representing Properties valued	
Cost	8,817,448
Net surplus	<u>1,474,565</u>
At 30 June 2010	<u><u>10,292,013</u></u>

The investment property was valued by the directors at 30 June 2010 on an open market basis

### 8. Tangible fixed assets

	<b>Office equipment £</b>
<b>Cost</b>	
At 1 July 2009 and 30 June 2010	<u>2,031</u>
<b>Depreciation</b>	
At 1 July 2009	978
Charge for the year	<u>264</u>
At 30 June 2010	<u>1,242</u>
Net book value	
At 30 June 2010	<u><u>789</u></u>
At 30 June 2009	<u><u>1,053</u></u>

### 9. Debtors

	<b>2010 £</b>	<b>2009 £</b>
Trade debtors	38,344	-
Other debtors	-	665
Accrued Income	<u>76,019</u>	<u>93,510</u>
	<u><u>114,363</u></u>	<u><u>94,175</u></u>

# Amsprop City Properties Limited

## Notes to the accounts Year ended 30 June 2010

### 10. Cash at bank and in hand

	2010 £	2009 £
Company accounts	10,050	210
Tenant deposits	485,026	453,284
	<u>495,076</u>	<u>453,494</u>

### 11 Provisions for liabilities

	2010 £	2009 £
At 1 July 2009	119,523	75,586
Charge to profit and loss account	35,154	43,937
	<u>154,677</u>	<u>119,523</u>
At 30 June 2010		

The deferred tax balance relates to depreciation in excess of capital allowances. The company's freehold property has been revalued in accordance with SSAP19, Accounting for investment properties. It is the company's intention to retain the freehold property for the foreseeable future. No deferred tax has been provided on the gain arising on revaluations as such tax would only become payable if the property were sold. The tax payable in such circumstances is estimated to be £412,878.

### 12. Share capital

	2010 £	2009 £
<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>

### 13. Reserves

	Revaluation reserve £	Profit and loss £	Total £
At 1 July 2009	(302,465)	925,495	623,030
Revaluation surplus in year	1,777,030	-	1,777,030
Profit for the financial year	-	335,202	330,234
	<u>1,474,565</u>	<u>1,260,697</u>	<u>2,735,262</u>
At 30 June 2010			



# Amsprop City Properties Limited

## Notes to the accounts

Year ended 30 June 2010

### 14. Reconciliation of movements in shareholders' funds/(deficit)

	2010 £	2009 £
Opening shareholder's funds	623,032	2,594,985
Profit for the financial year	335,202	270,926
Surplus/(Deficit) on valuation	1,777,030	(2,242,879)
Closing shareholder's funds	<u>2,735,264</u>	<u>623,032</u>

### 15. Ultimate parent company and controlling party

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, 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