

**Company Registration No. 4203471**

**Amsprop City Properties Limited**

**Report and Unaudited Financial Statements**

**Year ended 30 June 2014**

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# **Amsprop City Properties Limited**

## **Report and unaudited financial statements 2014**

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# **Amsprop City Properties Limited**

## **Report and unaudited financial statements 2014**

### **Officers and professional advisers**

#### **Directors**

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

#### **Secretary**

Michael E Ray

#### **Registered Office**

Amshold House  
Goldings Hill  
Loughton  
Essex  
IG10 2RW

#### **Bankers**

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

#### **Solicitors**

Maples Teesdale LLP  
30 King Street  
London  
EC2V 8EE

# **Amsprop City Properties Limited**

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

The directors present their annual report and the unaudited financial statements for the year ended 30 June 2014

This directors' report has been prepared in accordance with the special provisions relating to small companies under S415A of the Companies Act 2006

### **Principal activities**

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

### **Business review**

The result for the year after taxation was a profit of £511,701 (2013 £516,606) The profit and loss account for the year is set out on page 5

### **Going concern**

The directors have reviewed the current and projected financial position of the Company, making reasonable assumptions about future trading

On the basis of this review, and after making due enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements

### **Financial risks**

The directors considered the risks attached to the Company's financial instruments which principally comprise operating debtors and operating creditors and loans to and from other group companies The directors have taken a prudent approach in their consideration of the various risks attached to the financial instruments of the Company The Company's exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of assets, liabilities and the financial statements

The directors' policy on hedging is to hedge all financial risks where it is feasible and cost effective to do so The Company had no hedged transactions during the year

### **Dividends**

The directors do not propose the payment of a dividend (2013 £nil)

### **Directors**

The directors who held office throughout the year are listed on page 1

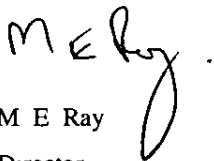
# **Amsprop City Properties Limited**

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

### **Directors' indemnities**

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

Approved by the Board and signed on its behalf by

A handwritten signature in black ink, appearing to read 'M E Ray' with a stylized flourish at the end.

M E Ray

Director

18 February 2015

## **Amsprop City 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.

# Amsprop City Properties Limited

## Profit and loss account For the year ended 30 June 2014

	Notes	2014 £	2013 £
Turnover	2	696,004	709,045
Gross profit		696,004	709,045
Administrative expenses		(50,083)	(50,458)
Operating profit	3	645,921	658,587
Interest receivable and similar income		33,070	15,812
Interest payable and similar charges	5	(30,448)	(27,748)
Profit on ordinary activities before taxation		648,543	646,651
Tax charge on profit on ordinary activities	6	(136,842)	(130,045)
Profit for the financial year	14	511,701	516,606

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 For the year ended 30 June 2014**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	511,701	516,606
Unrealised surplus/(deficit) on revaluation of property	<u>1,891,566</u>	<u>2,371,983</u>
Total recognised gains and losses relating to the year	<u><u>2,403,267</u></u>	<u><u>2,888,589</u></u>



# Amsprop City Properties Limited

## Balance sheet 30 June 2014

	Notes	2014 £	2013 £
<b>Fixed assets</b>			
Investment property	7	14,620,152	12,728,586
Tangible fixed assets	8	250	333
		<u>14,620,402</u>	<u>12,728,919</u>
<b>Current assets</b>			
Debtors	9	178,469	197,899
Cash at bank and in hand	10	2,343,733	2,335,029
		<u>2,522,202</u>	<u>2,532,928</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(7,971,068)</u>	<u>(8,495,232)</u>
<b>Net current liabilities</b>		<u>(5,448,866)</u>	<u>(5,962,304)</u>
<b>Total assets less current liabilities</b>		9,171,536	6,766,615
<b>Provisions for liabilities</b>	12	<u>(167,448)</u>	<u>(165,793)</u>
<b>Net assets</b>		<u>9,004,088</u>	<u>6,600,822</u>
<b>Capital and reserves</b>			
Called up share capital	13	2	2
Revaluation reserve	14	5,835,182	3,943,617
Profit and loss account	14	3,168,904	2,657,203
<b>Shareholder's funds</b>	15	<u>9,004,088</u>	<u>6,600,822</u>

For the year ending 30 June 2014 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies Directors' responsibilities

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476,
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

The financial statements of Amsprop City Properties Limited, registered number 4203471, were approved by the board of directors and authorised for issue on 18 February 2015 They were signed on its behalf by

  
M E Ray  
Director

# **Amsprop City Properties Limited**

## **Notes to the financial statements For the year ended 30 June 2014**

### **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 preceding 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 the going concern basis as discussed in the directors' report on page 2.

#### **Investment properties**

In accordance with SSAP 19, investment properties are revalued annually to open market value and the aggregate surplus or deficit is transferred to/from the 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 financial statements For the year ended 30 June 2014

### 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 accounts of Amshold Group Limited which are publicly available (note 16). 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. 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. Turnover can be analysed as follows:

	2014 £	2013 £
Rental income	686,409	688,051
Miscellaneous income	9,595	20,994
	<u>696,004</u>	<u>709,045</u>

### 3. Operating profit

Operating profit for the year is stated after charging

	2014 £	2013 £
Depreciation of owned assets	<u>83</u>	<u>111</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.

# Amsprop City Properties Limited

## Notes to the financial statements For the year ended 30 June 2014

### 5. Interest payable and similar charges

	2014 £	2013 £
Interest payable to other group companies	30,448	27,748

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

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

	2014 £	2013 £
UK corporation tax at 22.50% (2013: 23.75%)	(135,187)	(139,757)
Total current tax charge	(135,187)	(139,757)
Origination and reversal of timing differences	(10,744)	(13,827)
Effects of decrease in tax rates on opening liability	9,089	23,539
Total deferred tax (note 12)	(1,655)	9,712
Total tax charge on profit on ordinary activities	(136,842)	(130,045)

#### (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 22.50% (2013: 23.75%). 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:

	2014 £	2013 £
Profit on ordinary activities before tax	648,543	646,651
Tax charge 22.50% (2013: 23.75%)	(145,931)	(153,584)
Factors affecting charge		
Capital allowances in excess of depreciation	10,744	13,827
Total current tax charge for year	(135,187)	(139,757)

# Amsprop City Properties Limited

## Notes to the financial statements For the year ended 30 June 2014

### 7. Investment Property

	<b>Freehold £</b>
At 1 July 2013	12,728,586
Gain arising on valuation	<u>1,891,566</u>
At 30 June 2014	<u><u>14,620,152</u></u>

The investment property was valued internally at 30 June 2014. The valuation basis is market value, conforms to RICS Valuation Professional Standards and was arrived at by reference to market evidence of the transaction prices for similar properties. The valuer is a qualified independent valuer who holds a recognised and relevant professional qualification and has recent experience in the relevant location and type of property being valued.

### 8. Tangible fixed assets

	<b>Office equipment £</b>
<b>Cost</b>	
At 1 July 2013 and 30 June 2014	<u>2,031</u>
<b>Depreciation</b>	
At 1 July 2012	1,698
Charge for the year	<u>83</u>
At 30 June 2014	<u><u>1,781</u></u>
<b>Net book value</b>	
At 30 June 2014	<u><u>250</u></u>
At 30 June 2013	<u><u>333</u></u>

### 9. Debtors

	<b>2014 £</b>	<b>2013 £</b>
Amounts falling due within one year		
Trade debtors	78,031	15,393
Accrued income	<u>100,438</u>	<u>182,506</u>
	<u><u>178,469</u></u>	<u><u>197,899</u></u>

# Amsprop City Properties Limited

## Notes to the financial statements For the year ended 30 June 2014

### 10. Cash at bank and in hand

	2014 £	2013 £
Company cash at bank and in hand	2,053,550	2,045,571
Tenant deposits	290,183	289,458
	<u>2,343,733</u>	<u>2,335,029</u>

### 11. Creditors: Amounts falling due within one year

	2014 £	2013 £
Amounts owed to other group companies	7,400,528	7,960,570
Other creditors	290,182	289,458
Other taxation	40,100	-
Accruals and deferred income	172,664	175,325
Corporation tax	67,594	69,879
	<u>7,971,068</u>	<u>8,495,232</u>

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

### 12. Provisions for liabilities

	2014 £	2013 £
<b>Deferred taxation movement for the year</b>		
At 1 July	165,793	175,505
Charge/(Credit) to profit and loss account	1,655	(9,712)
At 30 June	<u>167,448</u>	<u>165,793</u>

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 was sold. The tax payable in such circumstances is estimated to be £640,000.

# Amsprop City Properties Limited

## Notes to the financial statements For the year ended 30 June 2014

### 13 Share capital

	2014 £	2013 £
<b>Authorised:</b>		
1,000 ordinary shares of £1 each	1,000	1,000
<b>Called up, allotted and fully paid:</b>		
2 ordinary shares of £1 each	2	2

### 14. Reserves

	Revaluation reserve £	Profit and loss £	Total £
At 1 July 2013	3,943,617	2,657,203	6,600,820
Revaluation gain in the year	1,891,565	-	1,891,565
Profit for the financial year	-	511,701	511,701
At 30 June 2014	5,835,182	3,168,904	9,004,086

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

	2014 £	2013 £
Opening shareholder's funds	6,600,822	3,712,233
Revaluation surplus/(deficit) in the year	1,891,565	2,371,983
Profit for the financial year	511,701	516,606
Closing shareholder's funds	9,004,088	6,600,822

### 16. Ultimate parent company and controlling party

At 30 June 2014, the Company was indirectly wholly-owned by Lord Sugar

The immediate parent company is Amsprop Limited, a company incorporated in the United Kingdom and registered in England and Wales

The ultimate parent company is Amshold Group Limited, a company incorporated in the United Kingdom and 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

### 17. 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