

Company Registration No. 4203471

Amsprop City Properties Limited

Report and Unaudited Financial Statements

Year ended 30 June 2017

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Amsprop City Properties Limited

Report and unaudited financial statements 2017

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Amsprop City Properties Limited

Report and unaudited financial statements 2017

Officers and professional advisers

Directors

Louise J Sugar
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

The directors present their annual report and the unaudited financial statements for the year ended 30 June 2017.

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 loss of £326,287 (2016: £2,759,708 profit). 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 (2016: £nil).

Directors

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

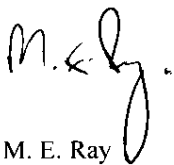
Amsprop City Properties Limited

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'.

M. E. Ray

Director

19 March 2018

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 judgments 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; 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 2017

	Notes	2017 £	2016 £
Turnover	2	781,905	838,265
Operating costs		<u>(59,312)</u>	<u>(49,889)</u>
Operating profit	3	722,593	788,376
Fair value movement on investment property		(1,259,334)	2,415,060
Finance income		11	49
Finance costs	5	<u>(15,724)</u>	<u>(17,852)</u>
(Loss)/Profit on ordinary activities before taxation		(552,454)	3,185,633
Tax credit/(charge) on profit on ordinary activities	6	<u>226,167</u>	<u>(425,925)</u>
(Loss)/Profit for the financial year		<u><u>(326,287)</u></u>	<u><u>2,759,708</u></u>

All activities derive from continuing operations.

As there are no other sources of comprehensive income other than the profit for the financial year, the Company has not included a consolidated statement of comprehensive income.

Amsprop City Properties Limited

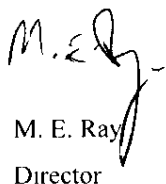
Balance sheet 30 June 2017

	Notes	2017 £	2016 £
Fixed assets			
Investment property	7	18,221,945	19,481,279
Tangible fixed assets	8	-	140
		<u>18,221,945</u>	<u>19,481,419</u>
Current assets			
Debtors	9	42,975	110,565
Cash at bank and in hand	10	226,581	223,750
		<u>269,556</u>	<u>334,315</u>
Creditors: amounts falling due within one year	11	<u>(4,088,970)</u>	<u>(4,726,317)</u>
Net current liabilities		<u>(3,819,414)</u>	<u>(4,392,002)</u>
Total assets less current liabilities		14,402,531	15,089,417
Provisions for liabilities	12	<u>(1,170,310)</u>	<u>(1,530,909)</u>
Net assets		<u>13,232,221</u>	<u>13,558,508</u>
Capital and reserves			
Called up share capital	13	2	2
Profit and loss account		<u>13,232,219</u>	<u>13,558,506</u>
Shareholder's funds		<u>13,232,221</u>	<u>13,558,508</u>

For the year ending 30 June 2017 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 19 March 2018. They were signed on its behalf by:


M. E. Ray
Director

Amsprop City Properties Limited

Statement of changes in equity At 30 June 2017

	Called up share capital	Profit and loss account	Shareholders funds'
	£	£	£
As at 30 June 2015	2	10,798,798	10,798,800
Profit for the financial year	-	2,759,708	2,759,708
	<hr/>	<hr/>	<hr/>
As at 30 June 2016	2	13,558,506	13,558,508
Loss for the financial year	-	(326,287)	(326,287)
	<hr/>	<hr/>	<hr/>
As at 30 June 2017	<u>2</u>	<u>13,232,219</u>	<u>13,232,221</u>

Amsprop City Properties Limited

Notes to the financial statements For the year ended 30 June 2017

1. Accounting policies

The particular accounting policies adopted by the directors are described below, and have been applied consistently in the current and preceding years.

General information and basis of accounting

Amsprop City Properties Limited is a company incorporated in the United Kingdom with its registered office at Amshold House, Goldings Hill, Loughton, Essex, IG10 2RW.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and financial position are set out in the director's report. This describes the financial position of the Company; its cash flows, liquidity position and borrowing facilities; and its exposure to credit risk and liquidity risk.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facility.

After making 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 annual report and financial statements.

Investment properties

Investment properties for which fair value can be measured reliably without undue cost of effort on an ongoing basis are measured at fair value annually with any change recognised in the profit and loss account.

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 and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially 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 Company'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.*

Amsprop City Properties Limited

Notes to the financial statements For the year ended 30 June 2017

1. Accounting policies (continued)

Taxation (continued)

Unrelieved tax losses and other deferred tax assets are 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 measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to investment property is measured using the tax rates and allowances that apply to the sale of the asset.

The tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

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 14). 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:

	2017 £	2016 £
Rental income	763,959	763,554
Miscellaneous income	17,946	74,711
	<u>781,905</u>	<u>838,265</u>

3. Operating profit

Operating profit for the year is stated after charging:

	2017 £	2016 £
Depreciation of owned assets	35	47
Loss on sale of fixed assets	105	-
	<u>140</u>	<u>47</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 2017

5. Finance costs

	2017 £	2016 £
Interest payable and other charges	287	-
Interest payable to other group companies	15,437	17,852
	<u>15,724</u>	<u>17,852</u>

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

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

	2017 £	2016 £
UK corporation tax at 19.75% (2016: 20%)	(134,432)	(147,692)
Total current tax charge	(134,432)	(147,692)
Origination and reversal of timing differences	(4,459)	(5,781)
Profit on fair value movement of investment property	280,008	(397,720)
Effects of decrease in tax rates on opening liability	85,050	125,268
Total deferred tax (note 12)	360,599	(278,233)
Total tax credit/(charge) on profit on ordinary activities	<u>226,167</u>	<u>(425,925)</u>

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

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 19.75% (2016: 20%). 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:

	2017 £	2016 £
(Loss)/Profit on ordinary activities before tax	(552,454)	3,185,633
Tax credit/(charge) 19.75% (2016: 20%)	109,114	(637,127)
Factors affecting charge:		
Effects of indexation	82,129	37,945
Effects of changes in tax rates	34,924	173,257
Total tax credit/(charge) for year	<u>226,167</u>	<u>(425,925)</u>

Amsprop City Properties Limited

Notes to the financial statements For the year ended 30 June 2017

7. Investment Property

	Freehold £
At 1 July 2016	19,481,279
Deficit arising on revaluation	<u>(1,259,334)</u>
At 30 June 2017	<u><u>18,221,945</u></u>

The investment property was valued externally at 30 June 2017. 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

	Office equipment £
Cost	
At 1 July 2016	2,031
Disposal in the year	<u>(2,031)</u>
	-
Depreciation	
At 1 July 2016	1,891
Charge for the year	35
Disposal in the year	<u>(1,926)</u>
At 30 June 2016	<u>-</u>
Net book value	
At 30 June 2017	<u>-</u>
At 30 June 2016	<u><u>140</u></u>

9. Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	7,965	47,568
Accrued income	30,760	59,671
Other debtors	<u>4,250</u>	<u>3,326</u>
	<u><u>42,975</u></u>	<u><u>110,565</u></u>

Amsprop City Properties Limited

Notes to the financial statements For the year ended 30 June 2017

10. Cash at bank and in hand

	2017 £	2016 £
Company cash at bank and in hand	3,496	1,244
Tenant deposits	223,085	222,506
	<u>226,581</u>	<u>223,750</u>

11. Creditors: amounts falling due within one year

	2017 £	2016 £
Amounts owed to other group companies	3,603,834	4,204,785
Trade creditors	5,100	4,005
Other creditors	224,171	222,506
Other taxation	34,075	41,545
Accruals and deferred income	154,574	179,630
Corporation tax	67,216	73,846
	<u>4,088,970</u>	<u>4,726,317</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

	2017 £	2016 £
Deferred taxation movement for the year		
At 1 July	(1,530,909)	(1,252,676)
Credit/(Charge) to profit and loss account	<u>360,599</u>	<u>(278,233)</u>
At 30 June	<u>(1,170,310)</u>	<u>(1,530,909)</u>
Analysis of deferred tax provision:		
	2017 £	2016 £
Capital allowances that are greater than depreciation	(158,906)	(163,532)
Deferred tax on retained surplus on revaluation of property	<u>(1,011,404)</u>	<u>(1,367,377)</u>
	<u>(1,170,310)</u>	<u>(1,530,909)</u>

Amsprop City Properties Limited

Notes to the financial statements For the year ended 30 June 2017

13. Share capital

	2017 £	2016 £
Authorised:		
1,000 ordinary shares of £1 each	1,000	1,000
Called up, allotted and fully paid:		
2 ordinary shares of £1 each	2	2

14. Ultimate parent company and controlling party

At 30 June 2017, 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, Maindy, Cardiff CF14 3UZ.

15. 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.