

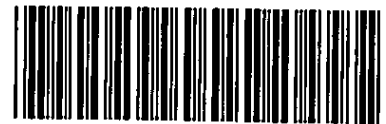
**Company Registration No. 4203480**

**Amsprop Properties Limited**

**Report and Financial Statements**

**Year ended 30 June 2011**

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# **Amsprop Properties Limited**

## **Report and financial statements 2011**

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# **Amsprop Properties Limited**

## **Report and financial statements 2011**

### **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 LLP  
Knights Quarter  
14 St John's Lane  
London EC1M 4AJ

#### **Auditor**

Deloitte LLP  
Chartered Accountants  
London

# **Amsprop 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 S415A 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 £7,671,805 (2010 £1,426,496) The profit and loss account for the period is set out on page 7 The Company received and accepted an excellent offer for its only investment which generated a profit of £16,814,254

### **Financial instruments**

The directors have 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

### **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

### **Dividends**

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

# Amsprop 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  
Simon Sugar  
Daniel P Sugar  
James Hughes  
Claude M Littner

### Directors' indemnities

The directors and officers of the Company via the policy taken out by Amshold Group Limited, the ultimate parent company, have 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

# **Amsprop 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, and
- 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 auditor's report to the sole member of Amsprop Properties Limited**

We have audited the financial statements of Amsprop Properties Limited for the year ended 30 June 2011 which comprise the profit and loss account, the statement of total recognised gains and losses, 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 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 Amsprop 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



## Amsprop Properties Limited

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

	Notes	2011 £	2010 £
<b>Turnover</b>	2	613,973	2,172,922
<b>Gross profit</b>		613,973	2,172,922
Administrative expenses		(258,945)	(88,878)
<b>Operating profit</b>	3	355,028	2,084,044
Profit on sale of Investment property	5	16,814,254	-
Interest receivable and similar income	6	155,865	900
Interest payable and similar charges	7	(180)	(107,882)
<b>Profit on ordinary activities before taxation</b>		17,324,967	1,977,062
Tax on profit on ordinary activities	8	(9,653,162)	(550,566)
<b>Profit on ordinary activities after taxation</b>	14, 15	7,671,805	1,426,496

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 Properties Limited**

### **Statement of total recognised gains and losses For the year ended 30 June 2011**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	7,671,805	1,426,496
Unrealised surplus on revaluation of property	-	10,924,000
Total recognised gains and losses relating to the year	<u>7,671,805</u>	<u>12,350,496</u>


# Amsprop Properties Limited

## Balance sheet 30 June 2011

	Notes	2011 £	2010 £
<b>Fixed assets</b>			
Investment property	9	-	50,355,000
<b>Current assets</b>			
Debtors	10	41,343,967	129,983
Cash at bank and in hand	11	687	143,968
		<u>41,344,654</u>	<u>273,951</u>
<b>Creditors' amounts falling due within one year</b>	12	<u>(4,829,258)</u>	<u>(21,785,360)</u>
<b>Net current assets/(liabilities)</b>		<u>36,515,396</u>	<u>(21,511,409)</u>
<b>Net assets</b>		<u>36,515,396</u>	<u>28,843,591</u>
<b>Capital and reserves</b>			
Called up share capital	13	2	2
Revaluation reserve	14	-	25,063,118
Profit and loss account	14	<u>36,515,394</u>	<u>3,780,471</u>
<b>Shareholder's funds</b>	15	<u>36,515,396</u>	<u>28,843,591</u>

The financial statements of Amsprop Properties Limited, registered number 4203480 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

# **Amsprop 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 accounting standards. Compliance with Statement of Standard Accounting Practices 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. They have been applied consistently in the current and prior year.

##### **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.

##### **Sale of Properties**

Disposals of properties are recognised where contracts have been unconditionally exchanged during the accounting year.

# Amsprop Properties Limited

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

### 1. Accounting policies (continued)

#### 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

### 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

# Amsprop Properties Limited

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

### 3. Operating profit

Operating profit for the year is stated after charging

	2011 £	2010 £
Auditor's remuneration- fee for the statutory audit of the company's annual accounts	2,472	2,350
- company secretarial fees	748	953
	<u>          </u>	<u>          </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. Profit on sale of investment property

	2011 £	2010 £
Sale of investment property	16,814,254	-
	<u>          </u>	<u>          </u>

The sale price of the investment property was £67,500,000 and after deducting the valuation brought forward of £50,335,000 and sales costs of £330,746, it derived a profit of £16,814,254.

### 6. Interest receivable and similar income

	2011 £	2010 £
Interest receivable from group undertaking	130,778	900
Other interest	25,087	-
	<u>          </u>	<u>          </u>
	155,865	900
	<u>          </u>	<u>          </u>

### 7. Interest payable and similar charges

	2011 £	2010 £
Interest payable to group undertaking	-	107,882
Other interest	180	-
	<u>          </u>	<u>          </u>
	180	107,882
	<u>          </u>	<u>          </u>

# Amsprop Properties Limited

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

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

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

	2011 £	2010 £
UK corporation tax at 27.50% (2010: 28%)	(9,653,162)	(553,577)
Adjustment in respect of prior years	-	3,011
Tax charge on profit on ordinary activities	<u>(9,653,162)</u>	<u>(550,566)</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 the tax charge for the current year

The standard rate of tax for the year, based on the UK standard of corporation tax is 27.50% (2010: 28%). The actual tax charge for the current year differs from the standard rate for the reasons set out in the following reconciliation:

	2011 £	2010 £
Profit on ordinary activities before tax	17,324,967	1,977,062
Tax on profit on ordinary activities at 27.50% (2010: 28%)	(4,764,603)	(553,577)
Effect of accounting profit on disposal	4,624,150	-
Effect of taxable profit on disposal	(9,512,709)	-
Effects of adjustment in respect of prior years	-	3,011
Tax charge on profit on ordinary activities	<u>(9,653,162)</u>	<u>(550,566)</u>

# Amsprop Properties Limited

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

### 9 Investment property

	Freehold £
At 1 July 2010	50,355,000
Disposal	<u>(50,355,000)</u>
At 30 June 2011	<u><u>-</u></u>

During the year the company sold its only investment property

### 10. Debtors

	2011 £	2010 £
Amounts falling due within one year:		
Amounts owed from group undertaking	41,343,967	-
Trade debtors	-	109,977
Prepayments and accrued income	<u>-</u>	<u>20,006</u>
	<u><u>41,343,967</u></u>	<u><u>129,983</u></u>

Interest is receivable on the amount owed from parent undertaking at variable rates based on Bank of England base rate

### 11. Cash at bank and in hand

	2011 £	2010 £
Company accounts	687	10,976
Tenant deposits	<u>-</u>	<u>132,992</u>
	<u><u>687</u></u>	<u><u>143,968</u></u>



# Amsprop Properties Limited

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

### 12. Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	-	2,937
Amounts owed to parent undertaking	-	20,885,170
Other creditors	-	136,272
Accruals and deferred income	2,904	487,203
Corporation tax provision	4,826,354	273,778
	<u>4,829,258</u>	<u>21,785,360</u>

Interest is payable on the amount owed to parent undertaking at variable rates based on Bank of England base rate

### 13. 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>

### 14. Reserves

	Revaluation reserve £	Profit and loss £	Total £
At 1 July 2010	25,063,118	3,780,471	28,843,589
Transfer to profit & loss account	(25,063,118)	25,063,118	-
Profit for the financial year	-	7,671,805	7,671,805
	<u>-</u>	<u>7,671,805</u>	<u>7,671,805</u>
At 30 June 2011	<u>-</u>	<u>36,515,394</u>	<u>36,515,394</u>

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

	2011 £	2010 £
Opening shareholder's funds	28,843,591	16,493,095
Profit for the financial year	7,671,805	1,426,496
Revaluation surplus in the year	-	10,924,000
	<u>36,515,396</u>	<u>28,843,591</u>
Closing shareholder's funds	<u>36,515,396</u>	<u>28,843,591</u>

# **Amsprop Properties Limited**

## **Notes to the accounts**

### **For the year ended 30 June 2011**

#### **16. 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 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

#### **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