

Company Registration No. 05891745

Amsprop Southbank Limited

Report and Financial Statements

Year ended 30 June 2013



Amsprop Southbank Limited

Report and financial statements 2013

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Amsprop Southbank Limited

Report and financial statements 2013

Officers and professional advisers

Directors

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

Secretary

Michael E Ray

Registered Office

Amshold House
Goldings Hill
Loughton
Essex
IG10 2RW

Bankers

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

Solicitors

Maples Teesdale LLP
30 King Street
London
EC2V 8EE

Auditor

Deloitte LLP
London

Amsprop Southbank Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2013

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 £3,937,915 (2012 loss of £1,176,813)

On 16 September 2013, Amsprop Limited, the parent company exchanged contracts to sell the Company. Completion is expected to take place on 7 October 2013

Going concern

The Company is in the process of being sold to Wolfe Commercial Properties Southbank Limited and at completion the intercompany loan will be repaid and replaced by a loan from Wolfe Commercial Properties Southbank Limited. The Company will continue to receive income from its investment property.

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 and banks.

The directors' policy on hedging is to hedge all financial risks where it is feasible and cost effective to do so.

Dividends

The directors do not propose the payment of a dividend (2012: £nil)

Amsprop Southbank Limited

Directors' report (continued)

Directors

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

Directors' indemnities

The directors and officers of the Company use the policy taken out by Amshold International Limited, a fellow subsidiary of the Group

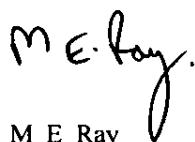
Auditor

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

Approved by the Board and signed on its behalf by



M E Ray

Director

16 September 2013

Amsprop Southbank 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 Amsprop Southbank Limited

We have audited the financial statements of Amsprop Southbank Limited for the year ended 30 June 2013 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes 1 to 15. 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 2013 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 Southbank 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 FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

16 September 2013

Amsprop Southbank Limited

Profit and loss account For the year ended 30 June 2013

	Notes	2013 £	2012 £
Turnover	2	5,902,430	5,905,724
Gross profit		5,902,430	5,905,724
Administrative expenses		(254,983)	(277,746)
Operating profit	3	5,647,447	5,627,978
Interest receivable and similar income	5	195	-
Interest payable and similar charges	6	(487,518)	(5,674,618)
Profit/(Loss) on ordinary activities before taxation		5,160,124	(46,640)
Tax charge on profit/(loss) on ordinary activities	7	(1,222,209)	(1,130,173)
Profit/(Loss) for the financial year		<u>3,937,915</u>	<u>(1,176,813)</u>

All activities derive from continuing operations

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

Amsprop Southbank Limited

Statement of total recognised gains and losses For the year ended 30 June 2013

	2013	2012
	£	£
Profit/(Loss) for the financial year	3,937,915	(1,176,813)
Unrealised surplus on revaluation of property	<u>6,250,000</u>	<u>54,947,500</u>
Total recognised gains and losses relating to the year	<u><u>10,187,915</u></u>	<u><u>53,770,687</u></u>

Amsprop Southbank Limited

Balance sheet 30 June 2013

	Notes	2013 £	2012 £
Fixed assets			
Investment property	8	<u>120,000,000</u>	<u>114,000,000</u>
Current assets			
Debtors	9	-	156,645
Cash at bank and in hand		<u>299,760</u>	<u>3,232</u>
		299,760	159,877
Creditors: amounts falling due within one year	10	<u>(121,407,868)</u>	<u>(127,010,281)</u>
Net current liabilities		<u>(121,108,108)</u>	<u>(126,850,404)</u>
Net liabilities		<u>(1,108,108)</u>	<u>(12,850,404)</u>
Capital and reserves			
Called up share capital	11	1	1
Revaluation surplus/(deficit)	12	1,502,768	(4,747,232)
Profit and loss account	12	<u>(2,610,877)</u>	<u>(8,103,173)</u>
Shareholder's deficit	13	<u>(1,108,108)</u>	<u>(12,850,404)</u>

The financial statements of Amsprop Southbank Limited, registered number 05891745, were approved by the board of directors and authorised for issue on 16 September 2013. They were signed on its behalf by

M. E. Ray.

M E Ray
Director

Amsprop Southbank Limited

Notes to the financial statements For the year ended 30 June 2013

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 and have been applied consistently in the current and preceding 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 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 Act 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.

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.

Amsprop Southbank Limited

Notes to the financial statements For the year ended 30 June 2013

1. Accounting policies (continued)

Taxation (continued)

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 13). 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 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 loss 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:

	2013 £	2012 £
Rental income	5,902,430	5,902,430
Miscellaneous income	-	3,294
	<u>5,902,430</u>	<u>5,905,724</u>

3. Operating profit

Operating profit for the year is stated after charging

	2013 £	2012 £
Auditor's remuneration		
- fee payable for the audit of the Company's annual accounts	2,100	2,100
- company secretarial fees	-	664
	<u>2,100</u>	<u>2,764</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 Southbank Limited

Notes to the financial statements For the year ended 30 June 2013

5 Interest receivable and similar income

	2013 £	2012 £
Bank interest receivable	195	-

6. Interest payable and similar charges

	2013 £	2012 £
Interest payable to group undertaking	487,515	4,534,124
Bank interest and charges	3	1,137,321
Other interest	-	3,173
	<u>487,518</u>	<u>5,674,618</u>

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

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

	2013 £	2012 £
Corporation tax	(1,225,565)	(600,345)
Group relief paid	-	(529,828)
Adjustments in respect of prior periods	3,356	-
Total current tax charge	<u>(1,222,209)</u>	<u>(1,130,173)</u>

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

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 23.75% (2012 25.5%). 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

	2013 £	2012 £
Profit/(Loss) on ordinary activities before tax	5,160,124	(46,640)
Tax (charge)/credit at 23.75% (2012 25.5%)	(1,225,565)	11,894
Factors affecting (charge)/credit		
Expenses not deductible for tax purposes	-	(1,142,067)
Adjustments in respect of prior periods	3,356	-
Total current tax charge	<u>(1,222,209)</u>	<u>(1,130,173)</u>

Amsprop Southbank Limited

Notes to the financial statements For the year ended 30 June 2013

8. Investment property

	Freehold £
At 1 July 2012	114,000,000
Reductions to cost	(250,000)
Surplus arising on revaluation	<u>6,250,000</u>
At 30 June 2013	<u>120,000,000</u>

On 16 September 2013 Amsprop Limited, the parent company, exchanged contracts on an arm's length basis to sell the Company with the purchaser paying £1 for the Company's share capital and settling the Company's intercompany debt of £119,999,999. Upon completion the net assets of the Company will be solely represented by the investment property and as such the directors consider it appropriate to value the investment property at £120,000,000, with the sale transaction providing evidence of this value. No deferred tax has been provided on the net surplus arising on revaluation as the capital gain would only crystallise if the property were sold. The value of the associated unrecognised deferred tax liability is estimated to be £nil.

9. Debtors

	2013 £	2012 £
Amounts falling due within one year		
Trade debtors	<u>-</u>	<u>156,645</u>

10. Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	-	48,238
Amounts owed to Group undertakings	118,814,049	124,669,893
Other taxation	616,527	608,336
Accruals and deferred income	1,364,510	1,383,642
Corporation tax	<u>612,782</u>	<u>300,172</u>
	<u>121,407,868</u>	<u>127,010,281</u>

Interest is payable on the amount owed to group companies at market rates

Amsprop Southbank Limited

Notes to the financial statements For the year ended 30 June 2013

11. Called up share capital

	2013 £	2012 £
Authorised		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
Called up, allotted and fully paid:		
1 ordinary share of £1	1	1

12. Reserves

	Revaluation deficit / (surplus) £	Profit and loss £	Total £
At 1 July 2012	(4,747,232)	(8,103,173)	(12,850,405)
Revaluation surplus in year	6,250,000	-	6,250,000
Capital contribution		1,554,381	1,554,381
Profit for the financial year	-	3,937,915	3,937,915
At 30 June 2013	1,502,768	(2,610,877)	(1,108,109)

On 16 September 2013, Amsprop Limited, the parent company exchanged contracts to sell the Company. As a result £1,554,381 has been written off the inter company balance by Amsprop Limited in the year to 30 June 2013.

13. Reconciliation of movements in shareholder's deficit

	2013 £	2012 £
Opening shareholder's deficit	(12,850,404)	(66,621,091)
Revaluation surplus in the year	6,250,000	54,947,500
Profit/(Loss) for the financial year	3,937,915	(1,176,813)
Capital contribution	1,554,381	-
Closing shareholder's deficit	(1,108,108)	(12,850,404)

Amsprop Southbank Limited

Notes to the financial statements For the year ended 30 June 2013

14. Ultimate controlling party

At 30 June 2013, 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 at 30 June 2012, Amshold Group Limited (company registration no 3710962) ceased being the ultimate parent company during the year. Amshold Group Limited (company registration no 3710962) changed its name to Amshold International Limited on 19 July 2013.

During the year the Group in which the Company is held was restructured. Amshold Holdings Limited (company registration no 8557403) was incorporated during the year and became the new ultimate parent company. Amshold Holdings Limited changed its name to Amshold Group Limited on 19 July 2013.

Amshold Group Limited (company registration no 8557403) is 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 (company registration no 8557403) are available from Companies House, Crown Way, Mandy, Cardiff CF14 3UZ.

On 16 September 2013, Amsprop Limited, the parent company, exchanged contracts to sell the Company to Wolfe Commercial Properties Southbank Limited.

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.