

**AMG SERVICES LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2007**

Company registered Number 3330433 (England and Wales)

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## **AMG SERVICES LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	A Chambers S J Matthews R S Shipperley D C Livesey A S Gill M J Beer
<b>Secretary</b>	A S Gill
<b>Company number</b>	3330433
<b>Registered office</b>	13-21 High Street Guildford Surrey GU1 3DG
<b>Registered auditors</b>	KPMG Audit Plc Altius House One North Fourth Street Milton Keynes MK9 1NE
<b>Business address</b>	13-21 High Street Guildford Surrey GU1 3DG

## **AMG SERVICES LIMITED**

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# **AMG SERVICES LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2007**

The directors present their report and financial statements for the year ended 31 March 2007

### **PRINCIPAL ACTIVITIES**

The principal activity of the company continued to be that of the provision of services in connection with the arrangement of the sale of properties. The company ceased to trade during the year.

On 9 December 2006 Connells Limited entered into a conditional contract to purchase 75% of the share capital of the Asset Management Group Limited, the parent undertaking. On 5 January 2007 those conditions were fulfilled and Connells took beneficial ownership of those shares.

### **REVIEW OF BUSINESS**

The profit and loss account for the year is set out on page 8.

The company realised a pre-tax profit of £23,374 (2006 £22,133). The directors remain encouraged by the increasing levels of profitability being experienced.

A dividend of £nil (2006 £nil) was paid in the year and the remaining profit will be transferred to reserves.

At the year end the company had net assets of £68,849 (2006 £52,276).

### **DIRECTORS**

The directors who served during the year are as follows:

A Chambers	
A J Gearing	(resigned 28 September 2006)
S A Gearing	(appointed 28 September 2006, resigned 5 January 2007)
S J Matthews	
P J Hollingsworth	(resigned 5 January 2007)
R S Shipperley	(appointed 21 March 2007)
D C Livesey	(appointed 21 March 2007)
A S Gill	(appointed 21 March 2007)
M J Beer	(appointed 21 March 2007)

### **DIRECTORS' INTERESTS**

None of the directors had any interests in the shares of the company.

The directors are also directors of the parent undertaking and their interests in that company's shares are disclosed in the financial statements of that company.

### **DISCLOSURE OF INFORMATION TO AUDITORS**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## **AMG SERVICES LIMITED**

### **DIRECTORS' REPORT (*continued*) FOR THE YEAR ENDED 31 MARCH 2007**

#### **AUDITORS**

KPMG Audit Plc were appointed auditors during the period. A resolution to re-appoint KPMG Audit Plc as auditors of the company will be proposed at the next Annual General Meeting.

By order of the board

A handwritten signature in black ink, consisting of a circular loop followed by a series of wavy lines extending to the right.

A Chambers  
Director

13-21 High Street  
Guildford  
Surrey  
GU1 3DG

## **AMG SERVICES LIMITED**

### **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

The directors are responsible for preparing the directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to 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 those financial statements, the directors are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and 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 group will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps to prevent and detect fraud and other irregularities



KPMG Audit Plc  
Altus House  
One North Fourth Street  
Milton Keynes  
MK9 1NE  
United Kingdom

#### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMG SERVICES LIMITED

We have audited the financial statements of AMG Services Limited for the year ended 31 March 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 6.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

*KPMG Audit Plc.*

*30 January 2008*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

## AMG SERVICES LIMITED

### PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2007

		2007 £	2006 £
	Notes		
Turnover	1	75,461	74,896
Cost of sales		<u>(50,883)</u>	<u>(51,456)</u>
Gross profit		24,578	23,440
Administrative expenses		<u>(1,865)</u>	<u>(1,775)</u>
Operating profit	2	22,713	21,665
Interest receivable and similar income	3	<u>661</u>	<u>468</u>
Profit on ordinary activities before taxation		23,374	22,133
Tax on profit on ordinary activities	4	<u>(6,801)</u>	<u>(4,197)</u>
Profit for the year	8	<u>16,573</u>	<u>17,936</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

The notes on pages 10 to 12 form part of these accounts



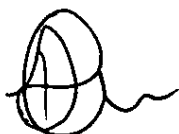
# AMG SERVICES LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2007

	Notes	2007 £	2006 £
<b>Current assets</b>			
Debtors	5	17,536	13,482
Cash at bank and in hand		<u>69,007</u>	<u>49,574</u>
		86,543	63,056
<b>Creditors amounts falling due within one year</b>	6	<u>(17,694)</u>	<u>(10,780)</u>
<b>Total assets less current liabilities</b>		<u>68,849</u>	<u>52,276</u>
<b>Capital and reserves</b>			
Called up share capital	7	2	2
Profit and loss account	8	<u>68,847</u>	<u>52,274</u>
<b>Shareholders' funds</b>		<u>68,849</u>	<u>52,276</u>

The financial statements were approved by the Board on 29 January 2008 and were signed on its behalf by



A Chambers  
Director

The notes on pages 10 to 12 form part of these accounts

# AMG SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

### 1 Accounting Policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the company accounts

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

As the company is a wholly owned subsidiary of The Asset Management Group Limited and that company prepares consolidated financial statements, the company has taken advantage of the partial exemptions contained within Financial Reporting Standard 8 and has therefore not disclosed transactions with other group companies

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

#### 1.3 Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

### 2 Profit on ordinary activities

	2007 £	2006 £
<i>Profit on ordinary activities is stated after charging</i>		
Auditors' remuneration - audit of these financial statements	<u>1,775</u>	<u>1,200</u>

The company had no employees other than its directors. The directors were remunerated by another group company

### 3 Interest receivable

	2007 £	2006 £
Bank interest	652	457
Other interest	<u>9</u>	<u>11</u>
	<u>661</u>	<u>468</u>

# AMG SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

<b>4 Taxation</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Domestic current year tax</b>		
U K corporation tax	6,796	4,200
Adjustment for prior years	5	(3)
	<u>6,801</u>	<u>4,197</u>
<b>Current tax charge</b>		
The current tax charge for the period is higher (2006 lower) than the standard rate of corporation tax in the UK of 30% (2006 19%) The differences are explained below:		
	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	23,374	22,133
	<u>7,013</u>	<u>4,205</u>
Current tax at 30% (2006 19%)		
<i>Effects of</i>		
Other	-	(5)
Marginal rate relief	(217)	-
Adjustment in respect of prior years	5	(3)
	<u>6,801</u>	<u>4,197</u>
<b>5 Debtors</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Trade debtors	17,536	4,726
Other debtors	-	8,756
	<u>17,536</u>	<u>13,482</u>
<b>6 Creditors amounts falling due within one year</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Trade creditors	1,914	3,055
Taxation and social security	9,020	4,200
Other creditors	6,760	3,525
	<u>17,694</u>	<u>10,780</u>
<b>7 Share Capital</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
2 Ordinary shares of £1	<u>2</u>	<u>2</u>

## AMG SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2007

#### 8 Reconciliation of movements on capital and reserves

	Share capital £	Profit and Loss account £	Total £
Balance at 1 April 2006	2	52,274	52,276
Profit for the year	-	16,573	16,573
Balance at 31 March 2007	<u>2</u>	<u>68,847</u>	<u>68,849</u>

#### 9 Control

Up until 5 January 2007, the ultimate parent company was The Asset Management Group Limited, a company registered in England and Wales. From 5 January 2007 the immediate parent company is The Asset Management Group Limited and the ultimate parent company is Skipton Building Society.

#### 10 Related Party Transactions

The company has taken advantage of the exemptions contained in FRS8 which applies to group undertakings and has not disclosed details of transactions with group companies which are included in the consolidated accounts of its holding company, The Asset Management Group Limited.