

**Company Registration No. 2344929**

**Amsprop London Limited**

**Report and Unaudited Financial Statements**

**Year ended 30 June 2014**

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# **Amsprop London Limited**

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

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# **Amsprop London Limited**

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

### **Officers and professional advisers**

#### **Directors**

Lord Alan M Sugar  
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 London Limited**

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

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

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 Company is principally engaged in the business of property investment. These properties are held for their long term investment potential and accordingly are treated as investment properties.

### **Business review**

The result for the 12 months to 30 June 2014 after taxation was a profit of £219,540,136 (9 months to 30 June 2013 £31,374,381). The profit and loss account for the period is set out on page 5. The large increase in profit during the period is largely due to the dividends received in the period of £212,000,000 (9 months to 30 June 2013 £30,224,235).

### **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 director's 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**

On 30 June 2014 the Company declared and paid a dividend of £220,000,000 to Amshold Group Limited.

### **Directors**

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

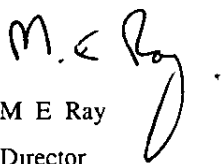
# **Amsprop London Limited**

## **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

26 March 2015

# **Amsprop London 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 period. 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 to 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 London Limited

## Profit and loss account Year ended 30 June 2014

	Notes	12 mths to 30 Jun 2014 £	9 mths to 30 Jun 2013 £
<b>Turnover</b>	2	2,596,651	1,398,804
Cost of sales		-	161,315
<b>Gross profit</b>		2,596,651	1,560,119
Administrative expenses		(2,031,832)	(478,014)
<b>Operating profit</b>	4	564,819	1,082,105
Sales of investment property		6,907,400	-
Dividend income		212,000,000	30,224,235
Interest receivable and similar income	5	137,600	89,755
Interest payable and similar charges	6	(5)	(21,714)
<b>Profit on ordinary activities before taxation</b>		219,609,814	31,374,381
Tax charge on profit on ordinary activities	7	(69,678)	-
<b>Profit on ordinary activities after taxation</b>		219,540,136	31,374,381

All amounts derive from continuing operations

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

## Amsprop London Limited

### Statement of total recognised gains and losses Year ended 30 June 2014

	12 mths to 30 Jun 2014 £	9 mths to 30 Jun 2013 £
Profit for the financial year	219,540,136	31,374,381
Unrealised surplus on revaluation of property	<u>7,581,402</u>	<u>7,426,698</u>
Total recognised gains and losses relating to the year	<u><u>227,121,538</u></u>	<u><u>38,801,079</u></u>

### Consolidated note of historical cost profits and losses For the year ended 30 June 2014

	12 mths to 30 Jun 2014 £	9 mths to 30 Jun 2013 £
Reported profit on ordinary activities before taxation	<u>219,609,814</u>	<u>31,374,381</u>
Historical cost profit on ordinary activities before taxation	<u>219,557,012</u>	<u>31,374,381</u>
Historical cost profit on ordinary activities retained after taxation and minority interest	<u><u>219,487,334</u></u>	<u><u>31,374,381</u></u>

### Reconciliation of reported profits for the financial year and equivalent historical cost amount For the year ended 30 June 2014

	12 mths to 30 Jun 2014 £	9 mths to 30 Jun 2013 £
Profit for the financial year	219,540,136	31,374,381
Revaluation deficit transferred to profit and loss upon disposal of properties	<u>(52,802)</u>	<u>-</u>
Historical cost profit on ordinary activities retained after taxation and minority interest	<u><u>219,487,334</u></u>	<u><u>31,374,381</u></u>



# Amsprop London Limited


## Balance sheet 30 June 2014

	Notes	2014 £	2013 £
<b>Fixed assets</b>			
Investment properties	9	52,469,600	45,436,000
Other Investments	10	24,400	24,400
		<u>52,494,000</u>	<u>45,460,400</u>
<b>Current assets</b>			
Debtors	11	32,234,612	28,468,167
Cash at bank and in hand	12	231,669	199,758
		<u>32,466,281</u>	<u>28,667,925</u>
<b>Creditors. amounts falling due within one year</b>	13	<u>(4,715,115)</u>	<u>(951,895)</u>
<b>Net current liabilities</b>		<u>27,751,166</u>	<u>27,716,030</u>
<b>Net assets</b>		<u>80,245,166</u>	<u>73,176,430</u>
<b>Capital and reserves</b>			
Called up share capital	14	41,514,400	41,514,400
Revaluation reserve	15	34,091,665	26,510,263
Profit and loss account	15	4,639,101	5,151,767
<b>Shareholders' funds</b>	16	<u>80,245,166</u>	<u>73,176,430</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 London Limited, registered number 2344929, were approved by the board of directors and authorised for issue on 26 March 2015 They were signed on its behalf by

  
M E Ray  
Director

# Amsprop London 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 the Statement 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 as modified by the revaluation of certain freehold properties.

#### Going concern

The financial statements are prepared on a historical cost convention basis and prepared on the going concern basis as discussed in the director's report on page 2.

#### Investment properties

In accordance with SSAP 19, investment properties are revalued annually to open market value and the aggregate surplus net of any tax effect or deficit is transferred to/from revaluation reserve. Any impairment 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.

#### Sale of properties

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

#### 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 London 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 17). 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:

	12 mths to 30 Jun 2014 £	9 mths to 30 Jun 2013 £
Rental income	1,862,581	1,316,375
Miscellaneous income	734,070	82,429
	<u>2,596,651</u>	<u>1,398,804</u>

### 3. 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 London Limited

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

### 4. Operating profit

Operating profit for the year is stated after charging/(crediting)

	12 mths to 30 Jun 2014 £	9 mths to 30 Jun 2013 £
Profit/(Loss) on sale of investment	-	(161,315)

### 5. Interest receivable and similar income

	12 mths to 30 Jun 2014 £	9 mths to 30 Jun 2013 £
Interest payable from other group companies	136,935	89,519
Bank and other interest	665	236
	<u>137,600</u>	<u>89,755</u>

### 6 Interest payable and similar charges

	12 mths to 30 Jun 2014 £	9 mths to 30 Jun 2013 £
Bank and other interest	<u>5</u>	<u>21,714</u>

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

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

	12 mths to 30 Jun 2014 £	9 mths to 30 Jun 2013 £
UK corporation tax charge at 22.50% (2013: 23.67%)	(522,275)	-
Origination and reversal of timing differences	1,235,574	(596,967)
Adjustment in respect of prior periods	(830,990)	712,383
Effects of decrease in tax rates on opening liability	48,013	(115,416)
Total deferred tax	<u>452,597</u>	<u>-</u>
Tax charge on profit on ordinary activities	<u>69,678</u>	<u>-</u>

# Amsprop London Limited

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

### 7. Tax charge on profit on ordinary activities (continued)

#### (ii) Factors affecting tax charge for the current year

The standard rate of tax for the year, based on the UK standard of corporation tax is 22.50% (2013: 23.67%)  
The actual tax charge for the current and previous year is the same as the standard rate for the reasons set out in the following reconciliation

	12 mths to 30 Jun 2014 £	9 mths to 30 Jun 2013 £
Profit on ordinary activities before tax	219,609,814	31,374,381
Tax charge at 22.50% (2013: 23.67%)	(49,412,240)	(7,425,270)
Factors affecting charge		
Income not taxable for tax purposes	47,700,000	7,191,247
Utilisation of losses brought forward	1,815,444	218,164
Capital allowances in excess of depreciation	75,937	15,859
Permanent differences	14,479	-
Other temporary differences	(715,895)	-
Tax current tax charge for year	<u>522,275</u>	<u>-</u>

A deferred tax asset is not provided on the capital losses carried forward of £10,976,372 (2013: £19,045,011) as they are unlikely to be utilised in the foreseeable future

### 8. Dividends

On 30 June 2014 the Company declared and paid a dividend of £220,000,000 to Amshold Group Limited

# Amsprop London Limited

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

### 9 Investment properties

	Total £
At 1 July 2013	45,436,000
Additions	3,110
Disposals	(550,912)
Surplus arising on valuation	7,581,402
	<u>52,469,600</u>
At 30 June 2014	<u>52,469,600</u>

The majority of the investment properties were valued by the directors at 30 June 2014 on a valuation prepared internally by a Company director, a qualified chartered surveyor, on an open market basis. The remaining properties were valued externally at 30 June 2014. The external 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 external 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.

It is the Company's intention to retain the property for the foreseeable future. No deferred tax has been provided on the gains arising on the revaluation as such tax would only become payable if the property were sold. The tax payable in such circumstances is estimated to be £5,800,000.

### 10. Other investments

	2014 £	2013 £
Investment in subsidiaries		
Cost and net book value	<u>24,400</u>	<u>24,400</u>

The subsidiary investments at 30 June 2014 comprise a 100% shareholding in Amshold International Limited.

### 11. Debtors

	2014 £	2013 £
Amounts falling due within one year		
Amounts owed from other group companies	31,719,896	28,286,535
Trade debtors	61,609	67,035
Other debtors	-	113,940
Deferred taxation	452,597	-
Prepayments and accrued income	510	657
	<u>32,234,612</u>	<u>28,468,167</u>

Interest is payable on the amounts owed by other group companies at variable rates based on Bank of England base rates.

# Amsprop London Limited

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

### 12. Cash at bank and in hand

	2014 £	2013 £
Company cash at bank and in hand	12,688	1,225
Tenant deposits	218,981	198,533
	<u>231,669</u>	<u>199,758</u>

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

	2014 £	2013 £
Trade creditors	13,824	32,348
Other creditors	218,981	198,533
Other taxation	97,305	76,539
Corporation tax	261,137	-
Accruals and deferred income	4,123,868	644,475
	<u>4,715,115</u>	<u>951,895</u>

### 14. Share capital

	2014 £	2013 £
<b>Authorised:</b>		
100,000 ordinary shares of £1 each	50,000,000	50,000,000
<b>Called up, allotted and fully paid:</b>		
100 ordinary shares of £1 each	<u>41,514,400</u>	<u>41,514,400</u>

### 15. Reserves

	Profit and loss £	Revaluation reserve £	Total £
At 1 July 2013	5,151,767	26,510,263	31,662,030
Revaluation surplus in the period	-	7,528,600	7,528,600
Revaluation deficit transferred to profit & loss upon disposal of properties	(52,802)	52,802	-
Dividends paid	(220,000,000)	-	(220,000,000)
Profit for the financial period	<u>219,540,136</u>	<u>-</u>	<u>219,540,136</u>
At 30 June 2014	<u>4,639,101</u>	<u>34,091,665</u>	<u>38,730,766</u>

# Amsprop London Limited

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

### 16. Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	73,176,430	53,391,291
Share capital issued on group restructuring	-	24,400
Revaluation surplus in the period	7,528,600	7,426,698
Profit for the financial period	219,540,136	31,374,381
Dividends paid	(220,000,000)	(19,040,340)
Closing shareholders' funds	<u>80,245,166</u>	<u>73,176,430</u>

### 17. Ultimate parent company and controlling party

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

The immediate parent company is Amshold Group 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

### 18. Related party transactions

In respect of other 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

### 19. Post balance sheet events

On 31 July 2014, the company completed the sale of 1 St James Road, Brentwood, Essex for £675,000



## **Amsprop London Limited**

### **Additional unaudited information**

The additional unaudited information on page 16 has been prepared from the accounting records of the Company. While it does not form part of the unaudited statutory financial statements, it should be read in conjunction with them.

# Amsprop London Limited

## Detailed profit and loss account (unaudited) For the period ended 30 June 2014

	Unaudited	
	12 mths to 30 Jun 2014	9 mths to 30 Jun 2013
	£	£
<b>Turnover</b>		
Rental income	1,862,581	1,316,375
Other income	734,070	82,429
	<hr/>	<hr/>
	2,596,651	1,398,804
<b>Cost of Sales</b>		
Profit on share disposal	-	161,315
	<hr/>	<hr/>
	-	161,315
	<hr/>	<hr/>
<b>Gross profit</b>	2,596,651	1,560,119
<b>Administrative expenses</b>		
Management fees	(400,000)	(42,136)
Professional fees	(132,976)	(78,255)
Legal fees	(30,529)	(352,995)
Property costs	(347,085)	(3,228)
Advertising	(1,260)	-
Other	(1,119,982)	(1,400)
	<hr/>	<hr/>
	(2,031,832)	(478,014)
	<hr/>	<hr/>
<b>Operating profit</b>	564,819	1,082,105
<b><u>Interest receivable/(payable) and similar income/(charges)</u></b>		
Profit on sale of investment property	6,907,400	-
Dividends income	212,000,000	30,224,235
Interest receivable and similar income	137,600	89,755
Interest payable and similar charges	(5)	(21,714)
	<hr/>	<hr/>
	219,044,995	30,292,276
	<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	219,609,814	31,374,381
	<hr/>	<hr/>