

REGISTERED NUMBER: 05319045 (England and Wales)

**REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009
FOR
AGM FINANCE LIMITED**

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**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8

AGM FINANCE LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2009

DIRECTORS:

K Michael
K D Williams

SECRETARY:

Ms M Michael

REGISTERED OFFICE:

Regency House
37-40 Alexandra Parade
Weston super Mare
North Somerset
BS23 1QZ

REGISTERED NUMBER:

05319045 (England and Wales)

AUDITORS:

T P Lewis & Partners (BOS) Limited
Chartered Accountants
& Registered Auditors
3/5 College Street
Burnham on Sea
Somerset
TA8 1AR

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2009**

The directors present their report with the financial statements of the company for the year ended 31 March 2009.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of commercial finance provider.

REVIEW OF BUSINESS

The company provides commercial finance to carefully selected property developers. The results of the company show a pre-tax loss for the year of £1,314,637 (2008 profit of £139,773) after making substantial provision against commercial lending. Turnover for the year was £1,197,076 (2008 £769,753).

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainty affecting the company are considered to relate to fluctuations in interest rates and the adequacy of security arrangements for the company's lending facilities. Further discussion of these risks and uncertainties in the context of the group as a whole, is provided on page 2 of the group's annual report and does not form part of this report.

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2009.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2008 to the date of this report.

K Michael

K D Williams

FINANCIAL INSTRUMENTS

The company finances its lending activities from the directors' personal resources without the need for bank borrowing facilities.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2009**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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). 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 these 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records which 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 1985. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) 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 in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, T P Lewis & Partners (BOS) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

.....
Ms M Michael - Secretary

Date: 29 October 2009

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF AGM FINANCE LIMITED

We have audited the financial statements of AGM Finance Limited for the year ended 31 March 2009 on pages six to twelve. 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 a Report of the Auditors 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page three.

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 Report of the Directors 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 Report of the Directors 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 judgements 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 United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its loss 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 Report of the Directors is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
AGM FINANCE LIMITED**

Emphasis of Matter - Going Concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £1,314,637 during the year ended 31 March 2009 and, at that date, the company's current liabilities exceeded its total assets by £775,903. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

T P Lewis Partners (BOS) Limited

T P Lewis & Partners (BOS) Limited
Chartered Accountants
& Registered Auditors
3/5 College Street
Burnham on Sea
Somerset
TA8 1AR

Date: ~~30~~ October 2009

AGM FINANCE LIMITED (REGISTERED NUMBER: 05319045)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2009**

	Notes	2009 £	2008 £
TURNOVER		1,197,076	769,753
Administrative expenses		<u>2,289,697</u>	<u>269,248</u>
OPERATING (LOSS)/PROFIT	3	(1,092,621)	500,505
Interest receivable and similar income		<u>1,486</u>	<u>6,625</u>
		(1,091,135)	507,130
Interest payable and similar charges	5	<u>223,502</u>	<u>367,357</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,314,637)	139,773
Tax on (loss)/profit on ordinary activities	6	<u>(41,790)</u>	<u>41,790</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u><u>(1,272,847)</u></u>	<u><u>97,983</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year.

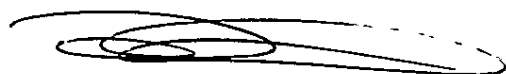
The notes form part of these financial statements

AGM FINANCE LIMITED (REGISTERED NUMBER: 05319045)

**BALANCE SHEET
31 MARCH 2009**

	Notes	2009		2008	
		£	£	£	£
FIXED ASSETS					
Investments	7		6,434,512		5,497,472
CURRENT ASSETS					
Debtors	8	698,891		799,202	
Cash at bank		-		128,286	
		<u>698,891</u>		<u>927,488</u>	
CREDITORS					
Amounts falling due within one year	9	<u>7,909,306</u>		<u>5,928,016</u>	
NET CURRENT LIABILITIES			<u>(7,210,415)</u>		<u>(5,000,528)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>(775,903)</u></u>		<u><u>496,944</u></u>
CAPITAL AND RESERVES					
Called up share capital	11		1		1
Profit and loss account	12		<u>(775,904)</u>		<u>496,943</u>
SHAREHOLDERS' FUNDS	15		<u><u>(775,903)</u></u>		<u><u>496,944</u></u>

The financial statements were approved by the Board of Directors on **29** October 2009 and were signed on its behalf by:



.....
K Michael - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future not withstanding the deficiency of £775,903 in shareholders' funds at 31 March 2009.

The validity of the assumption depends on the continuing support of the parent company and its shareholders. Based on their experience of the business the directors believe that this support will continue and the directors therefore consider it appropriate to prepare the financial statements on the going concern basis.

Should the going concern basis of preparation of the financial statements be found inappropriate, certain assets may need revaluing and further liabilities provided for, both potential adjustments having consequent effects on the profit and loss account. The financial statements do not include any such adjustments.

As permitted by FRS 8, transactions between group companies have not been disclosed.

Accounting convention

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

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

Turnover

Turnover represents interest and arrangement fees receivable in connection with the provision of loan facilities.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2009

2. STAFF COSTS

	2009	2008
	£	£
Wages and salaries	98,045	139,663
Social security costs	11,156	15,842
Other pension costs	4,981	4,736
	<u>114,182</u>	<u>160,241</u>

The average monthly number of employees during the year was as follows:

	2009	2008
Management and administration	<u>2</u>	<u>2</u>

3. OPERATING (LOSS)/PROFIT

The operating loss (2008 - operating profit) is stated after charging:

	2009	2008
	£	£
Other operating leases	80,000	80,000
Auditors' remuneration	<u>4,755</u>	<u>4,000</u>
Directors' emoluments	50,880	51,200
Directors' pension contributions to money purchase schemes	<u>4,981</u>	<u>4,736</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2009	2008
Money purchase schemes	<u>1</u>	<u>1</u>

4. EXCEPTIONAL ITEMS

During the year a provision against the company's commercial loan book was made totalling £1,959,237.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£	£
Loan interest payable	<u>223,502</u>	<u>367,357</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2009

6. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows:

	2009 £	2008 £
Current tax:		
UK corporation tax	-	41,790
Adjustment in respect of earlier year	(41,790)	-
	<u>(41,790)</u>	<u>-</u>
Tax on (loss)/profit on ordinary activities	<u>(41,790)</u>	<u>41,790</u>

Factors affecting the tax (credit)/charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2009 £	2008 £
(Loss)/profit on ordinary activities before tax	<u>(1,314,637)</u>	<u>139,773</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 - 30%)	(368,098)	41,932
Effects of:		
Permanently disallowed items	29,882	971
Marginal relief	-	(1,113)
Trading losses	338,216	-
Carry back of trading losses	(41,790)	-
	<u>(41,790)</u>	<u>41,790</u>
Current tax (credit)/charge	<u>(41,790)</u>	<u>41,790</u>

7. FIXED ASSET INVESTMENTS

	Other loans £
At 1 April 2008	5,497,471
New in year	2,896,278
Other movement	(1,959,237)
	<u>6,434,512</u>
At 31 March 2009	<u>6,434,512</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2009**

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	2008
	£	£
Amounts owed by group undertakings	657,001	620,501
Amounts owed by participating interests	-	106,000
Other debtors	100	-
Tax	41,790	-
Prepayments and accrued income	-	72,701
	<u>698,891</u>	<u>799,202</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	2008
	£	£
Bank loans and overdrafts (see note 10)	337	-
Trade creditors	1,073	997
Amounts owed to group undertakings	570,000	255,000
Tax	-	41,790
Social security and other taxes	3,199	3,263
Other creditors	-	125
Directors' loan accounts	6,996,370	5,439,054
Accruals and deferred income	338,327	187,787
	<u>7,909,306</u>	<u>5,928,016</u>

10. LOANS

An analysis of the maturity of loans is given below:

	2009	2008
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>337</u>	<u>-</u>

11. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2009	2008
			£	£
1,000	ordinary	£1	<u>1,000</u>	<u>1,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2009	2008
			£	£
1	ordinary	£1	<u>1</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2009

12. RESERVES

	Profit and loss account £
At 1 April 2008	496,943
Deficit for the year	(1,272,847)
At 31 March 2009	<u>(775,904)</u>

13. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of AGM Holdings plc. AGM Holdings plc prepares group financial statements and copies can be obtained from: Regency House, 37 - 40 Alexandra Parade, Weston-super-Mare, BS23 1QZ.

14. RELATED PARTY DISCLOSURES

Loans from the director K Michael subsisted during the year. At 31 March 2009 £6,996,370 (2008 £5,439,054) was due to the director K Michael.

During the year ended 31 March 2008 a loan facility was provided to AGM Estates Limited of £1,020,138.

At 31 March 2009 the following balances were due from/(to) group and associated companies:

	2009 £	2008 £
AGM Holdings plc	657,001	620,501
AGM City Space Investments Ltd (associated company) - provision made	-	100,000
AGM Joint Ventures Ltd (associated company)	-	6,000
AGM Catering Limited	(300,000)	(200,000)
AGM Estates Limited	<u>(270,000)</u>	<u>(55,000)</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
(Loss)/Profit for the financial year	<u>(1,272,847)</u>	<u>97,983</u>
Net (reduction)/addition to shareholders' funds	(1,272,847)	97,983
Opening shareholders' funds	<u>496,944</u>	<u>398,961</u>
Closing shareholders' funds	<u>(775,903)</u>	<u>496,944</u>