

REGISTERED NUMBER: 05319045 (England and Wales)

**REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010
FOR
AGM FINANCE LIMITED**



**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

	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 2010

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 2010**

The directors present their report with the financial statements of the company for the year ended 31 March 2010

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 £741,611 (2009 £1,314,637) after making substantial provision against commercial lending. Turnover for the year was £nil (2009 £1,197,076)

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 2010

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2009 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 2010**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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,
- 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 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.

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 418 of the Companies Act 2006) 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 **28** September 2010

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 2010 on pages six to twelve. 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 members, as a body, 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 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

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

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 31 March 2010 and of its loss 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

T P Lewis & Partners (BOS) Limited

C P Greenow FCCA (Senior Statutory Auditor)
for and on behalf of T P Lewis & Partners (BOS) Limited
Chartered Accountants
& Registered Auditors
3/5 College Street
Burnham on Sea
Somerset
TA8 1AR

Date ~~21~~ September 2010

AGM FINANCE LIMITED (REGISTERED NUMBER: 05319045)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	2010 £	2009 £
TURNOVER		-	1,197,076
Administrative expenses		(408,310)	(2,289,697)
OPERATING LOSS	3	(408,310)	(1,092,621)
Interest receivable and similar income		278	1,486
		(408,032)	(1,091,135)
Interest payable and similar charges	5	(333,579)	(223,502)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(741,611)	(1,314,637)
Tax on loss on ordinary activities	6	-	41,790
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(741,611)	(1,272,847)

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 losses for the current year or previous year

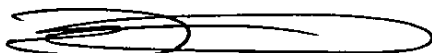
The notes form part of these financial statements

AGM FINANCE LIMITED (REGISTERED NUMBER: 05319045)

**BALANCE SHEET
31 MARCH 2010**

	Notes	2010	2009
		£	£
FIXED ASSETS			
Investments	7	6,434,512	6,434,512
CURRENT ASSETS			
Debtors	8	672,495	698,891
CREDITORS			
Amounts falling due within one year	9	<u>8,624,521</u>	<u>7,909,306</u>
NET CURRENT LIABILITIES		<u>(7,952,026)</u>	<u>(7,210,415)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>(1,517,514)</u></u>	<u><u>(775,903)</u></u>
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Profit and loss account	12	<u>(1,517,515)</u>	<u>(775,904)</u>
SHAREHOLDERS' FUNDS	15	<u><u>(1,517,514)</u></u>	<u><u>(775,903)</u></u>

The financial statements were approved by the Board of Directors on ~~28~~ September 2010 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 2010**

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 ££1,517,514 in shareholders' funds at 31 March 2010

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

AGM FINANCE LIMITED (REGISTERED NUMBER: 05319045)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2010**

2 STAFF COSTS

	2010	2009
	£	£
Wages and salaries	62,874	98,045
Social security costs	6,466	11,156
Other pension costs	-	4,981
	<u>69,340</u>	<u>114,182</u>

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

	2010	2009
Management and administration	<u>2</u>	<u>2</u>

3 OPERATING LOSS

The operating loss is stated after charging

	2010	2009
	£	£
Other operating leases	-	80,000
Auditors' remuneration	<u>6,725</u>	<u>4,755</u>
Directors' remuneration	30,917	50,880
Directors' pension contributions to money purchase schemes	<u>-</u>	<u>4,981</u>

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

	2010	2009
Money purchase schemes	<u>1</u>	<u>1</u>

4 EXCEPTIONAL ITEMS

During the year ended 31 March 2009 a provision against the company's commercial loan book was made totalling £1,959,237. During the year ended 31 March 2010 exceptional costs of £316,521 were incurred in repossessing secured properties.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2010	2009
	£	£
Bank interest	59	-
Loan interest payable	<u>333,520</u>	<u>223,502</u>
	<u>333,579</u>	<u>223,502</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2010

6 TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows

	2010 £	2009 £
Current tax		
Adjustment in respect of earlier year	-	(41,790)
Tax on loss on ordinary activities	-	(41,790)

Factors affecting the tax credit

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

	2010 £	2009 £
Loss on ordinary activities before tax	(741,611)	(1,314,637)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	(207,651)	(368,098)
Effects of		
Permanently disallowed items	-	29,882
Carry back of trading losses	-	(41,790)
Trading losses	207,651	338,216
Current tax credit	-	(41,790)

7 FIXED ASSET INVESTMENTS

	Other loans £
At 1 April 2009 and 31 March 2010	6,434,512

8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Amounts owed by group undertakings	656,561	657,001
Other debtors	-	100
Tax	-	41,790
VAT	15,934	-
	672,495	698,891

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2010**

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Bank loans and overdrafts (see note 10)	43,740	337
Trade creditors	106,780	1,073
Amounts owed to group undertakings	802,863	570,000
Social security and other taxes	252	3,199
Other creditors	28	-
Directors' loan accounts	7,329,890	6,996,370
Accruals and deferred income	-	338,327
Accrued expenses	340,968	-
	<u>8,624,521</u>	<u>7,909,306</u>

10 LOANS

An analysis of the maturity of loans is given below

	2010	2009
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	<u>43,740</u>	<u>337</u>

11 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class	Nominal value	2010	2009
			£	£
1	ordinary	£1	<u>1</u>	<u>1</u>

12 RESERVES

	Profit and loss account £
At 1 April 2009	(775,904)
Deficit for the year	<u>(741,611)</u>
At 31 March 2010	<u>(1,517,515)</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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2010**

14 RELATED PARTY DISCLOSURES

Loans from the director K Michael subsisted during the year At 31 March 2010 £7,329,890 (2009 £6,996,370) 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 2010 the following balances were due from/(to) group and associated companies

	2010 £	2009 £
AGM Holdings plc	630,001	657,001
AGM City Space Investments Ltd (associated company) - provision made	26,560	-
AGM Catering Limited	(300,000)	(300,000)
AGM Estates Limited	(502,765)	(270,000)

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Loss for the financial year	(741,611)	(1,272,847)
Net reduction of shareholders' funds	(741,611)	(1,272,847)
Opening shareholders' funds	(775,903)	496,944
Closing shareholders' funds	(1,517,514)	(775,903)