

Company Registration No. 05893186

Amsprop Portland Limited

Report and Unaudited Financial Statements

Year ended 30 June 2014

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Amsprop Portland Limited

Report and unaudited financial statements 2014

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Amsprop Portland Limited

Report and unaudited financial statements 2014

Officers and professional advisers

Directors

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 Portland Limited

Directors' report (continued)

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

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 £751,530 (2013 £753,236) The profit and loss account for the year is set out on page 5

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 directors' 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

The directors do not propose the payment of a dividend (2013 £nil)

Directors

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

Amsprop Portland 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



M E Ray

Director

18 February 2015

Amsprop Portland 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 judgments 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.

Amsprop Portland Limited

Profit and loss account For the year ended 30 June 2014

	Notes	2014 £	2013 £
Turnover	2	1,204,810	1,205,447
Gross profit		1,204,810	1,205,447
Administrative expenses		(141,178)	(154,767)
Operating profit	3	1,063,632	1,050,680
Interest receivable and similar income		615	593
Interest payable and similar charges	5	(120,190)	(124,026)
Profit on ordinary activities before taxation		944,057	927,247
Tax charge on profit on ordinary activities	6	(192,527)	(174,011)
Profit for the financial year	15	751,530	753,236

All activities derive from continuing operations

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

Amsprop Portland Limited

Statement of total recognised gains and losses For the year ended 30 June 2014

	2014	2013
	£	£
Profit for the financial year	751,530	753,236
Unrealised surplus on revaluation of property	<u>4,783,781</u>	<u>4,890,418</u>
Total recognised gains and losses relating to the year	<u><u>5,535,311</u></u>	<u><u>5,643,654</u></u>

Amsprop Portland Limited

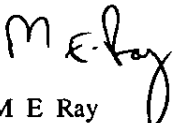
Balance sheet 30 June 2014

	Notes	2014 £	2013 £
Fixed assets			
Investment property	7	36,565,029	31,781,248
Tangible fixed assets	8	653	870
		<u>36,565,682</u>	<u>31,782,118</u>
Current assets			
Debtors	9	468,638	585,108
Cash at bank and in hand	10	611,607	683,484
		<u>1,080,245</u>	<u>1,268,592</u>
Creditors: amounts falling due within one year	11	<u>(30,357,673)</u>	<u>(14,816,843)</u>
Net current liabilities		<u>(29,277,428)</u>	<u>(13,548,251)</u>
Total assets less current liabilities		7,288,254	18,233,867
Creditors: amounts falling after more than one year	12	-	(16,500,000)
Provisions for liabilities	13	<u>(345,954)</u>	<u>(326,878)</u>
Net assets		<u>6,942,300</u>	<u>1,406,989</u>
Capital and reserves			
Called up share capital	14	1	1
Revaluation surplus	15	4,808,618	24,837
Profit and loss account	15	<u>2,133,681</u>	<u>1,382,151</u>
Shareholder's funds	16	<u>6,942,300</u>	<u>1,406,989</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 Portland Limited, registered number 05893186, were approved by the board of directors and authorised for issue on 18 February 2015 They were signed on its behalf by


M E Ray
Director

Amsprop Portland 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 law and accounting standards. Compliance with Statements 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 throughout 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.

Depreciation

Depreciation is calculated to write-off the cost, less estimated residual values, of tangible fixed assets over their estimated useful lives. The annual depreciation rates and methods are as follows:

Office equipment	25% on a reducing balance basis
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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 Portland 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:

	2014 £	2013 £
Rental income	1,182,737	1,189,987
Miscellaneous income	22,073	15,460
	<u>1,204,810</u>	<u>1,205,447</u>

3. Operating profit

Operating profit for the year is stated after charging

	2014 £	2013 £
Depreciation of owned assets	<u>217</u>	<u>291</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 Portland Limited

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

5. Interest payable and similar charges

	2014 £	2013 £
Interest payable to other group companies	119,858	123,814
Other interest and charges	332	212
	<u>120,190</u>	<u>124,026</u>

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

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

	2014 £	2013 £
UK corporation tax at 22.50% (2013: 23.75%)	(173,451)	(174,397)
Total current tax (charge)/credit	(173,451)	(174,397)
Origination and reversal of timing differences	(38,974)	(45,830)
Effects of decrease in tax rates on opening liability	19,898	46,216
Total deferred tax (charge)/credit	(19,076)	386
Total tax (charge)/credit on profit/(loss) on ordinary activities	<u>(192,527)</u>	<u>(174,011)</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 22.50% (2013: 23.75%). 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:

	2014 £	2013 £
Profit on ordinary activities before tax	944,057	927,247
Tax charge at 22.50% (2013: 23.75%)	(212,426)	(220,227)
Factors affecting charge		
Capital allowances in excess of depreciation	38,974	45,830
Expenses not deductible for tax purposes	1	-
Total current tax charge for year	<u>(173,451)</u>	<u>(174,397)</u>

Amsprop Portland Limited

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

7. Investment property

	Freehold £
At 1 July 2013	31,781,248
Surplus arising on revaluation	4,783,781
At 30 June 2014	<u>36,565,029</u>

The investment property was 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

8. Tangible fixed assets

	Office equipment £
Cost	
At 1 July 2013	3,462
Additions	-
At 30 June 2014	<u>3,462</u>
Depreciation	
At 1 July 2013	2,592
Charge for the year	217
At 30 June 2014	<u>2,809</u>
Net book value	
At 30 June 2014	<u>653</u>
At 30 June 2013	<u>870</u>

9 Debtors

	2014 £	2013 £
Amounts falling due within one year		
Trade debtors	139,965	11,961
Prepayments and accrued income	328,459	573,147
Other debtors	214	-
	<u>468,638</u>	<u>585,108</u>

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

10. Cash at bank and in hand

	2014 £	2013 £
Company cash at bank and in hand	335,491	408,057
Tenant deposits	276,116	275,427
	<u>611,607</u>	<u>683,484</u>

11. Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	-	305
Amounts owed to other group companies	12,971,438	14,006,067
Bank loans and overdrafts	16,500,000	-
Other creditors	276,116	275,427
Other taxation and social security	76,837	1,119
Corporation tax	86,726	87,198
Accruals and deferred income	446,556	446,727
	<u>30,357,673</u>	<u>14,816,843</u>

Interest is payable on the amount owed to other group companies at variable rates based on Bank of England base rates

12. Creditors: amounts falling due after more than one year

	2014 £	2013 £
Falling due between two and five years		
Bank loans and overdrafts	-	16,500,000

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

13 Provisions for liabilities

	2014 £	2013 £
Deferred taxation movement for the year		
At 1 July	326,878	327,264
Charge/(Credit) to profit and loss account	19,076	(386)
At 30 June	<u>345,954</u>	<u>326,878</u>

The deferred tax balance relates to capital allowances in excess of depreciation

The Company's freehold property has been revalued in accordance with SSAP19, Accounting for Investment Properties. It is the Company's intention to retain the freehold property for the foreseeable future. No deferred tax has been provided on the loss arising on revaluation after indexation as the capital loss would only crystallise if the property were sold. The value of the associated unrecognised deferred tax asset is estimated to be £212,000.

14. Called up share capital

	2014 £	2013 £
Authorised:		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Called up, allotted and fully paid:		
1 ordinary share of £1	<u>1</u>	<u>1</u>

15. Reserves

	Revaluation reserve £	Profit and loss £	Total £
At 1 July 2013	24,837	1,382,151	1,406,988
Revaluation surplus in the year	4,783,781	-	4,783,781
Profit for the financial year	-	751,530	751,530
At 30 June 2014	<u>4,808,618</u>	<u>2,133,681</u>	<u>6,942,299</u>

Amsprop Portland Limited

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

16. Reconciliation of movements in shareholders' deficit

	2014 £	2013 £
Opening shareholder's funds/(deficit)	1,406,989	(4,236,665)
Revaluation surplus in the year	4,783,781	4,890,418
Profit for the financial year	751,530	753,236
Closing shareholder's funds	<u>6,942,300</u>	<u>1,406,989</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 Amsprop 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

The Company has taken advantage of the exemption from related party disclosure in accordance with Paragraph 3(c) of Financial Reporting Standard No 8