

**REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013
FOR
AGM CITY SPACE INVESTMENTS LIMITED**



**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

	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 CITY SPACE INVESTMENTS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2013**

DIRECTORS:

K Michael
Ms M Michael

SECRETARY:

Ms M Michael

REGISTERED OFFICE:

Grand Pier
Marine Parade
Weston Super Mare
Somerset
BS23 1AL

REGISTERED NUMBER:

05962035 (England and Wales)

AUDITORS:

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

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2013**

The directors present their report with the financial statements of the company for the year ended 31 March 2013

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of speculative property investment

REVIEW OF BUSINESS

Principal risks and uncertainties

The company sustained a profit before tax of £4,586,609 in the year to 31 March 2013 (2012 loss of £99,522) The profit has been derived following an exceptional intercompany loan write off of £4,642,513 Before this write off the company would have sustained a loss before tax of £55,904 for the year to 31 March 2013

The directors remain confident regarding future trading prospects

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

Future of the business

It remains the company's intention to realise the value of the company's property investments

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2013

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2012 to the date of this report

K Michael

Ms M Michael

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

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2013**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

T P Lewis & Partners (BOS) Limited have expressed their willingness to continue in office.

ON BEHALF OF THE BOARD:



Ms M Michael, Secretary

Date 27/09/13 ..

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AGM CITY SPACE INVESTMENTS LIMITED

We have audited the financial statements of AGM City Space Investments Limited for the year ended 31 March 2013 on pages six to thirteen. 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 pages two and 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2013 and of its profit 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 MEMBERS OF
AGM CITY SPACE INVESTMENTS 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 FCA (Senior Statutory Auditor)
for and on behalf of T P Lewis & Partners (BOS) Limited
Chartered Accountants
& Statutory Auditor
3/5 College Street
Burnham on Sea
Somerset
TA8 1AR

Date 27/09/13

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2013**

	Notes	2013 £	2012 £
TURNOVER		-	-
Administrative expenses		(42,498)	(34,487)
		<u>(42,498)</u>	<u>(34,487)</u>
Other operating income		4,663,346	16,667
OPERATING PROFIT/(LOSS)	3	4,620,848	(17,820)
Interest receivable and similar income		6,877	797
		<u>4,627,725</u>	<u>(17,023)</u>
Interest payable and similar charges	5	(41,116)	(82,499)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		4,586,609	(99,522)
Tax on profit/(loss) on ordinary activities	6	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u><u>4,586,609</u></u>	<u><u>(99,522)</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

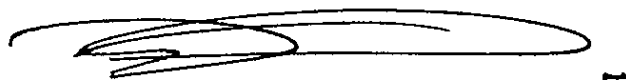
The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year

BALANCE SHEET
31 MARCH 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Investments	7	1	1
Investment property	8	549,265	2,706,357
		<u>549,266</u>	<u>2,706,358</u>
CURRENT ASSETS			
Debtors	9	11,850	24,184
Cash at bank		800,000	801,864
		<u>811,850</u>	<u>826,048</u>
CREDITORS			
Amounts falling due within one year	10	1,222,275	7,980,174
NET CURRENT LIABILITIES		<u>(410,425)</u>	<u>(7,154,126)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>138,841</u>	<u>(4,447,768)</u>
CAPITAL AND RESERVES			
Called up share capital	13	100	100
Profit and loss account	14	138,741	(4,447,868)
SHAREHOLDERS' FUNDS	19	<u>138,841</u>	<u>(4,447,768)</u>

The financial statements were approved by the Board of Directors on
were signed on its behalf by

18.9.13 and



K Michael - Director

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Preparation of consolidated financial statements

The financial statements contain information about AGM City Space Investments Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements

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

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve

The investment properties are not subjected to periodic charges for depreciation. The Companies Act 2006 would normally require such assets to be depreciated over their useful economic life. However, in the opinion of the director this would not show a true and fair view of the value of the assets at the balance sheet date

If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation of approximately £21,971 on the properties concerned

Deferred tax

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

2 STAFF COSTS

There were no staff employed by the company in the year to 31 March 2013 (2012 nil)

3 OPERATING PROFIT/(LOSS)

The operating profit (2012 - operating loss) is stated after charging

	2013	2012
	£	£
Auditors' remuneration	<u>2,750</u>	<u>1,950</u>
Directors' remuneration	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

4 EXCEPTIONAL ITEMS

During the year under review inter company loans with group companies have been written off to the profit and loss account amounting to £4,642,513

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Bank interest	91	-
Loan interest paid	26,910	68,510
Bond interest	14,115	13,989
	<u>41,116</u>	<u>82,499</u>

6 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2013 nor for the year ended 31 March 2012

Factors affecting the tax charge

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

	2013	2012
	£	£
Profit/(loss) on ordinary activities before tax	<u>4,586,609</u>	<u>(99,522)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24% (2012 - 26%)	1,100,786	(25,876)
Effects of		
Expenses not deductible for tax purposes	886	1,274
Income not taxable for tax purposes	(1,114,203)	-
Utilisation of tax losses	<u>12,531</u>	<u>24,602</u>
Current tax charge	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

7 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 April 2012	
and 31 March 2013	1
NET BOOK VALUE	
At 31 March 2013	1
	<u>1</u>
At 31 March 2012	1
	<u>1</u>

The company's investments at the balance sheet date in the share capital of companies include the following.

AGM City Space Developments Limited
Country of incorporation United Kingdom
Nature of business Property development

Class of shares	% holding	2013	2012
ordinary	100 00	£	£
Aggregate capital and reserves		(316,746)	(3,632)
Loss for the year		(313,114)	(270)
		<u>(316,746)</u>	<u>(3,902)</u>

8 INVESTMENT PROPERTY

	Total £
COST	
At 1 April 2012	2,706,357
Additions	42,908
Disposals	(2,200,000)
	<u>549,265</u>
At 31 March 2013	
NET BOOK VALUE	
At 31 March 2013	549,265
	<u>549,265</u>
At 31 March 2012	2,706,357
	<u>2,706,357</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Trade debtors	6,250	-
Other debtors	3,375	4,740
Directors' loan accounts	5	5
VAT	-	159
Prepayments	2,220	19,280
	<u>11,850</u>	<u>24,184</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Bank loans and overdrafts (see note 11)	348,368	2,324,313
Trade creditors	54,133	55,992
Amounts owed to group undertakings	712,279	5,278,390
VAT	245	-
Other creditors	-	210,000
Directors' loan accounts	100,000	100,000
Accrued expenses	7,250	11,479
	<u>1,222,275</u>	<u>7,980,174</u>

11 LOANS

An analysis of the maturity of loans is given below

	2013	2012
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	6,431	-
Bank loans	341,937	2,324,313
	<u>348,368</u>	<u>2,324,313</u>

12 SECURED DEBTS

The following secured debts are included within creditors

	2013	2012
	£	£
Bank overdraft	6,431	-
Bank loans	341,937	2,324,313
	<u>348,368</u>	<u>2,324,313</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

13 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	2013 £	2012 £
100	ordinary	1	<u>100</u>	<u>100</u>

14 RESERVES

	Profit and loss account £
At 1 April 2012	(4,447,868)
Profit for the year	<u>4,586,609</u>
At 31 March 2013	<u>138,741</u>

15 ULTIMATE PARENT COMPANY

The company is a subsidiary of AGM Holdings plc AGM Holdings plc prepares group financial statements and copies can be obtained from Grand Pier, Marine Parade, Weston-super-Mare, North Somerset BS23 1AL

16 TRANSACTIONS WITH DIRECTORS

The following loan to directors subsisted during the years ended 31 March 2013 and 31 March 2012

	2013 £	2012 £
Ms M Michael		
Balance outstanding at start of year	5	5
Amounts repaid	-	-
Balance outstanding at end of year	<u>5</u>	<u>5</u>

17 RELATED PARTY DISCLOSURES

K Michael
Director

	2013 £	2012 £
Amount due to related party at the balance sheet date	<u>100,000</u>	<u>100,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2013**

18 ULTIMATE CONTROLLING PARTY

The controlling party is AGM Holdings Limited

The ultimate controlling party is K Michael

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Profit/(loss) for the financial year	4,586,609	(99,522)
Net addition/(reduction) to shareholders' funds	4,586,609	(99,522)
Opening shareholders' funds	(4,447,768)	(4,348,246)
Closing shareholders' funds	138,841	(4,447,768)