

**REGISTERED NUMBER: 05962035 (England and Wales)**

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

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FOR THE YEAR ENDED 31 MARCH 2010**

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**AGM CITY SPACE INVESTMENTS LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2010**

**DIRECTORS:**

K Michael  
Ms M Michael

**SECRETARY:**

Ms M Michael

**REGISTERED OFFICE:**

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

**REGISTERED NUMBER:**

05962035 (England and Wales)

**AUDITORS:**

T P Lewis & Partners (BOS) Limited  
Chartered Accountants  
& Statutory 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 speculative property development

**REVIEW OF BUSINESS**

The company sustained a loss of £121 002 The directors are striving to realise the value of the company's property investments in a depressed market

**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  
Ms M Michael

Other changes in directors holding office are as follows

A Antonio - resigned 29 September 2009  
P G Birakos - resigned 29 September 2009

**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

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2010**

**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**

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:**

A handwritten signature in black ink, appearing to be 'Ms M Michael', is written over a circular stamp or seal.

Ms M Michael - Secretary

Date **28** September 2010

## **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF AGM CITY SPACE INVESTMENTS LIMITED**

We have audited the financial statements of AGM City Space Investments Limited for the year ended 31 March 2010 on pages six to fourteen. 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 two, 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.

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**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS 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

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

Date ~~19~~ September 2010

**AGM CITY SPACE INVESTMENTS LIMITED (REGISTERED NUMBER: 05962035)**

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

	Notes	2010 £	2009 £
<b>TURNOVER</b>		3,222,859	1,235,187
Cost of sales		<u>(2,925,554)</u>	<u>(951,025)</u>
<b>GROSS PROFIT</b>		297,305	284,162
Administrative expenses		<u>(294,393)</u>	<u>(3,507,022)</u>
<b>OPERATING PROFIT/(LOSS)</b>	3	2,912	(3,222,860)
Interest receivable and similar income		<u>800</u>	<u>24,129</u>
		3,712	(3,198,731)
Interest payable and similar charges	4	<u>(124,714)</u>	<u>(382,279)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(121,002)	(3,581,010)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u><u>(121,002)</u></u>	<u><u>(3,581,010)</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 losses for the current year or previous year

The notes form part of these financial statements



**AGM CITY SPACE INVESTMENTS LIMITED (REGISTERED NUMBER: 05962035)**

**BALANCE SHEET  
31 MARCH 2010**

	Notes	2010 £	2009 £
<b>FIXED ASSETS</b>			
Investments	6	1	1
Investment property	7	2,750,000	2,750,000
		<u>2,750,001</u>	<u>2,750,001</u>
<b>CURRENT ASSETS</b>			
Stocks	8	1,203,807	2,545,289
Debtors	9	57,100	275,472
Cash at bank		800,256	800,000
		<u>2,061,163</u>	<u>3,620,761</u>
<b>CREDITORS</b>			
Amounts falling due within one year	10	8,937,699	10,376,295
<b>NET CURRENT LIABILITIES</b>		<u>(6,876,536)</u>	<u>(6,755,534)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>(4,126,535)</u></u>	<u><u>(4,005,533)</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	100	100
Profit and loss account	14	(4,126,635)	(4,005,633)
<b>SHAREHOLDERS' FUNDS</b>	19	<u><u>(4,126,535)</u></u>	<u><u>(4,005,533)</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 notwithstanding the deficiency of £4,126,535 in shareholders' funds at 31 March 2010

The validity of the assumption depends on the continuing support of the 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.

**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.

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**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.

**Stocks**

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

**Deferred tax**

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

**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 2010**

**2 STAFF COSTS**

	2010 £	2009 £
Wages and salaries	107,025	-
Social security costs	6,038	-
Other pension costs	626	-
	<u>113,689</u>	<u>-</u>

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

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

**3 OPERATING PROFIT/(LOSS)**

The operating profit (2009 - operating loss) is stated after charging

	2010 £	2009 £
Auditors' remuneration	<u>4,000</u>	<u>4,000</u>
Directors' remuneration	<u>-</u>	<u>-</u>

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	2010 £	2009 £
Bank interest	7,083	586
Loan interest paid	103,516	367,578
Bond interest	14,115	14,115
	<u>124,714</u>	<u>382,279</u>

**5 TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2010 nor for the year ended 31 March 2009

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

5 TAXATION - continued

**Factors affecting the tax charge**

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	(121,002)	(3,581,010)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	(33,881)	(1,002,683)
Effects of Losses	33,881	1,002,683
Current tax charge	-	-

6 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
<b>COST</b>	
At 1 April 2009 and 31 March 2010	1
<b>NET BOOK VALUE</b>	
At 31 March 2010	1
At 31 March 2009	1

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

**AGM City Space Developments Limited**

Nature of business property development

	% holding	2010 £	2009 £
Class of shares ordinary	100.00		
Aggregate capital and reserves		18,393	(21,223)
Loss for the year		(2,830)	(6,186)

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

7 INVESTMENT PROPERTY

	Total £
<b>COST</b>	
At 1 April 2009 and 31 March 2010	2,750,000
<b>NET BOOK VALUE</b>	
At 31 March 2010	2,750,000
At 31 March 2009	2,750,000

8 STOCKS

	2010 £	2009 £
Work-in-progress	1,203,807	2,545,289

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Amounts owed by group undertakings	-	233,998
Other debtors	3,876	53
Directors' loan accounts	5	10
VAT	19,620	1,743
Prepayments	33,599	39,668
	57,100	275,472

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Bank loans and overdrafts (see note 11)	3,735,000	6,446,012
Other loans (see note 11)	1,818,206	1,818,206
Trade creditors	64,932	5,354
Amounts owed to group undertakings	3,297,958	-
Amounts owed to participating interests	-	2,097,208
Social security and other taxes	8,381	-
Other creditors	2,029	1,015
Accrued expenses	11,193	8,500
	8,937,699	10,376,295

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

11 LOANS

An analysis of the maturity of loans is given below

	2010 £	2009 £
Amounts falling due within one year or on demand		
Bank overdrafts	-	88,867
Bank loans	3,735,000	6,357,145
Other loans	1,818,206	1,818,206
	<u>5,553,206</u>	<u>8,264,218</u>

12 SECURED DEBTS

The following secured debts are included within creditors

	2010 £	2009 £
Bank overdraft	-	88,867
Bank loans	3,735,000	6,357,145
Other loans	1,818,206	1,818,206
	<u>5,553,206</u>	<u>8,264,218</u>

13 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class	Nominal value	2010 £	2009 £
100	ordinary	1	<u>100</u>	<u>100</u>

14 RESERVES

	Profit and loss account £
At 1 April 2009	(4,005,633)
Deficit for the year	<u>(121,002)</u>
At 31 March 2010	<u>(4,126,635)</u>

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

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

16 TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the years ended 31 March 2010 and 31 March 2009

	2010 £	2009 £
<b>Ms M Michael</b>		
Balance outstanding at start of year	5	5
Amounts repaid	-	-
Balance outstanding at end of year	<u>5</u>	<u>5</u>
<b>A Antonio</b>		
Balance outstanding at start of year	5	5
Amounts repaid	(5)	-
Balance outstanding at end of year	<u>-</u>	<u>5</u>

17 RELATED PARTY DISCLOSURES

At 31 March 2009 the following amounts were payable by/(to) associated companies in respect of working capital funding provided

	2010 £	2009 £
AGM City Space Developments Limited - wholly owned subsidiary	(1,313,741)	233,998
AGM Holdings plc	(249,482)	(112,482)
AGM Estates Limited	(1,520,306)	(1,884,726)
AGM Finance Limited	(126,560)	(100,000)
Grand Pier Limited	<u>22,000</u>	<u>-</u>

18 ULTIMATE CONTROLLING PARTY

Throughout the year the company has been controlled by its parent company AGM Holdings plc The ultimate controlling party is K Michael, the major shareholder and managing director of AGM Holdings plc

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

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Loss for the financial year	(121,002)	(3,581,010)
<b>Net reduction of shareholders' funds</b>	<b>(121,002)</b>	<b>(3,581,010)</b>
Opening shareholders' funds	(4,005,533)	(424,523)
<b>Closing shareholders' funds</b>	<b>(4,126,535)</b>	<b>(4,005,533)</b>