

Registration number SC100586

AMA Construction (Edinburgh) Limited

Abbreviated accounts

for the period ended 31 October 2008

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AMA Construction (Edinburgh) Limited

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AMA Construction (Edinburgh) Limited

Directors' report for the period ended 31 October 2008

The directors present their report and the accounts for the period ended 31 October 2008.

Principal activity and review of the business

The principal activity of the company is the construction of new build and refurbishment of residential property.

Going Concern

The financial statements have been prepared in the middle of a world recession, which has had a massive adverse effect on housing and commercial markets. However, the directors have no hesitation in continuing to adopt the going concern basis in preparing the financial statements. The company has a strong balance sheet and a solid relationship with our bankers, who have and will continue to support the company with its' funding requirements. The company's cashflow projections show that it has adequate resources available to continue for the foreseeable future.

Strategy

The company's strategy is the provision of high quality residential property in the Edinburgh area. This product will be to the highest standard in terms of architecture, quality and innovation.

Risks

Risks that may affect the business are continually assessed at board level and steps are ongoing to mitigate these risks. The main business risks identified are:

Company performance is significantly impacted by the quality, work ethic and proficiency of its workforce. Therefore, the retention of key personnel is a major factor in our risk strategy and must be continually monitored.

Dwindling supplier and subcontractor numbers, within the industry, affects the availability of specialised craftsmen. This in turn does not allow the business to deliver a product of a standard the market now expects.

The business does not deliver the product of the standard the market now expects.

Corporate Governance

The company is committed to achieving and maintaining a high standard of corporate governance, with the responsibility for this resting with the board. Corporate responsibility policies, objectives and performance are regularly reviewed at this level.

Health and Safety

Health and Safety procedures are in place and are continually monitored internally and externally by our Health and Safety consultants C-Mist. They also keep us up to date with new developments or legislation within in the industry. All our procedures are based on occupational health and safety standard principles set out in The Health and Safety at work act 1974. The company to date has not experienced any major Health and Safety incidents.

Results and dividends

The results for the period are set out on page 5.

AMA Construction (Edinburgh) Limited

Directors' report for the period ended 31 October 2008

..... continued

Key performance Indicators

The directors consider that analysis using Key Performance Indicators for the company is not necessary or appropriate for the understanding of the development, performance or position of the company. The company in the main provides services for AMA (New Town) Ltd, a connected company. The development sales gross margin for 2008 was 8% (2007 5%). The performance of AMA (New Town) Ltd is discussed within the Key Performance Indicators section of the directors report in its own financial statements.

Directors

The directors who served during the period are as stated below:

A.B. Afshar

M. Afshar

M.T. Afshar

M.H. Afshar

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. 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 apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 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.

In so far as the directors are aware:

- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

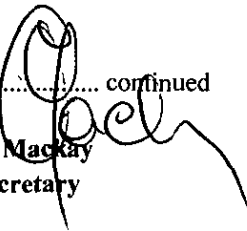
Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that McDonald Gordon & Co. Ltd be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 20 November 2009 and signed on its behalf by

AMA Construction (Edinburgh) Limited

**Directors' report
for the period ended 31 October 2008**

..... continued

C. Mackay
Secretary

**Independent auditors' report to AMA Construction (Edinburgh) Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 5 to 16 together with the financial statements of AMA Construction (Edinburgh) Limited for the period ended 31 October 2008 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's report 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

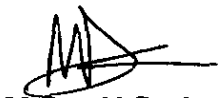
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.



McDonald Gordon & Co. Ltd
Chartered Certified Accountants and
Registered Auditors

20 November 2009

29 York Place
Edinburgh

AMA Construction (Edinburgh) Limited

**Abbreviated profit and loss account
for the period ended 31 October 2008**

		Continuing operations	
		period ended 31/10/08	Period ended 30/04/07
	Notes	£	£
Turnover		10,719,048	8,295,914
Gross profit		860,386	466,203
Administrative expenses		(706,011)	(487,358)
Operating profit/(loss)	2	154,375	(21,155)
Other interest receivable and similar income	3	(238)	8,035
Interest payable and similar charges	4	-	(1,938)
Profit/(loss) on ordinary activities before taxation		154,137	(15,058)
Tax on profit/(loss) on ordinary activities	6	(42,031)	4,550
Profit/(loss) for the period	14	112,106	(10,508)

There are no recognised gains or losses other than the profit or loss for the above two financial periods.

The notes on pages 8 to 16 form an integral part of these financial statements.

AMA Construction (Edinburgh) Limited

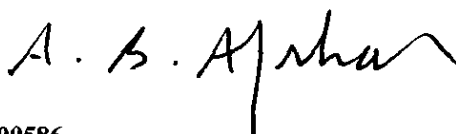
**Abbreviated balance sheet
as at 31 October 2008**

		31/10/08		30/04/07	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		53,229		79,219
Current assets					
Stocks	8	348,149		242,499	
Debtors	9	3,306,576		2,841,465	
		<u>3,654,725</u>		<u>3,083,964</u>	
Creditors: amounts falling due within one year	10	<u>(3,350,908)</u>		<u>(2,914,912)</u>	
Net current assets			<u>303,817</u>		<u>169,052</u>
Total assets less current liabilities			357,046		248,271
Provisions for liabilities	11		<u>(3,713)</u>		<u>(7,044)</u>
Net assets			<u>353,333</u>		<u>241,227</u>
Capital and reserves					
Called up share capital	13		100		100
Profit and loss account	14		<u>353,233</u>		<u>241,127</u>
Shareholders' funds	15		<u>353,333</u>		<u>241,227</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The abbreviated accounts were approved by the Board on Th20 November 2009 and signed on its behalf by

A.B. Afshar
Director



Registration number SC100586

The notes on pages 8 to 16 form an integral part of these financial statements.

AMA Construction (Edinburgh) Limited

**Cash flow statement
for the period ended 31 October 2008**

	Notes	period ended 31/10/08 £	Period ended 30/04/07 £
Reconciliation of operating profit/(loss) to net cash outflow from operating activities			
Operating profit/(loss)		154,375	(21,155)
Depreciation		25,991	21,197
(Increase) in stocks		(105,651)	(167,996)
(Increase) in debtors		(144,009)	478
(Decrease) in creditors		(187,019)	346,805
Increase in provisions		-	11,259
Net cash outflow from operating activities		<u>(256,313)</u>	<u>168,070</u>
Cash flow statement			
Net cash outflow from operating activities		(256,313)	168,070
Returns on investments and servicing of finance	18	(238)	6,097
Taxation	18	5,219	(41,264)
Capital expenditure	18	-	(24,235)
		<u>(251,332)</u>	<u>108,668</u>
Equity dividends paid		-	(100,000)
Decrease in cash in the period		<u>(251,332)</u>	<u>8,668</u>
Reconciliation of net cash flow to movement in net debt (Note 19)			
Decrease in cash in the period		(251,332)	8,668
Net funds at 1 May 2007		<u>891,433</u>	<u>882,765</u>
Net funds at 31 October 2008		<u>640,101</u>	<u>891,433</u>

AMA Construction (Edinburgh) Limited

Notes to the abbreviated financial statements for the period ended 31 October 2008

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year. Whilst the company seeks to achieve a uniform margin on all contracting income, the company values contracting income derived from connected companies at fluctuating rates pertaining to individual sites.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	25% on the reducing annual balance in equal monthly instalments
Fixtures, fittings and equipment	-	20% on the reducing annual balance in equal monthly instalments
Motor vehicles	-	25% on the reducing annual balance in equal monthly instalments

1.4. Stock and work in progress

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

1.5. Deferred taxation

Deferred taxation is provided in full in respect of the taxation effect of all timing differences which are capable of reversal in the future, calculated at rates at which it is expected tax will arise.

2. Operating profit/(loss)

	period ended 31/10/08 £	Period ended 30/04/07 £
Operating profit/(loss) is stated after charging:		
Depreciation and other amounts written off tangible assets	25,991	21,197
Auditors' remuneration	6,000	4,500
Auditors' remuneration from non-audit work	3,890	2,768

AMA Construction (Edinburgh) Limited

**Notes to the abbreviated financial statements
for the period ended 31 October 2008**

..... continued

	period ended 31/10/08 £	Period ended 30/04/07 £
3. Interest receivable and similar income		
Other interest	<u>(238)</u>	<u>8,035</u>
4. Interest payable and similar charges		
On overdue tax	<u>-</u>	<u>1,938</u>
5. Employees		
Number of employees	period ended 31/10/08	Period ended 30/04/07
The average monthly numbers of employees (including the directors) during the period were:		
Employees	<u>74</u>	<u>39</u>
Employment costs	31/10/08 £	30/04/07 £
Wages and salaries	2,629,167	1,355,272
	<u>2,629,167</u>	<u>1,355,272</u>

AMA Construction (Edinburgh) Limited

**Notes to the abbreviated financial statements
for the period ended 31 October 2008**

..... continued

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

	period ended 31/10/08 £	Period ended 30/04/07 £
Analysis of charge in period		
Current tax		
UK corporation tax	45,362	-
Adjustments in respect of previous periods	-	(5,219)
	<u>45,362</u>	<u>(5,219)</u>
Total current tax charge	<u>45,362</u>	<u>(5,219)</u>
Deferred tax		
Timing differences, origination and reversal	(3,331)	669
Total deferred tax	<u>(3,331)</u>	<u>669</u>
Tax on profit/(loss) on ordinary activities	<u>42,031</u>	<u>(4,550)</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (28%). The differences are explained below:

	2008 £	2007 £
Profit/(loss) on ordinary activities before taxation	<u>154,137</u>	<u>(15,058)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 29.22% (30 April 2007 : 30.00%)	45,039	0
Effects of:		
Expenses not deductible for tax purposes	2,685	-
Capital allowances for period in excess of depreciation	(2,362)	-
Utilisation of tax losses	-	(5,219)
Current tax charge for period	<u>45,362</u>	<u>(5,219)</u>

AMA Construction (Edinburgh) Limited

**Notes to the abbreviated financial statements
for the period ended 31 October 2008**

..... continued

7. Tangible fixed assets	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 May 2007	122,548	33,492	19,225	175,265
At 31 October 2008	122,548	33,492	19,225	175,265
Depreciation				
At 1 May 2007	75,412	14,025	6,609	96,046
Charge for the period	16,203	5,445	4,342	25,990
At 31 October 2008	91,615	19,470	10,951	122,036
Net book values				
At 31 October 2008	30,933	14,022	8,274	53,229
At 30 April 2007	47,136	19,467	12,616	79,219

8. Stocks	31/10/08	30/04/07
	£	£
Work in progress	348,149	242,499

9. Debtors	31/10/08	30/04/07
	£	£
Amount owed by connected companies	2,896,371	2,570,050
Other debtors	410,205	271,415
	3,306,576	2,841,465

AMA Construction (Edinburgh) Limited

Notes to the abbreviated financial statements for the period ended 31 October 2008

..... continued

10. Creditors: amounts falling due within one year	31/10/08	30/04/07
	£	£
Bank overdraft (Secured)	2,256,270	1,678,617
Trade creditors	630,002	837,786
Corporation tax	45,362	-
Other taxes and social security costs	67,968	27,241
Directors' accounts	3,495	3,495
Other creditors	240	383
Accruals and deferred income	347,571	367,390
	<u>3,350,908</u>	<u>2,914,912</u>

The Royal Bank of Scotland hold an unlimited inter-company composite guarantee between AMA (New Town) Ltd, AMA (Cramond) Ltd, AMA Construction (Edinburgh) Ltd and AMA (Fusion) Ltd.

They also hold a bond and floating charge over AMA (New Town) Ltd, AMA (Cramond) Ltd, AMA Construction (Edinburgh) Ltd and AMA (Fusion) Ltd.

11. Provisions for liabilities

	Deferred taxation (Note 12)	Total
	£	£
At 1 May 2007	7,044	7,044
Movements in the year	3,331	3,331
At 31 October 2008	<u>3,713</u>	<u>3,713</u>

AMA Construction (Edinburgh) Limited

**Notes to the abbreviated financial statements
for the period ended 31 October 2008**

..... continued

12. Provision for deferred taxation	31/10/08	30/04/07
	£	£
Accelerated capital allowances	3,713	7,044
Provision for deferred tax	<u>3,713</u>	<u>7,044</u>
Provision at 1 May 2007	7,044	
Deferred tax credit in profit and loss account	<u>(3,331)</u>	
Provision at 31 October 2008	<u>3,713</u>	
Deferred taxation is based on a corporation tax rate of 28% (2007 30%).		
13. Share capital	31/10/08	30/04/07
	£	£
Authorised		
100 Ordinary shares of 1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 Ordinary shares of 1 each	<u>100</u>	<u>100</u>
Equity Shares		
100 Ordinary shares of 1 each	<u>100</u>	<u>100</u>
14. Equity Reserves	Profit and loss account	Total
	£	£
At 1 May 2007	241,127	241,127
Profit for the period	<u>112,106</u>	<u>112,106</u>
At 31 October 2008	<u>353,233</u>	<u>353,233</u>

AMA Construction (Edinburgh) Limited

Notes to the abbreviated financial statements for the period ended 31 October 2008

..... continued

15. Reconciliation of movements in shareholders' funds	31/10/08	30/04/07
	£	£
Profit/(loss) for the period	112,106	(10,508)
Dividends	-	(100,000)
	<u>112,106</u>	<u>(110,508)</u>
Opening shareholders' funds	241,227	351,735
Closing shareholders' funds	<u>353,333</u>	<u>241,227</u>

16. Contingent liabilities

The Royal Bank of Scotland Plc hold an inter-company composite guarantee between AMA (New Town) Ltd, AMA (Cramond) Ltd, AMA Construction (Edinburgh) Ltd and AMA (Fusion) Ltd for the extent of the company's overdraft. At the balance sheet date, the overdrafts of these companies were as follows:-

AMA (New Town) Ltd	£16,438,500
AMA (Fusion) Ltd	£8,362,878
AMA (Cramond) Ltd	£14,964,570

AMA Construction (Edinburgh) Limited

**Notes to the abbreviated financial statements
for the period ended 31 October 2008**

..... continued

17. Transactions with directors and other related party transactions

As stated in note 10 to the financial statements, included in creditors due within one year are directors loans of £3,495 (2007 £3,495).

At 31 October 2008, the company had incurred costs of £316,906 on properties owned by A.B Afshar, director (2007 £88,695). These were invoiced to the director during the period.

The company also incurred costs to 31 October 2008 of £14,761 on MHB Afshars house, director. As above, these were invoiced to the director during the period.

Included in other debtors (note 9) is an amount of £47,642 due from AMA Building Design & Development (2007 £32,746). The directors of AMA Construction (Edinburgh) Ltd, AB Afshar, M Afshar, MH Afshar and MT Afshar are also partners in AMA Building Design & Development.

During the year, amounts of £10,182,707 were invoiced to AMA (New Town) Ltd for construction work carried out on the developments (2007 £8,290,464). The directors of AMA Construction (Edinburgh) Ltd, AB Afshar, M Afshar, MH Afshar and MT Afshar are also directors of AMA (New Town) Ltd.

As stated in debtors (Note 9) there is an amount of £2,896,371 (2007 £2,570,050) due by AMA (New Town) Ltd.

Management fees and other service charges of £1,092,398 were invoiced to AMA Construction (Edinburgh) Ltd by AMA (New Town) Ltd under normal trading terms. (2007 £661,928)

The Royal Bank of Scotland Plc hold an inter-company composite guarantee between AMA (New Town) Ltd, AMA Construction (Edinburgh) Ltd, AMA (Fusion) Ltd and AMA (Cramond) Ltd.

AMA Construction (Edinburgh) Limited

**Notes to the abbreviated financial statements
for the period ended 31 October 2008**

..... continued

18. Gross cash flows

	31/10/08	30/04/07
	£	£
Returns on investments and servicing of finance		
Interest received	(238)	8,035
Interest paid	-	(1,938)
	<u>(238)</u>	<u>6,097</u>
Taxation		
Corporation tax paid	-	(41,264)
Corporation tax repaid	5,219	-
	<u>5,219</u>	<u>(41,264)</u>
Capital expenditure		
Payments to acquire tangible assets	-	(24,235)
	<u>-</u>	<u>(24,235)</u>

19. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Overdrafts	(1,678,617)	(577,653)	(2,256,270)
Loans to connected companies	2,570,050	326,321	2,896,371
Net funds	<u>891,433</u>	<u>(251,332)</u>	<u>640,101</u>