

The Ampersand Group Limited Accounts

- 1.1. Company Law requires Limited Companies in the United Kingdom to file, at Companies House, accurate, audited annual accounts.
- 1.2. In 2001 Ampersand Group Limited, a subsidiary company in the G M Versteegh group of companies, was formed and acquired the freehold land comprising the beaches at Carlyon Bay. Ampersand stated, in its accounts, that it's sole activity was that of developing the beaches at Carlyon Bay. At the 2006 public inquiry, Ampersand stated that the cost of acquiring the beaches at Carlyon Bay was £8,500,000 made up of freehold land, shares and fees.
- 1.3. In the course of pursuing the development of the beaches, by 31.12.2004, Ampersand had declared in their accounts a cost incurred of £38,993,897. However the directors commissioned an independent valuation of the freehold land asset. This valuation was disclosed in the 31.12.2004 accounts at £3,000,000 incurring a write off of some £36,000,000. The freehold land asset was then sold in June 2005 to an offshore company, GMV9Ltd, for £3,000,000. The contract included a right for Ampersand to undertake any future development at Carlyon Bay.
- 1.4. GMV9 is clearly a Versteegh company in the Channel Islands but, being offshore, is not subject to U K Company Law and its accounts are not in the public domain.
- 1.5. In each of Ampersand's subsequent year's annual accounts, up to the last filed at Companies House for 2009, development costs incurred by Ampersand at Carlyon Bay have been written off as valueless. See the schedule attached.
- 1.6. Further all the filed accounts state that there is no prospect of profitable development taking place at Carlyon Bay. A deferred tax asset arising from the losses written off has, in each years accounts, been stated at NIL as "there is insufficient evidence that the asset will be recovered". "Deferred tax assets are recognised only to the extent that it is regarded as more likely than not that the

asset will be recovered". These are direct quotes from the Ampersand accounts as filed at Companies House.

- 1.7. Each year's accounts have received an unqualified report from the Company's auditors confirming that the accounts show a true and fair view of the state of the Company's affairs.
- 1.8. All the costs incurred up to 31.12.2009, and they are very substantial, cannot, by virtue of the accounting statements, relate to pursuing the 1990 consent as they are determined to have no value either now or in the foreseeable future.
- 1.9. Not only do the accounts confirm that the 'extant' 1990 planning consent is not viable, they also confirm that it is unlikely that any profitable development is foreseen at Carlyon Bay. That is, of course, in the absence of a completely new planning consent, which it appears the directors consider annually is 'less likely than more likely' to be achieved.
- 1.10. There can be no clearer statement that the directors of Ampersand, their auditors and the independent valuer have written off any development value attaching to the 'extant' planning permission originating in 1990. Without a new planning permission, clearly unable to rely on the extant as a material consideration, as that has been written out of the equation by Ampersand itself, there is no development value in the beaches at Carlyon Bay. The extant has been unequivocally abandoned by Ampersand and that must include all Companies in the Versteegh Group including CEG.
- 1.11. Please see attached summary of Ampersand Group Limited accounts for further detail.

Ampersand Group Limited

Summary and Analysis of Statutory accounts filed at Companies House

Year ended	Period to	notes	31.12.2003	notes	31.12.2004	notes	31.12.2005	notes	31.12.2006	notes	31.12.2007	notes	31.12.2008	notes	31.12.2009
Cost of sales			2,426,757		38,993,897		3,859,658		2,886,500		2,971,909		993,468		1,174,886
Operating loss			19,033,290	2	38,490,830		3,068,285		3,410,658		3,047,907		1,075,582		1,215,439
Work in Progress value			26,160,633	6	3,000,000	7	nil		nil		nil		nil		nil
Loss before taxation			1a-11,087,725		39,867,715		4,767,885		5,209,111		5,913,937	10	1,212,878	10	1,328,964
Taxation charge			5,230,402		-5,230,402		nil		nil		nil		nil		nil
Deferred Taxation asset			8	nil	8	nil	8	8	nil	8	8	8	8	8	nil
Fixed assets			428,516		303,387		230,185		17,275		9,162		3,875		1
Investments			326,000	4 and 5	1,000		1,000		1,000		1,000		1,000		1,000
Accumulated losses			-5,857,323		28,779,990		33,547,876		38,756,987		44,670,824		45,883,802		47,212,666
Value of the 'unrecognised' deferred tax asset			15,961	9	865,631	9	1,721,558	9	7,695,759	9	8,596,498	9	8,495,628	9	8,867,940
Issued and Paid up Share capital			100		100		100		100		100		100		100
Net Liabilities (negative equity)			-5,857,423		28,779,890		33,547,776		38,756,887		44,670,724		45,883,702		47,212,566

Quotations from the Statutory accounts

notes	£
1	9,033,290 includes write down of acquisition cost of £6,185,000
1a	-11,087,725 profit after crediting income from shares in a group undertaking of £20,318,051. This was a distribution following a £21million revaluation increase in the value of the land acquired at Carlyon Bay This was a distribution following a £21million revaluation increase in the value of the land acquired at Carlyon Bay (This was a distribution from a group company following a £21million approx uplift in the value of the site at Carlyon Bay acquired through a subsidiary company)
2	38,490,830 includes write down of work in progress to £3,000,000
3	26,000 includes write up of investment value post acquisition
4	1,000 acquisition- 6,186,000 less write down- 6,185,000
5	joint venture cost written off completely- 25,000
6	3,000,000 Land and work in progress written down to £3,000,000 following an external valuation by Allsops & Co.
7	Land and Work in progress valued at £Nil following an external valuation by Allsops & Co.
8	A deferred tax asset has not been recognised ---as there is insufficient evidence that the asset will be recovered.
9	Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.
	Deferred tax asset is the amount by which future taxation liabilities on any profits could be reduced. No future profits=no deferred tax asset.
10	Reduction in losses because group companies have stopped charging interest to Ampersand