

Company Registration No. 2477288

Amsprop Investments Limited

Report and Financial Statements

Year ended 30 June 2011

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Amsprop Investments Limited

Report and financial statements 2011

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Amsprop Investments Limited

Report and financial statements 2011

Officers and professional advisers

Directors

Colin T Sandy
Louise J Baron
Andrew N Cohen
Daniel P Sugar
Simon Sugar
James Hughes
Claude M Littner

Secretary

Colin T Sandy

Registered office

West Wing
Sterling House
Langston Road
Loughton
Essex
IG10 3TS

Bankers

Lloyds TSB Bank plc
City Office
11-15 Monument Street
London
EC3V 9JA

Solicitors

H Montlake & Co
Bank House
269-275 Cranbrook Road
Ilford
Essex
IG1 4TG

Kingsley Napley LLP
Knights Quarter
14 St John's Lane
London
EC1M 4AJ

Auditor

Deloitte LLP
Chartered Accountants
London

Amsprop Investments Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2011

This directors' report has been prepared in accordance with the special provisions relating to small companies under S415A the Companies Act 2006

Principal activities

The Company is principally engaged in the business of property investment. These properties are held for their long term investment potential and accordingly are treated as investment properties

Business review

The result for the year after taxation was a profit of £1,096,675 (2010 profit of £1,229,133). The profit and loss account for the year is set out on page 7

The Company's performance remained strong during the year with the vast majority of its office space leased. The fall in rental income during the year is due to market pressures and a vacancy due to a lease expiring. The directors expect revenues to increase in the next financial year

Going concern

The directors have reviewed the current and projected financial position of the Company, making reasonable assumptions about future trading. The Company has received a letter from Amshold Group Limited stating that it will continue to provide financial support for at least twelve months from the date of signing the financial statements

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 instruments

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 director's 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 (2010 £nil)

Amsprop Investments Limited

Directors' report (continued)

Directors

The directors who held office throughout the year are listed below

Colin T Sandy
Louise J Baron
Andrew N Cohen
Daniel P Sugar
Simon Sugar
James Hughes
Claude M Littner

Directors indemnities

The directors and officers of the Company use the policy taken out by Amshold Group Limited, the ultimate parent company, for indemnity insurance

Auditor

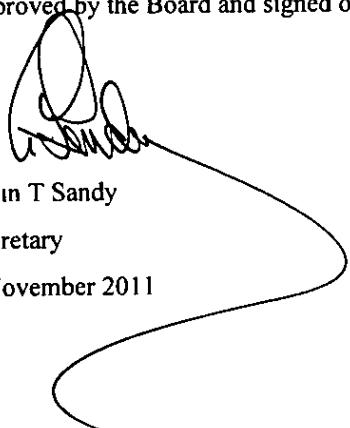
Each of the persons who is a director at the date of approval of this annual report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 the Companies Act 2006

A resolution to re-appoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting

Approved by the Board and signed on its behalf by



Colin T Sandy

Secretary

1 November 2011

Registered Office

West Wing, Sterling House, Langston Road

Loughton, Essex IG10 3TS

Amsprop Investments 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.

Independent auditor's report to the sole member of Amsprop Investments Limited

We have audited the financial statements of Amsprop Investments Limited for the year ended 30 June 2011 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 16. 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 member 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 member those matters we are required to state to them in an 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 and the Company's member for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, 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 annual report 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 30 June 2011 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the sole member of Amsprop Investments Limited (continued)

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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report

Andrew Clark FCA

Andrew Clark (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

1 November 2011

Amsprop Investments Limited

Profit and loss account

For the year ended 30 June 2011

	Notes	2011 £	2010 £
Turnover	2	<u>1,685,845</u>	<u>1,955,437</u>
Gross profit		1,685,845	1,955,437
Administrative expenses		<u>(156,700)</u>	<u>(171,710)</u>
Operating profit	4	1,529,145	1,783,727
Interest receivable and similar income		938	-
Interest payable and similar charges – group undertakings	5	<u>(70,830)</u>	<u>(76,598)</u>
Profit on ordinary activities before taxation		1,459,253	1,707,129
Tax charge on profit on ordinary activities	6	<u>(362,578)</u>	<u>(477,996)</u>
Profit on ordinary activities after taxation		<u><u>1,096,675</u></u>	<u><u>1,229,133</u></u>

All amounts derive from continuing operations

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

Amsprop Investments Limited

Statement of total recognised gains and losses For the year ended 30 June 2011

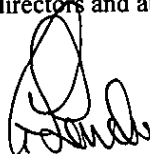
	2011 £	2010 £
Profit for the financial year	1,096,675	1,229,133
Unrealised surplus on revaluation of property	<u>4,331,305</u>	<u>6,041,000</u>
Total recognised gains and losses relating to the year	<u><u>5,427,980</u></u>	<u><u>7,270,133</u></u>

Amsprop Investments Limited

Balance sheet 30 June 2011

	Notes	2011 £	2010 £
Fixed assets			
Investment properties	7	42,829,305	38,498,000
Current assets			
Debtors	8	215,825	595,460
Cash at bank and in hand	9	457,496	401,366
		<u>673,321</u>	<u>996,826</u>
Creditors: amounts falling due within one year	10	(14,556,507)	(15,954,474)
Net current liabilities		<u>(13,883,186)</u>	<u>(14,957,648)</u>
Total assets less current liabilities		28,946,119	23,540,352
Provisions for liabilities	11	<u>(507,462)</u>	<u>(529,675)</u>
Net assets		<u>28,438,657</u>	<u>23,010,677</u>
Capital and reserves			
Called up share capital	12	100	100
Revaluation reserve	13	20,912,459	16,581,154
Profit and loss account	13	7,526,098	6,429,423
Shareholders' funds	14	<u>28,438,657</u>	<u>23,010,677</u>

The financial statements of Amsprop Investments Limited, registered number 2477288, were approved by the board of directors and authorised for issue on 1 November 2011. They were signed on its behalf by



Colin T Sandy
Director

Amsprop Investments Limited

Notes to the accounts

For the year ended 30 June 2011

1 Accounting policies

The financial statements are prepared in accordance with United Kingdom accounting standards. Compliance with the Statement 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 in the current and preceding financial years.

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain freehold properties.

Going concern

The financial statements are prepared on a historical cost convention basis and prepared on a going concern basis as discussed in the directors report on page 2.

Investment properties

In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus net of any tax effect or deficit is transferred to revaluation reserve. Any impairment 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.

Sale of properties

Disposals of properties are recognised where contracts have been unconditionally exchanged during the accounting year.

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 Investments Limited

Notes to the accounts

For the year ended 30 June 2011

1. Accounting policies (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 cash flow statement of its parent undertaking. 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:

	2011 £	2010 £
Rental income	1,659,218	1,937,681
Miscellaneous income	26,627	17,756
	<u>1,685,845</u>	<u>1,955,437</u>

3. 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.

4. Operating profit

Operating profit for the year is stated after charging

	2011 £	2010 £
Auditor's remuneration		
- fee for the statutory audit of the Company's annual accounts	5,700	5,500
- company secretarial fees	505	725
	<u>6,205</u>	<u>6,225</u>

Amsprop Investments Limited

Notes to the accounts

For the year ended 30 June 2011

5. Interest payable and similar charges

	2011 £	2010 £
Interest payable to other group companies	70,643	76,597
Bank interest and similar charges	187	1
	<u>70,830</u>	<u>76,598</u>

6 Tax charge on profit on ordinary activities

(i) Analysis of tax charge on profit on ordinary activities

	2011 £	2010 £
UK corporation tax charge at 27.5% (2010: 28%)	(384,791)	(456,968)
Total current tax charge	(384,791)	(456,968)
Origination and reversal of timing differences	(16,523)	(21,028)
Effects of decrease in tax rates on opening liability	38,736	-
Total deferred tax (note 11)	22,213	(21,028)
	<u>(362,578)</u>	<u>(477,996)</u>
Tax charge on profit on ordinary activities		

The Finance Act 2011, which provides for a reduction in the main rate of corporation tax from 26% to 25% effective from 1 April 2012, was substantively enacted on 5th July 2011. As it was not substantively enacted at the balance sheet date, this rate reduction is not yet reflected in these financial statements in accordance with FRS 21, as it is a non-adjusting event occurring after the reporting period.

The impact of the rate reduction, which will be reflected in the next reporting period, is estimated to reduce our UK deferred tax liability provided at 30 June 2011 by £19,518.

The Government has also indicated that it intends to enact future reductions in the main tax rate of 1% each year down to 24% by 1 April 2014.

The future 1% main tax rate reductions are expected to have a similar impact on our financial statements as outlined above, however the actual impact will be dependent on our deferred tax position at that time.

Amsprop Investments Limited

Notes to the accounts

For the year ended 30 June 2011

6. Tax charge on profit on ordinary activities (continued)

(ii) Factors affecting tax charge for the current year

The standard rate of tax for the year, based on the UK standard of corporation tax is 27.5% (2010: 28%). The actual tax charge for the current and previous year is the same as the standard rate for the reasons set out in the following reconciliation

	2011 £	2010 £
Profit on ordinary activities before tax	1,459,253	1,707,129
Tax charge at 27.5% (2010: 28%)	(401,314)	(477,996)
Factors affecting charge		
Capital allowances for the period in excess of depreciation	16,523	21,028
Tax current tax charge for year	<u>(384,791)</u>	<u>(456,968)</u>

7. Investment properties

	Long leasehold £	Freehold £	Total £
At 1 July 2010	21,849,000	16,649,000	38,498,000
Surplus arising on valuation	<u>2,527,195</u>	<u>1,804,110</u>	<u>4,331,305</u>
At 30 June 2011	<u>24,376,195</u>	<u>18,453,110</u>	<u>42,829,305</u>

The investment property was valued by the directors at 30 June 2011 on a valuation prepared internally by a Company director, a qualified chartered surveyor, on an open market basis

8. Debtors

	2011 £	2010 £
Amounts falling due within one year		
Trade debtors	22,484	13,787
Prepayments and accrued income	<u>193,341</u>	<u>581,673</u>
	<u>215,825</u>	<u>595,460</u>

Amsprop Investments Limited

Notes to the accounts For the year ended 30 June 2011

9. Cash at bank and in hand

	2011 £	2010 £
Company cash at bank and in hand	56,449	355
Tenant deposits	401,047	401,011
	<u>457,496</u>	<u>401,366</u>

10. Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	738	5,875
Amounts owed to group undertakings	13,431,192	14,615,057
Other creditors	404,162	404,115
Other taxation	87,522	72,194
Corporation tax	192,396	411,573
Accruals and deferred income	440,497	445,660
	<u>14,556,507</u>	<u>15,954,474</u>

Interest is payable on the amounts owed to group undertakings at variable rates based on Bank of England base rates

11. Provisions for liabilities

	2011 £	2010 £
Deferred taxation movement for the year		
At 1 July	529,675	508,647
(Credit)/Charge to profit and loss account	(22,213)	21,028
At 30 June	<u>507,462</u>	<u>529,675</u>

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

The Company's freehold properties have been revalued in accordance with SSAP 19, Accounting for Investment Properties. The Company intends to dispose of the leasehold property in the near future. Tax would become payable if the property were sold. The tax payable in such circumstances is estimated to be £5,437,239. No deferred tax has been provided on the gain arising on the revaluations as no binding agreement was in place to dispose of the property at the balance sheet date.

Amsprop Investments Limited

Notes to the accounts For the year ended 30 June 2011

12. Share capital

	2011 £	2010 £
Authorised:		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Called up, allotted and fully paid:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

13. Reserves

	Profit and loss £	Revaluation reserve £	Total £
At 1 July 2010	6,429,423	16,581,154	23,010,577
Revaluation surplus in the year	-	4,331,305	4,331,305
Profit for the financial year	<u>1,096,675</u>	<u>-</u>	<u>1,096,675</u>
At 30 June 2011	<u>7,526,098</u>	<u>20,912,459</u>	<u>28,438,557</u>

14. Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Opening shareholders' funds	23,010,677	15,740,544
Revaluation surplus in the year	4,331,305	6,041,000
Profit for the financial year	<u>1,096,675</u>	<u>1,229,133</u>
Closing shareholders' funds	<u>28,438,657</u>	<u>23,010,677</u>

15. Ultimate parent company and controlling party

At 30 June 2011, the Company was indirectly wholly-owned by Lord Sugar

The immediate parent company is Amsprop Limited, a company incorporated in Great Britain and registered in England and Wales

The ultimate parent company is Amshold Group Limited, a company incorporated in Great Britain, which 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 Ltd are available from Companies House, Crown Way, Mandy, Cardiff CF14 3UZ

16. Related party transactions

In respect of other 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