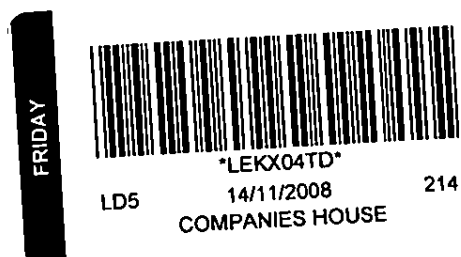


Company Registration No. 02801817

Amsprop Estates Limited

Report and Financial Statements

30 June 2008



Amsprop Estates Limited

Report and financial statements 2008

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Amsprop Estates Limited

Report and financial statements 2008

Officers and professional advisers

Directors

Sir Alan M Sugar
Lady Sugar
C T Sandy
L J Baron
A N Cohen
D P Sugar
S Sugar
J Hughes (appointed 22 January 2008)

Secretary

C T Sandy

Registered Office

West Wing
Sterling House
Langston Road
Loughton
Essex
IG10 3TS

Bankers

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

Solicitors

H Montlake & Co
197 High Road
Ilford
Essex
IG1 1LX

Herbert Smith
Exchange House
Primrose Street
London
EC2A 2HS

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

Amsprop Estates Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2008

Principal activities and review of performance

Amsprop Estates Limited is a wholly owned subsidiary of Amsprop Limited, a company incorporated in Great Britain and registered in the England and Wales which is the parent company of the Amsprop Group of companies. Amsgal Properties Limited and Amsted Properties Limited are wholly owned subsidiaries of Amsprop Estates Limited.

The principal business of the company is the acquisition of land and buildings for resale at a later date so as to maximise profit.

The company is principally engaged in the business of property dealers, developers and managers. There are no planned changes to these activities.

The profit on ordinary activities before taxation for the year amounted to £17,082,912 (2007 Profit £6,025,827) as shown on page 7.

As shown in the profit and loss account on page 7, this year the company recommenced its past strong profits growth.

The key performance indicators used by management in assessing the success of the business are rental income, market value of the properties and net realisable value. In the year to 30 June 2008 the business showed good performance globally in these key performance indicators, notwithstanding with rental income decreasing due to the sale of properties to £2,452,620 (2007 £3,881,894). The market value of the properties remaining decreased in line with the UK property market in general. The value of properties held for resale decreased to £16,189,920 at 30 June 2008 (2007 £37,879,182) because of disposals in the year.

Using the key performance indicators above, management can determine whether properties should be refurbished, redeveloped or sold. Using this approach actively ensures that returns can be maximised and a flexible approach on holding or developing of properties ensures that the worst effects of the property market in a downturn are minimised.

Through its strong professional management team the company expects to continue its long term growth pattern. We continue to be profitable further strengthening the balance sheet going forward.

During the year properties have been sold for gross proceeds amounting to £25,500,000 resulting in profits of £20,000,000.

Future prospects

By having a stable, strong management team together with our own financial resources and the facilities available from our bankers, we have the ability to move into the market when the correct conditions apply. This gives us great confidence for future growth prospects.

Principal risks and uncertainties

Property prices are down from their all time high which could result in the company being able to acquire properties at favourable prices. The estates team are fully aware of this and consequently will remain diligent in seeking acquisitions that can provide future growth from active management.

The company was owed intercompany debt at the balance sheet date of £15,534,682. (In 2007 the company owed its group companies £16,243,083).

Amsprop Estates Limited

Directors' report (continued)

Principal risks and uncertainties (continued)

The cashflows of the company are managed by the close monitoring of tenant arrears and voids. Tenant bad debts during the year amounted to only £9,201 due to the active management of debtors. Void periods are likewise minimised due to active management and careful selection of properties in the first instance.

Dividends

The directors do not recommend the payment of a dividend (2007 £nil).

Close company status

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

Directors

The directors who held office throughout the year except as noted are listed below:

Sir Alan Sugar

Lady Sugar

C T Sandy

L J Baron

A N Cohen

D P Sugar

S Sugar

J Hughes (appointed 22 January 2008)

Information to auditors

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

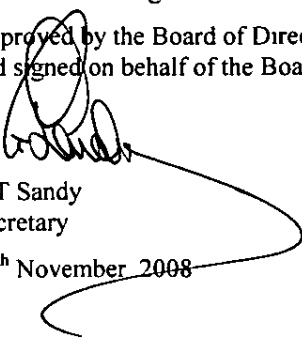
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that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

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Auditors

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

Approved by the Board of Directors
and signed on behalf of the Board



C T Sandy
Secretary

10th November 2008

Amsprop Estates Limited

Statement of directors' responsibilities

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 such 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

Independent auditors' report to the members of Amsprop Estates Limited

We have audited the financial statements of Amsprop Estates Limited for the year ended 30 June 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report for the above year and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

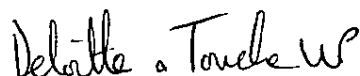
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of Amsprop Estates Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

10th November 2008

Amsprop Estates Limited

Profit and loss account Year ended 30 June 2008

	Note	2008 £	2007 £
Turnover	3	42,380,998	10,789,821
Cost of sales		(22,156,217)	(1,091,979)
Gross profit		20,224,781	9,697,842
Administrative expenses		(3,419,831)	(3,002,546)
Operating profit	4	16,804,950	6,695,296
Interest receivable and similar income	6	280,481	145,320
Interest payable and similar charges	7	(2,519)	(814,789)
Profit on ordinary activities before taxation		17,082,912	6,025,827
Tax charge on profit on ordinary activities	8	(7,676,293)	(3,101,959)
Profit on ordinary activities after taxation and profit for the year	15	9,406,619	2,923,868

The statement of total recognised gains and losses has been omitted because there have been no recognised gains or losses other than the profit or loss for the year in the current or prior years

The results derive from the company's continuing activities

Amsprop Estates Limited

Balance sheet 30 June 2008

	Note	2008 £	2007 £
Fixed assets			
Tangible fixed assets	9	18,286	26,824
Investments	10	695,632	695,632
		<u>713,918</u>	<u>722,456</u>
Current assets			
Property held for resale		16,189,920	37,879,182
Debtors	11	16,661,213	3,394,448
Cash at bank and in hand (including tenant deposits of £171,726 (2007 £337,474))		3,129,111	1,273,845
		<u>35,980,244</u>	<u>42,547,475</u>
Creditors: amounts falling due within one year			
Trade creditors		(250,594)	(121,399)
Amounts owed to group undertakings		-	(16,243,083)
Other creditors including taxation and social security	12	(1,784,885)	(1,074,368)
Accruals and deferred income		(441,640)	(1,020,657)
		<u>(2,477,119)</u>	<u>(18,459,507)</u>
Net current assets		<u>33,503,125</u>	<u>24,087,968</u>
Total assets less current liabilities		<u>34,217,043</u>	<u>24,810,424</u>
Total net assets		<u>34,217,043</u>	<u>24,810,424</u>
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account		34,216,943	24,810,324
Total shareholders' funds	15	<u>34,217,043</u>	<u>24,810,424</u>

These financial statements were approved by the Board of Directors on 10th November 2008

Signed on behalf of the Board of Directors

C T Sandy

Director

Amsprop Estates Limited

Notes to the accounts Year ended 30 June 2008

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted by the directors as described below and have been applied on a consistent basis in the current and prior year.

Accounting convention

The financial statements are prepared under the historical cost convention. The company is exempt from the obligation to prepare and deliver group accounts in accordance with s228 of the Companies Act 1985. Consequently, these accounts present the results of the entity only.

Investments

Investments are stated at cost less any provision for impairment in value.

Depreciation

Depreciation is calculated to write off the cost, less estimated residual values, of tangible fixed assets over their estimated useful lives. The annual depreciation rates and methods are as follows:

Office equipment	25% on a straight line basis
Motor vehicles	25% on a straight line basis

Properties held for resale

Properties held as dealing stocks are included in the balance sheet at the lower of cost and net realisable value. Cost includes appropriate property purchase expenses.

Leases

Rental costs under operating leases are charged to profit and loss account in equal annual amounts over the periods of the leases.

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.

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 on an undiscounted basis 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.

Amsprop Estates Limited

Notes to the accounts Year ended 30 June 2008

1. Accounting policies (continued)

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 Retained profit

The retained profit brought forward from 2007 was £24,810,324 and the retained profit carried forward for 2008 is £ 34,223,818

3 Turnover

Turnover comprises rental income receivable by the company and the value of property sales, dilapidation receipts, insurance recoveries, commission income and service and management charges, all arising in the United Kingdom. Rents receivable were £2,452,620 (2007 £3,881,894). Rent increases arising from rent reviews are taken into account when such reviews have been agreed with tenants.

4. Operating profit/(loss)

	2008 £	2007 £
Operating profit/(loss) is stated after charging/(crediting)		
Administrative expenses including		
Depreciation of owned assets	13,433	18,383
Auditors' remuneration - fee for the statutory audit		
of the company's annual accounts	7,200	7,500
- other non-audit services	2,994	905
Profit on sale of tangible fixed assets	-	3,315
Cost of sales including		
Net (decrease)/increase in property held for resale provisions	(2,957,955)	1,234,387

5. Staff costs

Directors' emoluments amounted to £1,151,244 (2007 £1,260,099). None of the directors exercised options or were members of a pension scheme to which the company contributed. The emoluments of the highest paid director were £474,002 (2007 £452,598).

The average number of other employees in the year was 7 (2007 five). Their total remuneration was

	2008 £	2007 £
Wages and salaries	411,802	332,790
Social security costs	74,017	174,518
	<u>485,819</u>	<u>507,308</u>

Amsprop Estates Limited

Notes to the accounts Year ended 30 June 2008

6. Interest receivable and similar income

	2008 £	2007 £
Intercompany interest	224,960	116,424
Other interest	55,521	28,896
	<u>280,481</u>	<u>145,320</u>

7. Interest payable and similar charges

	2008 £	2007 £
Bank loans and overdrafts	2,519	2,916
Intercompany interest	-	811,873
	<u>2,519</u>	<u>814,789</u>

8. Tax on profit on ordinary activities

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

	2008 £	2007 £
United Kingdom corporation tax at 29.5%(2007 30%)	(4,499,154)	(3,264,613)
Group relief	<u>(3,177,309)</u>	<u>159,589</u>
	(7,676,463)	(3,105,024)
Deferred taxation	<u>170</u>	<u>3,065</u>
	<u>(7,676,293)</u>	<u>(3,101,959)</u>

Amsprop Estates Limited

Notes to the accounts Year ended 30 June 2008

8. Tax on profit on ordinary activities (continued)

(ii) Factors affecting tax charge for the current year

The tax assessed for the year is higher than that resulting from applying the standard rate of corporation tax in the UK 29.5% (2007 30%). The differences are explained below

	2008 £	2007 £
Profit on ordinary activities before tax	17,082,912	6,025,827
Tax at 29.5% (2007 30%) thereon	(5,039,926)	(1,807,748)
Effects of		
Expenses not deductible for tax purposes	(215,362)	(269,603)
Capital allowances in excess of depreciation	(540)	(3,065)
Group relief paid for at 100%	(2,239,916)	(1,184,196)
Prior year adjustments	(180,719)	159,588
Current tax charge for year	<u>(7,676,463)</u>	<u>(3,105,024)</u>

9. Tangible fixed assets

	Office equipment £
Cost	
At 1 July 2007	79,898
Additions	4,895
Disposals	-
At 30 June 2008	<u>84,793</u>
Depreciation	
At 1 July 2007	53,074
Charge for the year	13,433
Disposals	-
At 30 June 2008	<u>66,507</u>
Net book value	
At 30 June 2008	<u>18,286</u>
At 30 June 2007	<u>26,824</u>

Amsprop Estates Limited

Notes to the accounts Year ended 30 June 2008

10. Investments

			£
Investments in subsidiary undertakings			
Cost and net book value at 1 July 2007 and 30 June 2008			<u>695,632</u>
	Country of incorporation	Principal Activity	Holding of ordinary shares %
Subsidiary Undertakings			
Amsted Properties Ltd	Great Britain	Development property	100
Amsgal Properties Ltd	Great Britain	Development property	100

11. Debtors: amounts falling due within one year

	2008 £	2007 £
Trade debtors	94,545	376,470
Amounts owed by group undertakings	15,534,682	2,324,297
Other debtors	3,314	28,755
Deferred tax asset (see note 13)	5,304	5,134
Prepayments and accrued income	<u>1,023,368</u>	<u>659,792</u>
	<u>16,661,213</u>	<u>3,394,448</u>

12. Other creditors including taxation and social security

	2008 £	2007 £
Other taxation and social security	28,347	110,609
Corporation tax creditor	1,544,799	606,972
Other creditors	<u>211,739</u>	<u>356,787</u>
	<u>1,784,885</u>	<u>1,074,368</u>

13. Deferred taxation

	2008 £	2007 £
Capital allowances in excess of depreciation at 1 July	(5,134)	(2,069)
Charge to profit and loss account	<u>(170)</u>	<u>(3,065)</u>
Capital allowances in excess of depreciation at 30 June (see note 11)	<u>(5,304)</u>	<u>(5,134)</u>

Amsprop Estates Limited

Notes to the accounts Year ended 30 June 2008

14. Called up share capital

	2008 £	2007 £
Authorised:		
1,000 ordinary shares of £1 each	1,000	1,000
Called up, allotted and fully paid:		
100 ordinary shares of £1 each	100	100

15. Reconciliation of movement in shareholders' funds

	2008 £	2007 £
At 1 July 2007	24,810,324	21,886,556
Profit for the financial year	9,406,619	2,923,868
At 30 June 2008	34,216,943	24,810,324

16. Events during the year

Dealing stock sold during the year were 38 Albemarle Street, London on 19 September 2007 for £5,650,000, Werter Road, Putney on 13 September 2007 for £18,350,000 and High Street, Maltby on 1 November 2007 for £1,500,000. Stocks transferred during the year were Alderman's House on 12th March 2008 for £7,900,000 and Bishopsgate/Liverpool Street on 12th March for £5,670,000.

17. Subsequent events

In August 2008 Amsprop Estates Limited sold Brentwood House to Amsprop London, a company outside the Amshold group, for £1,300,000, representing the open market valuation assigned to this property at 30 June 2008 by external valuers CBRE.

18. Ultimate parent undertaking and related party transactions

At 30 June 2008, the ultimate controlling party was Sir Alan 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 Limited are available from Companies House, Crown Way, Mandy, Cardiff CF14 3UZ.

The company has taken advantage of the exemption from related party disclosure in accordance with Paragraph 3(c) of Financial Reporting Standard No. 8.

The company rents out office space to Amstrad plc. During the year ended 30 June 2008 £251,174 (2007 £251,174) was due from Amstrad plc. £nil was outstanding from Amstrad plc as at 30 June 2008 (2007 £70,031).

Amsprop Estates Limited

Additional unaudited information

The additional information on pages 16 and 17 has been prepared from the accounting records of the company. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the auditors' report thereon.

Amsprop Estates Limited

Additional information (unaudited)

	Unaudited	
	2008	2007
	£	£
Turnover		
Rental income	2,452,620	3,881,894
Property management charges	81,263	75,032
Commission income	359,851	115,870
Other income	417,264	307,025
Lease surrender	-	-
Sale of property	39,070,000	6,410,000
	<u>42,380,998</u>	<u>10,789,821</u>
Cost of Sales		
Net release of stock provisions	(2,957,955)	1,234,387
Other property costs	(19,198,262)	(2,326,366)
	<u>(22,156,217)</u>	<u>(1,091,979)</u>
Gross profit	<u>20,224,781</u>	<u>9,697,842</u>
Administrative expenses		
Salaries and wages	1,637,063	1,590,016
Rates	227,453	233,215
Heat, light and power	8,935	26,909
Motor expenses	63,481	56,254
Computer software and training	39,082	38,675
Travelling and subsistence	265,776	192,067
Entertaining	729,973	898,678
Telephone, postage and stationery	41,533	46,351
Property management costs	10,500	1,667
Audit and accountancy fees	10,479	14,170
Professional fees	439,982	242,885
Legal fees	25,397	55,664
Insurance	43,449	114,903
Service charges	45,141	112,607
Advertising and marketing	13,936	10,898
Property security	177	15,875
Property repairs and renewals	776,241	150,424
Specific provisions for bad and doubtful debts	9,201	-
Staff recruitment costs	-	2,376
Depreciation	13,433	18,383
Transfer management fees	(986,000)	(951,000)
Other administrative expenses	3,849	2,252
Asset disposal	-	6,480
Property rent	-	122,797
Donations	750	-
	<u>-</u>	<u>-</u>
	<u>3,419,831</u>	<u>3,002,546</u>

Amsprop Estates Limited

Additional information (unaudited)

	Unaudited	
	2008	2007
	£	£
Money market and deposit interest receivable	55,521	28,896
Intercompany interest	224,960	(695,449)
Other interest and similar charges	(2,519)	(2,916)
	<u>277,962</u>	<u>(669,469)</u>
Profit on ordinary activities before taxation	<u>17,082,912</u>	<u>6,025,827</u>