

Company Registration No. 2801817

**Amsprop Estates Limited
(formerly Amsprop Trading Limited)
Report and Financial Statements**

30 June 2003

**Deloitte & Touche LLP
London**



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Amsprop Estates Limited
(formerly Amsprop Trading Limited)

Report and financial statements 2003

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Amsprop Estates Limited
(formerly Amsprop Trading Limited)

Report and financial statements 2003

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 (appointed 8 January 2004)

Secretary

C T Sandy

Registered Office

Brentwood House
169 Kings Road
Brentwood
Essex
CM14 4EF

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

Kingsley Napley
Knights Quarter
14 St Johns Lane
London
EC1M 4AJ

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

Amsprop Estates Limited **(formerly Amsprop Trading Limited)**

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2003.

Change of name

The Company changed its name from Amsprop Trading Limited to Amsprop Estates Limited on 27 January 2003.

Activities and review of developments

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 £2,550,437 (2002 – £2,699,116) as shown on page 6.

Dividends

The directors do not recommend the payment of a dividend (2002 – £nil).

Close company status

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

Directors and their interests

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

Sir Alan Sugar
Lady Sugar
C T Sandy
L J Baron
A N Cohen
D P Sugar

The following directors who held office at 30 June 2003 had interests in the shares of the company:

	Ordinary shares of £1 each	
	30 June 2003	30 June 2002
Sir Alan Sugar	-	1

All the directors of the company are also directors of the parent company, Amsprop Limited, and their interest in that company's shares and those of other group undertakings are shown in the financial statements of Amsprop Limited. Details of transactions involving Amsprop Limited and its subsidiaries during the year in which the directors had an interest are disclosed in the financial statements of Amsprop Limited.

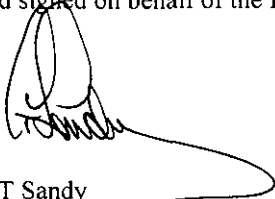
Amsprop Estates Limited
(formerly Amsprop Trading Limited)

Directors' report

Auditors

On 1 August 2003, Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. The company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte & Touche LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of Section 386(2) of the Companies Act 1985.

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

A handwritten signature in black ink, appearing to read 'C T Sandy', with a long, sweeping horizontal line extending to the right.

C T Sandy
Secretary

15th April 2004

Amsprop Estates Limited
(formerly Amsprop Trading Limited)

Statement of directors' responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or 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 accounting standards have been followed;
- 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 the system of internal control, 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 (formerly Amsprop Trading Limited)

We have audited the financial statements of Amsprop Estate Limited (formerly Amsprop Trading Limited) for the year ended 30 June 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 14. 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

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company 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.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards 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 judgements 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP
Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

16 April 2004

Amsprop Estates Limited
(formerly Amsprop Trading Limited)

Profit and loss account
Year ended 30 June 2003

	Note	2003 £	2002 £
Turnover	2	8,560,003	13,052,273
Cost of sales		(3,997,830)	(8,889,665)
Gross profit		4,562,173	4,162,608
Administrative expenses		(2,097,120)	(1,502,625)
Operating profit	3	2,465,053	2,659,983
Interest receivable and similar income		87,478	41,510
Interest payable and similar charges	5	(2,094)	(2,377)
Profit on ordinary activities before taxation		2,550,437	2,699,116
Tax on profit on ordinary activities	6	(1,026,156)	(653,665)
Profit on ordinary activities after taxation		1,524,281	2,045,451
Profit and loss account brought forward		16,177,599	14,132,148
Profit and loss account carried forward		17,701,880	16,177,599

There are no recognised gains or losses other than the profit on ordinary activities after taxation shown above.

All amounts derive from the company's continuing activities.

Amsprop Estates Limited
(formerly Amsprop Trading Limited)

Balance sheet
30 June 2003

	Note	2003 £	2002 £
Fixed assets			
Tangible fixed assets	8	33,294	42,262
Investments	7	695,632	1
		<u>728,926</u>	<u>42,263</u>
Current assets			
Property held for resale		28,191,740	32,526,549
Debtors	9	958,986	1,182,519
Amounts owed by group undertakings		1,968,853	-
Cash at bank and in hand		919,989	8,015,736
		<u>32,039,568</u>	<u>41,724,804</u>
Creditors: amounts falling due within one year			
Trade creditors		(25,009)	(85,117)
Amounts owed to group undertakings		(13,590,988)	(23,385,019)
Other creditors including taxation and social security	10	(565,172)	(1,175,941)
Accruals and deferred income		(882,929)	(940,120)
		<u>(15,064,098)</u>	<u>(25,586,197)</u>
Net current assets		<u>16,975,470</u>	<u>16,138,607</u>
Total assets less current liabilities		<u>17,704,396</u>	<u>16,180,870</u>
Provisions for liabilities and charges	11	<u>(2,416)</u>	<u>(3,173)</u>
Total net assets		<u>17,701,980</u>	<u>16,177,697</u>
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account		17,701,880	16,177,597
Total equity shareholders' funds	13	<u>17,701,980</u>	<u>16,177,697</u>

These financial statements were approved by the Board of Directors on 15th April 2004.

Signed on behalf of the Board of Directors

C T Sandy

Director

Amsprop Estates Limited **(formerly Amsprop Trading Limited)**

Notes to the accounts **Year ended 30 June 2003**

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

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 reducing balance basis
Motor vehicles	25% on a reducing balance 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.

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Joint arrangements

In accordance with Financial Reporting Standard 9, 'Associates and Joint Ventures', the company accounts for its proportion of the turnover, profits, losses, assets, liabilities and cash flows of joint arrangements measured in accordance with the terms governing the agreement.

2. Turnover

Turnover comprises rental income receivable by the company and the value of property sales, dilapidation receipts, insurance recoveries and service and management charges, all arising in the United Kingdom. Rents receivable were £2,756,084 (2002 – £2,639,001).

Amsprop Estates Limited
(formerly Amsprop Trading Limited)

Notes to the accounts
Year ended 30 June 2003

3. Operating profit

	2003 £	2002 £
Operating profit is stated after charging:		
Administrative expenses including:		
Depreciation		
- own assets	10,934	14,614
- leased assets	-	3,188
- loss on disposal of fixed assets	-	60,153
Auditors' remuneration		
- audit fees	6,525	5,488
- non-audit fees	-	4,663
Net increase in stock provisions	36,500	79,456

4. Staff costs

Directors' emoluments amounted to £747,687 (2002 – £659,262). 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 £332,234 (2002 – £197,101).

The average number of other employees in the year was five (2002 – three). Their total remuneration was:

	2003 £	2002 £
Wages and salaries	344,737	140,134
Social security costs	32,440	23,662
	377,177	163,796

5. Interest payable and similar charges

	2003 £	2002 £
Bank loans and overdrafts	2,080	1,697
Finance leases	14	680
	2,094	2,377

Amsprop Estates Limited
(formerly Amsprop Trading Limited)

Notes to the accounts
Year ended 30 June 2003

6. Tax on profit on ordinary activities

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

	2003 £	2002 £
United Kingdom corporation tax at 30% (2002 – 30%)	(838,284)	(653,137)
Group relief	(188,629)	-
	<u>(1,026,913)</u>	<u>(653,137)</u>
Deferred taxation	757	(528)
	<u>(1,026,156)</u>	<u>(653,665)</u>

(ii) Factors affecting tax charge for the current year

The tax assessed for the year is lower than that resulting from applying the standard rate of corporation tax in the UK: 30% (2002: 30%). The differences are explained below:

	2003 £	2002 £
Profit on ordinary activities before tax	2,550,437	2,699,116
Tax at 30% thereon:	(765,131)	(809,735)
Effects of:		
Expenses not deductible for tax purposes	(102,270)	(515)
Capital allowances in excess of depreciation	(757)	528
Group relief paid for at 100%	(69,705)	156,585
Prior period adjustments	(89,050)	-
Current tax charge for year	<u>(1,026,913)</u>	<u>(653,137)</u>

7. Investments

	Country of Incorporation	Principal Activity	Holding £	Holding %
Subsidiary Undertakings				
Amsted Properties Ltd	Great Britain	Development property	414,985	100
Amsgal Properties Ltd	Great Britain	Development property	280,647	100

Amsprop Estates Limited
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Notes to the accounts
Year ended 30 June 2003

8. Tangible fixed assets

	Office equipment £	Total £
Cost		
At 1 July 2002	137,071	137,071
Additions	1,966	1,966
Disposals	-	-
At 30 June 2003	139,037	139,037
Depreciation		
At 1 July 2002	94,809	94,809
Charge for the year	10,934	10,934
Disposals	-	-
At 30 June 2003	105,743	105,743
Net book value		
At 30 June 2003	33,294	33,294
At 30 June 2002	42,262	42,262

9. Debtors

	2003 £	2002 £
Trade debtors	537,861	211,866
Amounts owed by participating interests	-	643,522
Other debtors	108,942	9,294
Prepayments and accrued income	312,183	317,837
	958,986	1,182,519

10. Other creditors including taxation and social security

	2003 £	2002 £
Other taxation and social security	31,220	689,359
Corporation tax creditor	457,596	378,137
Other creditors	76,356	108,445
	565,172	1,175,941

Amsprop Estates Limited
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Notes to the accounts
Year ended 30 June 2003

11. Provisions for liabilities and charges

	Deferred taxation	
	2003	2002
	£	£
At 1 July	3,173	2,645
Charge to profit and loss account	(757)	528
At 30 June	<u>2,416</u>	<u>3,173</u>

12. Called up share capital

	2003	2002
	£	£
Authorised:		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

13. Reconciliation of movement in shareholders' funds

	2003	2002
	£	£
At 1 July	16,177,699	14,132,248
Profit for the financial year	<u>1,524,281</u>	<u>2,045,451</u>
At 30 June	<u>17,701,980</u>	<u>16,177,699</u>

14. Ultimate parent undertaking and related party transactions

At 30 June 2003 the ultimate parent company controlling party and largest group for which group accounts are prepared and of which this company is a member was Amshold Group Limited, a company incorporated in Great Britain. This company is in turn owned by Sir Alan Sugar.

The intermediate parent company is Amsprop Limited, a company incorporated in Great Britain. Amsprop Limited is also the parent which heads the smallest group for which group accounts are prepared and of which this company is a member. Copies of the group financial statements of Amsprop Limited and Amshold Group Limited are available from Companies House, Crown Way, Maindy, 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, a company in which Amshold Limited has a 29% shareholding. During the year ended 30 June 2003 £180,000 (30 June 2002: £175,000) was received from Amstrad plc.