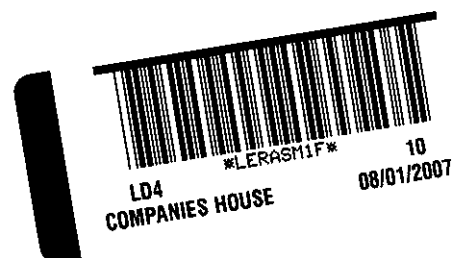


**Company Registration No. 3058930**

**Amsgal Properties Limited**

**Report and Financial Statements**

**30 June 2006**



# **Amsgal Properties Limited**

## **Report and financial statements 2006**

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# **Amsgal Properties Limited**

## **Report and financial statements 2006**

### **Officers and professional advisers**

#### **Directors**

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

#### **Secretary**

C T Sandy

#### **Registered Office**

Brentwood House  
169 Kings Road  
Brentwood  
Essex CM14 4EF

#### **Auditors**

Deloitte & Touche LLP  
Chartered Accountants  
London

# **Amsgal Properties Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 30 June 2006.

This Directors' report has been prepared in accordance with the special provisions relating to small companies under S246(4)(a) of the Companies Act 1985.

### **Activities and future prospects**

Amsgal Properties Limited is involved in property trading. There are no planned changes to the company's activities.

### **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.

### **Review of developments**

The profit and loss account for the year is set out on page 7.

### **Dividends**

The directors do not recommend the payment of a dividend (2005: £nil).

### **Directors and their interests**

The directors who served throughout the year were as follows:

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

None of the directors held shares in the company at 30 June 2006.

All the directors of the company are also directors of the parent company, Amsprop Estates Limited (formerly Amsprop Trading Limited), and are directors of the parent that heads the smallest group for which group accounts are prepared, Amsprop Limited. The directors' interests in other group undertakings are shown in the financial statements of Amsprop Limited.

# **Amsgal Properties Limited**

## **Directors' report (continued)**

### **Information to auditors**

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

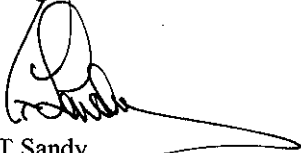
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's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

*29 December* 2006

# **Amsgal Properties Limited**

## **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. 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 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 sole member of Amsgal Properties Limited**

We have audited the financial statements of Amsgal Properties Limited for the year ended 30 June 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. 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 annual report and 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 United Kingdom 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, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. We also 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 and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **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 sole member of Amsgal Properties 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 2006 and of its result 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 WP*

**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

London

*2006 20 December 2006*



# Amsgal Properties Limited

## Profit and loss account Year ended 30 June 2006

	Note	2006 £	2005 £
Turnover	2	26,960	25,703
Gross profit		26,960	25,703
Administrative expenses		(19,721)	(56,414)
Operating profit/(loss)	3	7,239	(30,711)
Interest payable and similar charges	4	(102,262)	(103,205)
Interest receivable and similar income		42	84
Loss on ordinary activities before taxation		(94,981)	(133,832)
Tax credit on loss on ordinary activities	5	94,981	133,832
Result for the financial year		-	-
Profit and loss account brought forward		47,699	47,699
Profit and loss account carried forward		47,699	47,699

All activities derive from continuing operations.

There are no recognised gains or losses in the current year or preceding period other than the loss on ordinary activities after taxation shown above. Accordingly, no statement of total recognised gains and losses is presented.

# Amsgal Properties Limited

## Balance sheet 30 June 2006

	Note	2006 £	2005 £
<b>Current assets</b>			
Stock		2,348,774	2,314,052
Debtors	6	6,064	148,101
Cash at bank and in hand		3	472
<b>Total current assets</b>		<u>2,354,841</u>	<u>2,462,625</u>
<b>Creditors: amounts falling due within one year</b>	7	(2,307,140)	(2,414,924)
<b>Total assets less current liabilities</b>		<u>47,701</u>	<u>47,701</u>
<b>Capital and reserves</b>			
Called up share capital	8	2	2
Profit and loss account		47,699	47,699
<b>Equity shareholder's (deficit)/funds</b>	9	<u>47,701</u>	<u>47,701</u>

These financial statements were approved by the Board of Directors on 20th December 2006.

Signed on behalf of the Board of Directors

  
C T Sandy  
Director

# **Amsgal Properties Limited**

## **Notes to the accounts Year ended 30 June 2006**

### **1. Accounting policies**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. Compliance with Statement of Standard Accounting Practices 19 "Accounting for investment properties" requires departure from the requirements of the Companies Act 1985 relating to depreciation and an explanation of the departure is given below. The particular accounting policies adopted by the directors are described below. They have been applied consistently in the current and prior year.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention.

#### **Stock**

The stock consists of land held for development and is stated at the lower of historic cost and net realisable value.

#### **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 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.

### **2. Turnover**

Turnover represents rental income, net of value added tax, receivable by the company, wholly arising in the United Kingdom.

### **3. Operating profit/(loss)**

Operating profit is stated after charging for audit services. The audit fee for the year was £1,575 (2005: £1,575). The directors did not receive any remuneration during the year (2005: £nil). No employees have been employed by the company during the year (2005: £nil).

# Amsgal Properties Limited

## Notes to the accounts Year ended 30 June 2006

### 4. Interest payable

	2006 £	2005 £
Intercompany interest payable	102,262	103,205

### 5. Tax on profit on ordinary activities

#### (i) Analysis of tax on ordinary activities

	2006 £	2005 £
United Kingdom corporation tax – 30% (2005: 30%)	-	-
Group relief	94,981	133,832
	94,981	133,832

#### (ii) Factors affecting tax charge for the current period

The tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK: 30% (2005: 30%). The differences are explained below:

	2006 £	2005 £
Loss on ordinary activities before tax	(94,981)	(133,832)
Tax at 30% thereon:	28,494	40,150
Effects of:		
Marginal relief	-	-
Group relief	66,487	93,682
Current tax charge for period	94,981	133,832

### 6. Debtors

	2006 £	2005 £
Trade debtors	-	-
Amounts owed by immediate parent undertaking	-	133,832
Other debtors	6,064	14,269
	6,064	148,101

# Amsgal Properties Limited

## Notes to the accounts Year ended 30 June 2006

### 7. Creditors: amounts falling due within one year

	2006 £	2005 £
Trade creditors	-	-
Amounts owed to group undertakings	2,298,274	2,403,699
Corporation tax	-	-
Other creditors	-	2,359
Accruals and deferred income	8,866	8,866
	<u>2,307,140</u>	<u>2,414,924</u>

### 8. Called up share capital

	2006 £	2005 £
<b>Authorised:</b>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Called up, allotted and fully paid:</b>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 9. Reconciliation of movements in equity shareholders' funds

	2006 £	2005 £
Result for the year	-	-
Movement in shareholders' funds	-	-
Opening shareholder's funds	<u>47,701</u>	<u>47,701</u>
Closing shareholders' (deficit)/funds	<u>47,701</u>	<u>47,701</u>

### 10. Ultimate parent company and controlling party

At 30 June 2006, the ultimate controlling party was Sir Alan Sugar.

The immediate parent company is Amsprop Estates Limited, a company incorporated in Great Britain and registered in England and Wales. Amsprop Limited is the parent which heads the smallest group for which group accounts are prepared. Copies of the group financial statements of Amsprop Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

Amshold Group Limited, a company incorporated in Great Britain is the parent undertaking of the 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, Maindy, Cardiff CF14 3UZ.

### 11. 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.