

Company Registration No. 3058930

Amsgal Properties Limited

Report and Financial Statements

30 June 2005



Amsgal Properties Limited

Report and financial statements 2005

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Amsgal Properties Limited

Report and financial statements 2005

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 2005.

Activities and future prospects

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

Review of developments

The profit and loss account for the year is set out on page 5.

Dividends

The directors do not recommend the payment of a dividend (2004: £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

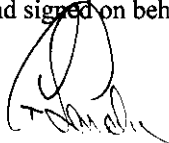
None of the directors held shares in the company at 30 June 2005.

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.

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

18th January 2006

Amsgal Properties 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; 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 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 sole member of Amsgal Properties Limited

We have audited the financial statements of Amsgal Properties Ltd for the year ended 30 June 2005 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 member 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 member 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 member, 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 2005 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

18 January 2006

Amsgal Properties Limited

Profit and loss account Year ended 30 June 2005

	Note	2005 £	2004 £
Turnover	2	25,703	81,884
Gross profit		25,703	81,884
Administrative expenses		(56,414)	(13,788)
Operating (loss)/profit		(30,711)	68,096
Interest payable and similar charges	4	(103,205)	(20,422)
Interest receivable and similar income		84	34
(Loss)/profit on ordinary activities before taxation	3	(133,832)	47,708
Tax on (loss)/profit on ordinary activities	5	133,832	(13,974)
Profit on ordinary activities after taxation and retained profit		-	33,734
Profit and loss account brought forward		47,699	13,965
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 profit on ordinary activities after taxation shown above. Accordingly, no statement of total recognised gains and losses is presented.

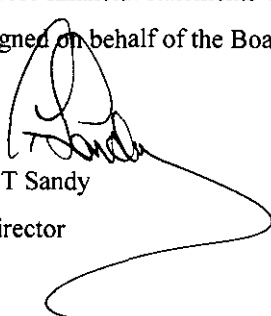
Amsgal Properties Limited

Balance sheet 30 June 2005

	Note	2005 £	2004 £
Current assets			
Stock		2,314,052	2,099,374
Debtors	6	148,101	33,503
Cash at bank and in hand		472	18
Total current assets		<u>2,462,625</u>	<u>2,132,895</u>
Creditors: amounts falling due within one year	7	(2,414,924)	(2,085,194)
Total assets less current liabilities		<u>47,701</u>	<u>47,701</u>
Capital and reserves			
Called up share capital	8	2	2
Profit and loss account		47,699	47,699
Equity shareholder's (deficit)/funds	9	<u>47,701</u>	<u>47,701</u>

These financial statements were approved by the Board of Directors on *18 January* 2006.

Signed on behalf of the Board of Directors


C T Sandy

Director

Amsgal Properties Limited

Notes to the accounts Year ended 30 June 2005

1. Accounting policies

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

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. (Loss)/profit on ordinary activities before taxation

The directors did not receive any remuneration during the year (2004: £nil). No employees have been employed by the company during the year (2004: £nil). Auditors' remuneration for the year was £1,575 (2004: £1,225).

Amsgal Properties Limited

Notes to the accounts Year ended 30 June 2005

4. Interest payable

	2005 £	2004 £
Intercompany interest payable	103,205	20,422
	<u>103,205</u>	<u>20,422</u>

5. Tax on profit on ordinary activities

(i) Analysis of tax on ordinary activities

	2005 £	2004 £
United Kingdom corporation tax – 30% (2004: 30%)	-	(13,974)
Group relief	133,832	-
	<u>133,832</u>	<u>(13,974)</u>

(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% (2004: 30%). The differences are explained below:

	2005 £	2004 £
(Loss)/profit on ordinary activities before tax	(133,832)	47,708
Tax at 30% thereon:	40,150	(14,312)
Effects of:		
Marginal relief	-	338
Group relief	93,682	-
Current tax charge for period	<u>133,832</u>	<u>(13,974)</u>

6. Debtors

	2005 £	2004 £
Trade debtors	-	18,800
Amounts owed by immediate parent undertaking	133,832	-
Other debtors	14,269	14,703
	<u>148,101</u>	<u>33,503</u>

Amsgal Properties Limited

Notes to the accounts Year ended 30 June 2005

7. Creditors: amounts falling due within one year

	2005 £	2004 £
Trade creditors	-	12,198
Amounts owed to group undertakings	2,403,699	2,028,586
Corporation tax	-	13,975
Other creditors	2,359	2,800
Accruals and deferred income	8,866	27,635
	<u>2,414,924</u>	<u>2,085,194</u>

8. Called up share capital

	2005 £	2004 £
Authorised:		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid:		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

9. Reconciliation of movements in equity shareholder's funds

	2005 £	2004 £
Profit for the year	-	33,734
Net increase in shareholder's funds	-	33,734
Opening shareholder's funds	<u>47,701</u>	<u>13,967</u>
Closing shareholder's (deficit)/funds	<u>47,701</u>	<u>47,701</u>

10. Ultimate parent company and controlling party

At 30 June 2005, 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.