

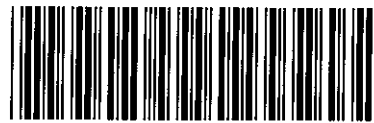
Company Registration No. 3337575

Amshold Securities Limited

Report and Financial Statements

30 June 2006

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Amshold Securities Limited

Report and financial statements 2006

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Amshold Securities Limited

Report and financial statements 2006

Officers and professional advisers

Directors

Sir Alan Sugar DSc (Chairman)
Colin Sandy CTA

Secretary

Colin Sandy CTA

Registered Office

Brentwood House
169, Kings Road
Brentwood
Essex
CM14 4EF

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

Amshold Securities Limited

Directors' report

The directors have pleasure in presenting their annual report and the audited financial statements for the year ended 30 June 2006.

Principle activities

The maintenance and administration of loan notes.

Business review and future prospects

The company is exempt under section 234(1)(a) from the requirement to prepare a fair review of the business. The company continues to administer the guaranteed floating rate loan notes, which expire in 2009 and 2010 and the unguaranteed floating rate loan notes that expire in 2059 and 2060.

Results

The company made a profit after tax of £16,938 (2005: £34)

Dividends

No dividend was declared during the year £nil (2005: £nil).

Directors and their interests

The directors who served during the period are set out on page 1. The directors' interests in the ultimate parent company are disclosed in that company's accounts. There are no other interests held by the directors in shares of the company or other group companies that require disclosure under the Companies Act 1985.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report including the financial statements. The directors have chosen to prepare the financial statements for the company in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with UK GAAP, 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.

Amshold Securities Limited

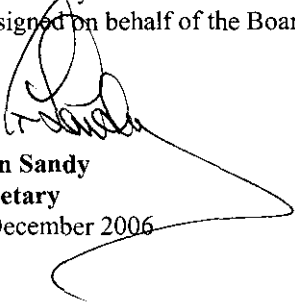
Directors' report (continued)

Auditors

To the best of the directors' knowledge and belief, and having made appropriate enquiries of other officers of the Company, all information relevant to enabling the auditors to provide their opinion on the financial statements has been provided. The directors have taken all reasonable steps in order to ensure their awareness of any relevant audit information and to establish that the company's auditors are aware of such information.

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

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



Colin Sandy
Secretary
20 December 2006

Independent auditors' report to the members of Amshold Securities Limited

We have audited the financial statements of Amshold Securities Limited for the year ended 30 June 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16. 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 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 Amshold Securities 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 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
Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

20 December 2006

Amshold Securities Limited

Profit and loss account Year ended 30 June 2006

	Note	Year ended 30 June 2006 £	Year ended 30 June 2005 £
Operating profit/(loss)	2	22,211	(5,903)
Net interest	4	616	1,421
Profit/(loss) on ordinary activities before taxation	5	22,827	(4,482)
Tax on profit/(loss) on ordinary activities	7	(5,889)	4,516
Profit on ordinary activities after taxation and loss retained for the financial year		16,938	34

All amounts relate to continuing activities.

There were no recognised gains or losses in either period other than the profit for the financial year, consequently no statement of total recognised gains or losses has been presented.

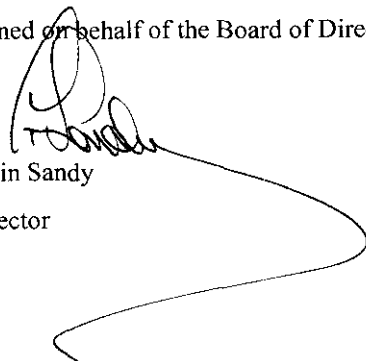
Amshold Securities Limited

Balance sheet 30 June 2006

	Note	£	2006 £	2005 £
Fixed assets				
Investments	6		8	8
Current assets				
Debtors	9	28,370,088	12,088,181	
Investments	10	6,952,966	12,529,273	
Cash at bank and in hand		60,263,543	76,550,822	
		<u>95,586,597</u>	<u>101,168,276</u>	
Creditors: amounts falling due within one year	11	<u>(95,554,988)</u>	<u>(101,153,605)</u>	
Net current assets			<u>31,609</u>	<u>14,671</u>
Total assets less current liabilities and net assets			<u><u>31,617</u></u>	<u><u>14,679</u></u>
Capital and reserves				
Called up share capital	12		1	1
Profit and loss account	13		<u>31,616</u>	<u>14,678</u>
Equity shareholders' funds	14		<u><u>31,617</u></u>	<u><u>14,679</u></u>

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

Signed on behalf of the Board of Directors


Colin Sandy
Director

Amshold Securities Limited

Notes to the accounts Year ended 30 June 2006

1. Accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards and under the historical cost convention. The principal accounting policies set out below have remained unchanged from the previous year except for the adoption of FRS 21 and FRS 25 as stated below.

Events after the balance sheet date

FRS 21 "Events after the balance sheet date" is applicable for accounting periods beginning on or after 1 January 2005. The main impact of FRS 21 is that dividends declared to holders of equity instruments after the balance sheet date, are not recognised as a liability at the balance sheet date. As this constitutes a change in accounting policy, *the comparative amounts in the financial statements are required to be restated in accordance with FRS 3 "Reporting Financial Performance"*. There has been no impact on the financial statements of the company for the current or previous period.

Financial Instruments: Disclosure and Presentation

FRS 25 "Financial Instruments: Disclosure and Presentation" is applicable for accounting periods beginning on or after 1 January 2005. The main impact of FRS 25 is that preference shares are recognised as a liability rather than within equity. There has been no impact on the financial statements of the company for the current or previous period.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

Current 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 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 income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

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.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Exemption from preparing group accounts

The financial statement contains information about Amshold Securities Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements, as it is a wholly owned subsidiary of Amshold Limited (see note 16).

Investments

Investments are held at cost less provision for impairment in value.

Amshold Securities Limited

Notes to the accounts Year ended 30 June 2006

2. Operating profit/(loss)

	Year ended 30 June 2006 £	Year ended 30 June 2005 £
Administrative expenses	(20,016)	(17,093)
Other income	42,227	11,190
	<u>22,211</u>	<u>(5,903)</u>

3. Staff costs

No directors received remuneration during the year (2005: £nil). There were no employees during the year (2005: nil).

4. Net interest

	Year ended 30 June 2006 £	Year ended 30 June 2005 £
Interest receivable	616	1,450
Interest payable	-	(29)
Interest receivable on investments backing loan notes (see note 10)	4,463,924	4,573,347
Interest payable on loan notes and related finance charges (see note 10)	(4,463,924)	(4,573,347)
	<u>616</u>	<u>1,421</u>

5. Profit/(loss) on ordinary activities before taxation

Profit/(loss) on ordinary activities before taxation is after charging:

	Year ended 30 June 2006 £	Year ended 30 June 2005 £
Auditors' remuneration – audit fees	3,819	3,550
– tax services	8,048	12,129
	<u>11,867</u>	<u>15,679</u>

6. Investments

	Year ended 30 June 2006 £	Year ended 30 June 2005 £
Investments in subsidiary companies	8	8
	<u>8</u>	<u>8</u>

Amshold Securities Limited

Notes to the accounts Year ended 30 June 2006

6. Investment (continued)

Name	% Owned	Principal activity
Amstrad Computers Limited	100%	Closure of former Amstrad activities
Amshold Investment Limited	100%	Dormant
Amshold Trustees Limited	100%	Dormant
Amstrad Consumer Electronics Company	100%	Dormant

7. Tax on profit/(loss) on ordinary activities

	Year ended 30 June 2006 £	Year ended 30 June 2005 £
Current taxation		
United Kingdom Corporation tax		
Current tax on income for the period at 30% (2005: 30%)	(5,889)	-
Adjustment in respect of prior years	-	4,516
Total current taxation	<u>(5,889)</u>	<u>4,516</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30% (2005: 30%).
The actual tax credit/(charge) of the current and the previous year differs from the standard rate for the reasons set out in the following reconciliation:

	Year ended 30 June 2006 £	Year ended 30 June 2005 £
Profit/(loss) on ordinary activities before tax	<u>22,827</u>	<u>(4,482)</u>
Tax on profit/(loss) on ordinary activities before tax at 30% (2005: 30%)	(6,848)	1,345
Factors affecting credit for the year:		
Marginal relief	959	(626)
Income tax recoverable	-	(719)
Prior period adjustments	-	4,516
Current tax (charge)/credit for the year	<u>(5,889)</u>	<u>4,516</u>

8. Dividends

No dividend was declared during the year (2005: £nil).

Amshold Securities Limited

Notes to the accounts Year ended 30 June 2006

9. Debtors

	2006 £	2005 £
Amounts owed to group undertakings	28,370,088	12,088,181

10. Investments

The investments are all cash deposits on fixed (six month) terms at Lloyds TSB Bank plc that secure the loan notes issued. The deposits and loan notes are as follows:

	2006 £	2005 £
Cash deposits at Lloyds TSB Bank Plc	6,952,966	12,529,273
Loan notes secured by deposits:		
Floating rate loan notes 2009	5,399,881	9,773,176
Floating rate loan notes 2010	1,551,135	2,751,947
Unsecured loan notes	1,950	4,150
	6,952,966	12,529,273

11. Creditors: amounts falling due within one year

	30 June 2006 £	30 June 2005 £
Secured loan notes (see note 10)	6,951,016	12,525,123
Unsecured loan notes	84,696,274	84,698,474
Corporation tax	5,889	-
Accruals	171,911	206,103
Amounts owed to group undertakings	3,723,905	3,723,905
Other taxes and social security costs	5,993	-
	95,554,988	101,153,605

The secured and unsecured loan notes are redeemable twice a year on demand of loan note holder. Secured loan notes are guaranteed by Lloyds TSB Bank plc. The unsecured loan notes are principally held by Amshold Limited, the company's immediate parent company.

Amshold Securities Limited

Notes to the accounts Year ended 30 June 2006

12. Called up share capital

	30 June 2006 £	30 June 2005 £
Authorised:		
7 ordinary shares of 14 2/7p each	1	1
Allotted, issued, called up and fully paid		
7 ordinary shares of 14 2/7p each	1	1

13. Profit and loss account

	Profit and loss account £
At 1 July 2005	14,678
Retained profit for the period	16,938
At 30 June 2006	31,616

14. Reconciliation of movements in equity shareholders' funds

	30 June 2006 £	30 June 2005 £
Equity shareholders' funds at 1 July	14,679	14,645
Profit for the financial period	16,938	34
Equity shareholders' funds at 30 June	31,617	14,679

15. Related party transactions

The company has taken advantage of the exemption conferred by FRS 8 'Related Party Disclosures' not to disclose transactions with companies 90% or more of whose voting rights are controlled by the group.

16. Ultimate parent company

As at 30 June 2006 the immediate parent company was Amshold Limited, a company registered in Jersey. The ultimate parent company was Amshold Group Limited, a company incorporated in Great Britain. The largest and smallest group in which the results of Amshold Securities Limited are consolidated is that headed by Amshold Group Limited. Copies of the accounts can be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ. The ultimate controlling party is Sir Alan Sugar.