

Company Registration No. 4203471

Amsprop City Properties Limited

Report and Financial Statements

30 June 2008

FRIDAY



LD5 *LEKXB4TO* 203
14/11/2008
COMPANIES HOUSE

Amsprop City Properties Limited

Report and financial statements 2008

Contents	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report	5
Profit and loss account	7
Statement of total recognised gains and losses	8
Balance sheet	9
Notes to the accounts	10
Additional unaudited information	15
Detailed profit and loss account	16

Amsprop City Properties Limited

Report and financial statements 2008

Officers and professional advisers

Directors

Sir Alan Sugar
Lady Ann Sugar
Colin T Sandy
Louise J Baron
Andrew N Cohen
Daniel P Sugar
Simon Sugar
James Hughes (appointed 22 January 2008)

Secretary

Colin T Sandy

Registered Office

West Wing
Sterling House
Langston Road
Loughton
Essex
IG10 3TS

Bankers

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

Solicitors

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

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

Amsprop City Properties Limited

Directors' report

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

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

Activities

The principal activity of the company is the holding of investment property

Review of developments

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

Dividends

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

Future prospects

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.

Directors

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

Sir Alan Sugar

Lady Ann Sugar

Colin T Sandy

Louise J Baron

Andrew N Cohen

Daniel P Sugar

Simon Sugar

James Hughes (appointed 22 January 2008)

Amsprop City 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



Colin T Sandy
Secretary

10th November 2008

Amsprop City Properties 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, 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 City Properties Limited

We have audited the financial statements of Amsprop City Properties Limited for the year ended 30 June 2008 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member, 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.

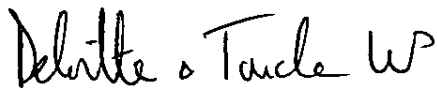
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 City 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 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

10 November 2008

Amsprop City Properties Limited

Profit and loss account Year ended 30 June 2008

	Notes	2008 £	2007 £
Turnover	2	548,116	96,205
Gross profit		548,116	96,205
Administrative expenses		(235,749)	(164,950)
Operating profit/(loss)	4	312,367	(68,745)
Interest receivable and similar income		1,891	448
Interest payable and similar charges	5	(467,262)	(378,663)
Loss on ordinary activities before taxation		(153,004)	(446,960)
Tax credit on loss on ordinary activities	6	510,636	743,897
Profit for the financial year		357,632	296,937

All activities derive from continuing operations

There is no difference between the reported profit on ordinary activities after taxation and the equivalent historical cost amount

Amsprop City Properties Limited

Statement of total recognised gains and losses Year ended 30 June 2008

	2008	2007
	£	£
Profit for the financial year	357,632	296,937
Unrealised (deficit)/surplus on revaluation of property	<u>(2,977,574)</u>	<u>5,588,318</u>
Total recognised gains and losses relating to the year	<u><u>(2,619,942)</u></u>	<u><u>5,885,255</u></u>

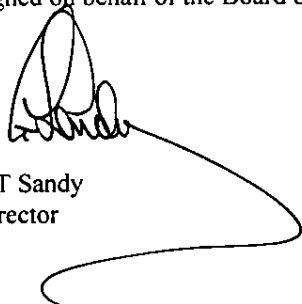
Amsprop City Properties Limited

Balance sheet 30 June 2008

	Notes	2008 £	2007 £
Fixed assets			
Investment Property	7	10,802,539	13,778,939
Tangible fixed assets	8	1,403	1,871
		<u>10,803,942</u>	<u>13,780,810</u>
Current assets			
Debtors	9	230,349	199,504
Cash at bank and in hand (including tenant deposits of £572,842 (2007 £24,414))		616,525	24,414
		<u>846,874</u>	<u>223,918</u>
Creditors: amounts falling due within one year			
Trade creditors		29,814	7,997
Amounts owed to group undertakings		8,135,699	8,546,544
Other creditors including taxation and social security		606,784	24,414
Accruals and deferred income		207,948	210,846
		<u>(8,980,245)</u>	<u>(8,789,801)</u>
Net current liabilities		<u>(8,133,371)</u>	<u>(8,565,883)</u>
Provisions for liabilities	10	<u>(75,586)</u>	<u>-</u>
Total net assets		<u>2,594,985</u>	<u>5,214,927</u>
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account	12	654,569	296,937
Revaluation reserve	12	1,940,414	4,917,988
Shareholders' funds	13	<u>2,594,985</u>	<u>5,214,927</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 City Properties Limited

Notes to the accounts Year ended 30 June 2008

1. Accounting policies

The financial statements are prepared in accordance with United Kingdom accounting standards. Compliance with Statements of Standard Accounting Practice 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 and have been applied consistently in the current and preceding financial years.

Accounting convention

The financial statements are prepared under the historical cost convention modified by the revaluation of certain freehold properties.

Investment properties

In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to revaluation reserve. Any diminution in value which is believed to be permanent is written off to the profit and loss account in the year in which it arises. No depreciation is provided in respect of investment properties.

The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principles set out in SSAP 19. The directors consider that, as these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

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
------------------	---------------------------------

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.

Amsprop City Properties Limited

Notes to the accounts Year ended 30 June 2008

1. Accounting policies (continued)

Taxation (continued)

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

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. Turnover

Turnover represents amounts derived from the provision of goods and services and rental income on investment properties which fall within the company's ordinary activities after deduction of trade discounts and value added tax. The turnover and pre-tax loss all arises in the United Kingdom. Rent increases arising from rent reviews are taken into account when such reviews have been agreed with tenants. On new leases with rent free periods rental income is allocated evenly over the period from the date of lease commencement to the date of the first rent review.

3. Staff costs

The company had no employees in either year. The directors received no emoluments during the current or preceeding year.

4. Operating profit/(loss)

Operating profit/(loss) for the year is stated after charging

	2008 £	2007 £
Auditors remuneration - fee for the statutory audit of the company's annual accounts	2,100	1,300
- other non-audit services	825	600
	<u>2,925</u>	<u>1,900</u>

5. Interest payable and similar charges

	2008 £	2007 £
Interest payable to other group companies	467,236	378,663
Bank interest payable	26	-
	<u>467,262</u>	<u>378,663</u>

Amsprop City Properties Limited

Notes to the accounts Year ended 30 June 2008

6. Tax credit on loss on ordinary activities

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

	2008 £	2007 £
Group relief	397,595	532,001
Adjustment in respect of prior periods	258,599	141,924
Total current tax credit	656,194	673,925
Deferred taxation	(77,579)	69,972
Prior year adjustment for deferred tax	(67,979)	-
	<u>510,636</u>	<u>743,897</u>

(ii) Factors affecting tax credit 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 £
Loss on ordinary activities before tax	(153,004)	(446,960)
Tax credit at 29.5% (2007 30%) thereon	45,140	134,088
Effects of		
Capital allowances in excess of depreciation	72,161	25,512
Group relief not paid for	280,294	372,401
Prior year adjustments	258,599	141,924
Current tax credit for year	<u>656,194</u>	<u>673,925</u>

7. Investment property

	Freehold £
At 1 July 2007	13,778,939
Additions	1,173
Deficit on valuation	(2,977,573)
At 30 June 2008	<u>10,802,539</u>
Representing	
Properties valued	
Cost	8,862,125
Net surplus	<u>1,940,414</u>
At 30 June 2008	<u>10,802,539</u>

The investment property was valued by the directors at 30 June 2008 on an open market basis

Amsprop City Properties Limited

Notes to the accounts Year ended 30 June 2008

8. Tangible fixed assets

	Office equipment £
Cost	
At 1 July 2007	2,031
Additions	-
At 30 June 2008	<u>2,031</u>
Depreciation	
At 1 July 2007	160
Charge for the year	468
At 30 June 2008	<u>628</u>
Net book value	
At 30 June 2008	<u>1,403</u>
At 30 June 2007	<u>1,871</u>

9. Debtors

	2008 £	2007 £
Trade debtors	51,889	10,410
Other debtors	-	88,976
Corporation tax	28,999	28,999
Deferred tax asset (see note 6)	-	69,972
Accrued income	149,461	1,147
	<u>230,349</u>	<u>199,504</u>

10. Provisions for liabilities

	Deferred taxation £
At 1 July 2007	69,972
Prior year deferred tax adjustment	(77,579)
Charge to profit and loss account	<u>(67,979)</u>
At 30 June 2008	<u>(75,586)</u>

The company's freehold property has been revalued in accordance with FRS 15 Tangible Fixed Assets. It is the company's intention to retain the property for the foreseeable future. No deferred tax has been provided on the gains arising on the revaluation as such tax would only become payable if the property were sold without rollover relief being obtained. The tax payable in such circumstances is estimated to be £543,316.

Amsprop City Properties Limited

Notes to the accounts Year ended 30 June 2008

11. Called up share capital

	2008 £	2007 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Called up, allotted and fully paid:		
2 ordinary shares of £1 each	2	2

12. Reserves

	Revaluation Reserve £	Profit and Loss £	Total £
At 1 July 2007	4,917,988	296,937	5,214,925
Revaluation deficit in year	(2,977,574)	-	(2,977,574)
Profit for the financial year	-	357,632	357,632
At 30 June 2008	1,940,414	654,569	2,594,983

13 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Opening shareholders' funds/(deficit)	5,214,927	(670,328)
Profit for the financial year	357,632	296,937
(Deficit)/surplus on valuation	(2,977,574)	5,588,318
Closing shareholders' funds	2,594,985	5,214,927

14. Ultimate controlling party

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, Maundy, Cardiff CF14 3UZ

15. 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

Amsprop City Properties Limited

Additional unaudited information

The additional information on page 16 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 City Properties Limited

Detailed unaudited company profit and loss account Year ended 30 June 2008

	Unaudited	
	2008	2007
	£	£
Turnover		
Rental income	540,987	95,681
Miscellaneous income	7,129	524
	<u>548,116</u>	<u>96,205</u>
Gross profit	<u>548,116</u>	<u>96,205</u>
Administrative expenses		
Professional fees	107,975	30
Legal fees	44,874	-
Audit and accountancy fees	2,900	1,125
Group management fee	40,000	100,000
Property costs	40,000	63,795
Administration costs	-	-
	<u>(235,749)</u>	<u>(164,950)</u>
Operating profit/(loss)	312,367	(68,745)
Money market and deposit interest receivable	1,891	448
Interest payable to other group companies	<u>(467,262)</u>	<u>(378,663)</u>
Loss on ordinary activities before taxation	<u>(153,004)</u>	<u>(446,960)</u>

