

**Company Registration No. 4293793**

**Amsprop Central Limited**

**Report and Financial Statements**

**30 June 2006**



# **Amsprop Central Limited**

## **Report and financial statements 2006**

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# **Amsprop Central Limited**

## **Report and financial statements 2006**

### **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

#### **Secretary**

Colin T Sandy

#### **Registered office**

Brentwood House  
169 Kings Road  
Brentwood  
Essex CM14 4EF

#### **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 Central 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**

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

### **Review of developments**

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

### **Dividends**

The directors do not propose the payment of a dividend (2005: £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 and their interests**

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

Sir Alan Sugar  
Lady Ann Sugar  
Colin T Sandy  
Louise J Baron  
Andrew N Cohen  
Simon Sugar  
Daniel P 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 Limited, and their interests in that company's shares and those of other group undertakings are shown in the financial statements of Amsprop Limited.

# Amsprop Central 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

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them 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

 2006

# **Amsprop Central 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 Amsprop Central Limited**

We have audited the financial statements of Amsprop Central Limited for the year ended 30 June 2006 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses 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 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 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.

## **Independent auditors' report to the sole member of Amsprop Central 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 loss 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

*2006 20 December 2006*



# Amsprop Central Limited

## Profit and loss account For the year ended 30 June 2006

	Note	2006 £	2005 £
Turnover	2	496,251	518,161
Gross profit		496,251	518,161
Administrative expenses		(62,713)	(31,864)
Operating profit	4	433,538	486,297
Interest receivable and similar income		759	311
Interest payable and similar charges	5	(488,534)	(496,663)
Loss on ordinary activities before taxation		(54,237)	(10,055)
Tax credit on loss on ordinary activities	6	54,237	10,055
Result for the financial year		-	-
Retained loss brought forward		(429,905)	(429,905)
Retained loss carried forward		(429,905)	(429,905)

All activities derive from continuing operations.

## Amsprop Central Limited

### Statement of total recognised gains and losses Year ended 30 June 2006

	2006 £	2005 £
Result for the financial year	-	-
Unrealised surplus/(deficit) on revaluation of property	3,764,838	601,000
Total recognised gains and losses relating to the year	<u>3,764,838</u>	<u>601,000</u>


# Amsprop Central Limited

## Balance sheet 30 June 2006

	Note	2006 £	2005 £
<b>Fixed assets</b>			
Investment property	7	12,735,838	8,971,000
<b>Current assets</b>			
Debtors	8	84,425	168,782
Cash at bank and in hand		61,517	98,851
		145,942	267,633
<b>Creditors: amounts falling due within one year</b>	9	(9,631,532)	(9,753,223)
<b>Net current liabilities</b>		(9,485,590)	(9,485,590)
<b>Total assets less current liabilities</b>		3,250,248	(514,590)
<b>Capital and reserves</b>			
Called up share capital	10	2	2
Revaluation reserve	11	3,680,151	(84,687)
Profit and loss account		(429,905)	(429,905)
<b>Equity shareholders' (funds)/deficit</b>	12	3,250,248	(514,590)

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

# Amsprop Central Limited

## Notes to the accounts Year ended 30 June 2006

### 1. Accounting policies

The financial statements are prepared in accordance with United Kingdom law and applicable 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 on a consistent basis in the current and prior year.

#### 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.

#### 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.

# Amsprop Central Limited

## Notes to the accounts Year ended 30 June 2006

### 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 all arises in the United Kingdom.

### 3. Staff costs

The company has no employees (2005: none). The directors received no emoluments during the year (2005: £nil).

### 4. Operating profit

Operating profit for the year is stated after charging for audit services. The audit fee for the year was £1,500 (2005: £1,200).

Remuneration of the company's auditors for provision of non-audit services was £825 (2005: £825).

### 5. Interest payable and similar charges

	2006 £	2005 £
Interest payable to other group companies	<u>488,534</u>	<u>496,663</u>

### 6. Tax credit on (loss)/profit on ordinary activities

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

	2006 £	2005 £
Group relief	<u>54,237</u>	<u>10,055</u>

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

The tax assessed for the year differs from that when resulting from applying the standard rate of corporation tax in the UK: 30% (2005: 30%). The differences are explained below:

	2006 £	2005 £
(Loss)/profit on ordinary activities before tax	<u>(54,237)</u>	<u>(10,055)</u>
Tax at 30% (2005: 30%) thereon:	16,271	3,016
Effects of:		
Non taxable impairment – provision reversal	-	-
Group relief	37,966	7,039
	<u>54,237</u>	<u>10,055</u>
Current tax credit for year		

# Amsprop Central Limited

## Notes to the accounts Year ended 30 June 2006

### 7. Investment property

	Freehold £
At valuation	
At 1 July 2005	8,971,000
Surplus arising on revaluation	3,764,838
At 30 June 2006	<u>12,735,838</u>
Representing	
Properties valued	
Cost	9,055,687
Net surplus	3,680,151
At 30 June 2006	<u>12,735,838</u>

The investment property was valued by the directors at 30 June 2006 on an open market basis.

The company has taken advantage of a loan facility from Lloyds TSB Bank Plc to draw down a loan granted to Amsprop Limited and Amsprop Central Limited as its wholly owned subsidiary, of £4,836,774. There is a fixed charge registered over the property in respect of this loan.

### 8. Debtors

	2006 £	2005 £
Trade debtors	35,362	35,249
Amounts owed by fellow subsidiary undertakings	-	10,055
VAT debtor	769	492
Prepayments and accrued income	48,294	122,986
	<u>84,425</u>	<u>168,782</u>

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

	2006 £	2005 £
Trade creditors	-	76,701
Amounts owed to parent undertaking	9,414,659	9,523,916
Other creditors	87,645	24,560
Accruals and deferred income	129,228	128,046
	<u>9,631,532</u>	<u>9,753,223</u>

# Amsprop Central Limited

## Notes to the accounts Year ended 30 June 2006

### 10. Called up share capital

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

### 11. Revaluation reserve

	£
At 1 July 2005	(84,687)
Revaluation surplus in year	3,764,838
At 30 June 2006	3,680,151

### 12. Reconciliation of movements in equity shareholders' deficit

	2006 £	2005 £
Opening equity shareholder's deficit	(514,590)	(1,115,590)
Revaluation surplus in year	3,764,838	601,000
Loss for the financial year	-	-
<b>Closing equity shareholders' funds/(deficit)</b>	<b>3,250,248</b>	<b>(514,590)</b>

### 13. Ultimate controlling party

At 30 June 2006, 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. Amsprop Limited is also 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.

### 14. 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.