

Company Registration No. 05891745

Amsprop Southbank Limited

Report and Financial Statements

Year ended 30 June 2008



Amsprop Southbank Limited

Report and financial statements 2008

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Amsprop Southbank 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
Roger G Adams
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 Southbank Limited

Directors' report

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

Activities

The company was incorporated on 31 July 2006, the principal activity of the company is the holding of investment property

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

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

Roger G Adams

James Hughes (appointed 22 January 2008)

Amsprop Southbank 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

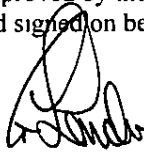
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's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



2008

Amsprop Southbank 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 sole member of Amsprop Southbank Limited

We have audited the financial statements of Amsprop Southbank Limited for the year ended 30 June 2008 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses 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 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.

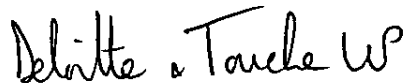
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 sole member of Amsprop Southbank 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 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 LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

10 November 2008

Amsprop Southbank Limited

Profit and loss account Year ended 30 June 2008

		Year ended 30 June 2008 £	Period 31 July 2006 to 30 June 2007 £
	Notes		
Turnover	2	5,153,730	4,179,463
Gross profit		5,153,730	4,179,463
Administrative expenses		(44,145)	(135,180)
Operating profit	4	5,109,585	4,044,283
Interest receivable and similar income		759,551	35,075
Interest payable and similar charges	5	(7,855,484)	(5,582,589)
Loss on ordinary activities before taxation		(1,986,348)	(1,503,231)
Tax credit on loss on ordinary activities	6	1,986,348	1,503,231
Result for the financial year		-	-
Retained result brought forward	13	-	-
Retained result carried forward		-	-

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 Southbank Limited

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

	2008	2007
	£	£
Profit for the financial period	-	-
Unrealised (deficit)/surplus on revaluation of property	<u>(19,563,000)</u>	<u>617,768</u>
Total recognised gains and losses relating to the year	<u><u>(19,563,000)</u></u>	<u><u>617,768</u></u>

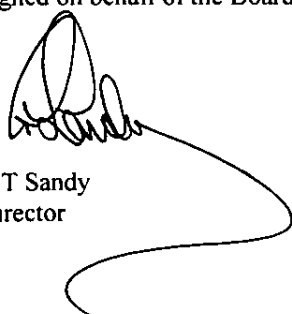
Amsprop Southbank Limited

Balance sheet 30 June 2008

	Notes	2008 £	2007 £
Fixed assets			
Investment property	7	98,437,000	118,000,000
Current assets			
Debtors	8	142,519	7,124
Cash at bank and in hand		1,317,935	1,505,709
		1,460,454	1,512,833
Creditors: amounts falling due within one year	9	(21,402,685)	(21,455,064)
Net current liabilities		(19,942,231)	(19,942,231)
Long term liabilities	10	(97,440,000)	(97,440,000)
Net (liabilities)/assets		(18,945,231)	617,769
Capital and reserves			
Called up share capital	11	1	1
Revaluation reserve	12	(18,945,232)	617,768
Profit and loss account		-	-
Shareholder's (deficit)/funds	13	(18,945,231)	617,769

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 Southbank Limited

Notes to the accounts Year ended 30 June 2008

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 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 Southbank Limited

Notes to the accounts Year ended 30 June 2008

1. Accounting policies (continued)

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.

Finance Costs

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount. Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the costs and expenditure for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Bank borrowings

Interest bearing bank loans are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in profit and loss account using the effective rate of interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period which they arise.

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. Rent increases arising from rent reviews are taken into account when such reviews have been agreed with tenants.

3. Staff costs

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

4. Operating profit

Operating profit is stated after charging

	Year ended 30 June 2008 £	Period 31 July 2006 to 30 June 2007 £
Auditors remuneration - fee for the audit of the company's annual accounts	2,800	2,500
- Other non audit services	1,300	1,451

Amsprop Southbank Limited

Notes to the accounts Year ended 30 June 2008

5 Interest payable and similar charges

	Year ended 30 June 2008 £	Period 31 July 2006 to 30 June 2007 £
Interest payable to group undertaking	1,144,354	849,815
Bank interest and charges	6,711,130	4,732,774
	<u>7,855,484</u>	<u>5,582,589</u>

6. Tax credit on loss on ordinary activities

(i) Analysis of tax charge on ordinary activities

	Year ended 30 June 2008 £	Period 31 July 2006 to 30 June 2007 £
United Kingdom corporation tax at 29.5% based on loss for the year	-	450,969
Group relief	1,986,348	1,052,262
	<u>1,986,348</u>	<u>1,503,231</u>

(ii) Factors affecting the tax charge for the current year

	Year ended 30 June 2008 £	Period 31 July 2006 to 30 June 2007 £
Loss on ordinary activities before tax	(1,986,348)	(1,503,231)
Tax credit at 29.5% thereon	586,027	450,969
Effects of Group relief	1,400,321	1,052,262
Current tax credit for year	<u>1,986,348</u>	<u>1,503,231</u>

A deferred tax asset has not been recognised in respect of timing differences relating to a revaluation of the investment property as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £5,304,665. The asset would be recovered if the property were sold at a loss and a corresponding capital gain crystallised in the period.

Amsprop Southbank Limited

Notes to the accounts Year ended 30 June 2008

7. Investment property

	Freehold £
At 1 July 2007	118,000,000
Additions	
Deficit arising on revaluation	(19,563,000)
At 30 June 2008	<u>98,437,000</u>
Representing	
Properties valued	
Cost	117,382,232
Net deficit	(18,945,232)
At 30 June 2008	<u>98,437,000</u>

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

8. Debtors

	2008 £	2007 £
Trade debtors	142,519	6,938
Other debtors	-	186
	<u>142,519</u>	<u>7,124</u>

9. Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	-	661
Amounts owed to fellow subsidiary undertaking	19,506,115	19,597,143
Other creditors	247,192	225,476
Accruals and deferred income	1,649,378	1,631,784
	<u>21,402,685</u>	<u>21,455,064</u>

10. Long term liabilities

In the prior year, the company obtained a bank loan to finance the purchase of an investment property. The principal amount drawdown on 8 September 2006 was for £97,440,000. The interest only repayment loan matures in 2012. The loan is secured on the investment property and the company has provided a rental shortfall guarantee for the duration of the loan and draws interest at a rate of 5.18% plus 90 margin points per annum.

Amsprop Southbank Limited

Notes to the accounts Year ended 30 June 2008

11. Called up share capital

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

12. Revaluation reserve

	£
At 1 July 2007	617,768
Revaluation deficit in year	(19,563,000)
At 30 June 2008	(18,945,232)

13. Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Opening shareholders' funds at incorporation on 1 July	617,769	-
Shares issued in period	-	1
Revaluation deficit in year	(19,563,000)	617,768
Result for the financial year	-	-
Closing shareholders' (deficit)/funds	(18,945,231)	617,769

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, Mandy, 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