

Company Registration No. 05891745

Amsprop Southbank Limited

Report and Financial Statements

30 June 2009

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Amsprop Southbank Limited

Report and financial statements 2009

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Amsprop Southbank Limited

Report and financial statements 2009

Officers and professional advisers

Directors

Lord Sugar (resigned 30 June 2009)
Lady Ann Sugar (resigned 30 June 2009)
Colin T Sandy
Louise J Baron
Andrew N Cohen
Daniel P Sugar
Simon Sugar
Roger G Adams
James Hughes
Claude Littner was appointed as a director with effect 1 July 2009

Secretary

Colin T Sandy

Registered Office

West Wing
Sterling House
Langston Road
Loughton
Essex
IG10 3TS

Bankers

Halifax Bank of Scotland
London Chief Office
PO Box 54873
London
SW1Y 5WX

Solicitors

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

Auditors

Deloitte 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 2009.

This Directors' report has been prepared in accordance with the special provisions relating to small companies under S417 the Companies Act 2006

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 (2008: 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 and banks. During the year the directors have renegotiated the terms of the bank loan.

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.

Going concern

The directors have reviewed the current and projected financial position of the company, making reasonable assumptions about future trading. The company has received a letter from Amshold Group Limited stating that it will continue to provide financial support.

On the basis of this review, and after making due enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

Indemnities

The directors and officers of the company, use the policy taken out by Amshold Group Limited, the ultimate parent company for indemnity insurance.

Amsprop Southbank Limited

Directors report (continued)

Directors

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

Lord Sugar (resigned 30 June 2009)

Lady Ann Sugar (resigned 30 June 2009)

Colin T Sandy

Louise J Baron

Andrew N Cohen

Daniel P Sugar

Simon Sugar

Roger G Adams

James Hughes

Claude Littner was appointed as a director with effect 1 July 2009

Information to auditors

Each of the persons who is a director at the date of approval of this annual 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/she ought to have taken as a director in order to make himself/herself 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 s418 of the Companies Act 2006.

Auditors

A resolution to re-appoint Deloitte 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

10 November 2009

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 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 2009 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. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2009 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Amsprop Southbank Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Andrew Clark FCA

Andrew Clark (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

10 November 2009

Amsprop Southbank Limited

Profit and loss account Year ended 30 June 2009

	Notes	2009 £	2008 £
Turnover	2	5,153,730	5,153,730
Gross profit		5,153,730	5,153,730
Administrative expenses		(76,201)	(44,145)
Operating profit	4	5,077,529	5,109,585
Interest receivable and similar income		90,100	759,551
Interest payable and similar charges	5	(6,463,184)	(7,855,484)
Loss on ordinary activities before taxation		(1,295,555)	(1,986,348)
Tax credit on loss on ordinary activities	6	1,295,555	1,986,348
Result for the financial year		-	-

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 2009

	2009	2008
	£	£
Result for the financial period	-	-
Unrealised deficit on revaluation of property	(27,143,500)	(19,563,000)
Total recognised losses relating to the period	<u>(27,143,500)</u>	<u>(19,563,000)</u>

Amsprop Southbank Limited

Balance sheet 30 June 2009

	Notes	2009 £	2008 £
Fixed assets			
Investment property	7	71,856,000	98,437,000
Current assets			
Debtors	8	-	142,519
Cash at bank and in hand		1,451,880	1,317,935
		1,451,880	1,460,454
Creditors: amounts falling due within one year	9	(21,956,611)	(21,402,685)
Net current liabilities		(20,504,731)	(19,942,231)
Long term liabilities	10	(97,440,000)	(97,440,000)
Net liabilities		(46,088,731)	(18,945,231)
Capital and reserves			
Called up share capital	11	1	1
Revaluation reserve	12	(46,088,732)	(18,945,232)
Profit and loss account		-	-
Shareholder's deficit	13	(46,088,731)	(18,945,231)

The financial statements of Amsprop Southbank Limited, registered number 05891745 were approved by the board of directors and authorised for issue on 10 November 2009.


C T Sandy

Director

Amsprop Southbank Limited

Notes to the accounts Year ended 30 June 2009

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 2006 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.

Going concern

The financial statements are prepared on a historical cost convention basis and prepared on a going concern basis as discussed in the directors' report on page 2.

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 2006 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.

Amsprop Southbank Limited

Notes to the accounts Year ended 30 June 2009

1. Accounting policies (continued)

Taxation (continued)

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.

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 the total rental income receivable by the company, wholly arising in the United Kingdom from its tenant after deduction of trade discount and value added tax. Turnover will increase next year because of a preagreed rent review in October 2009.

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

	2009 £	2008 £
Auditors remuneration- fee for the audit of the company's annual accounts	2,000	2,800
Other non audit services	150	1,300

5. Interest payable and similar charges

	2009 £	2008 £
Interest payable to group undertaking	488,606	1,144,354
Bank interest and charges	5,974,578	6,711,130
	<u>6,463,184</u>	<u>7,855,484</u>

Amsprop Southbank Limited

Notes to the accounts Year ended 30 June 2009

6. Tax credit on loss on ordinary activities

(i) Analysis of tax credit on ordinary activities:

	2009 £	2008 £
United Kingdom corporation tax at 28% based on loss for the year	-	-
Group relief	1,295,555	1,986,348
	<u>1,295,555</u>	<u>1,986,348</u>

(ii) Factors affecting the tax credit for the current period:

	2009 £	2008 £
Loss on ordinary activities before tax	(1,295,555)	(1,986,348)
Tax credit at 28% (2008: 29.5%) thereon:	362,755	586,027
Effects of:		
Group relief received at 100% of loss	932,800	1,400,321
Current tax credit for year	<u>1,295,555</u>	<u>1,986,348</u>

7. Investment property

	Freehold £
At 1 July 2008	98,437,000
Additions	562,500
Deficit arising on revaluation	(27,143,500)
At 30 June 2009	<u>71,856,000</u>
Representing	
Properties valued	
Cost	117,944,732
Net deficit	(46,088,732)
At 30 June 2009	<u>71,856,000</u>

The investment property was valued by the directors at 30 June 2009 on an open market basis. The directors consider that any revaluation deficit is temporary and in the medium term when markets recover the valuation will rise.

Amsprop Southbank Limited

Notes to the accounts Year ended 30 June 2009

8. Debtors

	2009 £	2008 £
Trade debtors	-	142,519

9. Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	1,676	-
Amounts owed to fellow subsidiary undertaking	20,090,037	19,506,115
Other creditors	211,766	247,192
Accruals and deferred income	1,653,132	1,649,378
	<u>21,956,611</u>	<u>21,402,685</u>

Interest is payable on the amount owed to group companies at variable rates based on Bank of England base rates.

10. Long term liabilities

The company obtained a bank loan to finance the purchase of the investment property. The principal amount drawn down 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 parent group company guarantee for the duration of the loan.

11. Called up share capital

	2009 £	2008 £
Authorised:		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Called up, allotted and fully paid:		
1 ordinary share of £1	<u>1</u>	<u>1</u>

12. Reserves

	Revaluation reserve £	Profit and loss £	Total
At 1 July 2008	(18,945,232)	-	(18,945,232)
Revaluation deficit in year	<u>(27,143,500)</u>	<u>-</u>	<u>(27,143,500)</u>
At 30 June 2009	<u>(46,088,732)</u>	<u>-</u>	<u>(46,088,732)</u>

Amsprop Southbank Limited

Notes to the accounts Year ended 30 June 2009

13. Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Opening shareholders' (deficit)/funds	(18,945,231)	617,769
Revaluation deficit in year	(27,143,500)	(19,563,000)
Closing shareholders' deficit	<u>(46,088,731)</u>	<u>(18,945,231)</u>

14. Ultimate controlling party

At 30 June 2009, the company was indirectly wholly owned by Lord Sugar. Following his appointment as a Government Advisor, Lord Sugar resigned as a director of all group companies on 30 June 2009.

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, Maindy, 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 Southbank Limited

Additional unaudited information

The additional unaudited 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.

Amsprop Southbank Limited

Additional information (unaudited) Year end 30 June 2009

	Unaudited 2009 £	2008 £
Turnover		
Rental income	5,153,730	5,153,730
Gross profit	<u>5,153,730</u>	<u>5,153,730</u>
Administrative expenses		
Audit and accountancy fees	2,150	4,100
Professional fees	34,051	30
Management fee	40,000	40,000
Other costs	-	15
	<u>(76,201)</u>	<u>(44,145)</u>
Money market and deposit interest receivable	90,100	759,551
Interest payable to group undertaking	<u>(6,463,184)</u>	<u>(7,855,484)</u>
Loss on ordinary activities before taxation	<u><u>(1,295,555)</u></u>	<u><u>(1,986,348)</u></u>