

Company Registration No. 2344929

Amsprop London Limited

Report and Financial Statements

30 September 2005



Amsprop London Limited

Report and financial statements 2005

Contents	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report	5
Consolidated profit and loss account	6
Consolidated statement of recognised gains and losses	6
Consolidated balance sheet	7
Company balance sheet	8
Consolidated cash flow statement	9
Notes to the accounts	10

Amsprop London Limited

Report and financial statements 2005

Officers and professional advisers

Directors

Sir Alan Sugar
Lady Ann Sugar
Colin T Sandy
Louise J Baron
Andrew N Cohen
Daniel Sugar
Simon Sugar

Secretary

Colin T Sandy

Registered Office

Brentwood House
169 Kings Road
Brentwood
Essex CM14 4EF

Bankers

Credit Suisse (UK) Limited
Five Cabot Square
London
E14 4QR

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

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

Amsprop London Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 2005.

Principal activities

The principal activity of the company is the holding of investment property and investing in companies in the IT Sector.

Review of business

During the year the company expanded its property portfolio. The company is the ultimate parent company of Viglen Technology Limited, Viglen Limited, Xenon Network Services Limited and Vigecom Limited. The company also indirectly has two associated companies Pedegog Limited (trading as AtSchool) and IntY Limited. Pedegog Limited has not been consolidated on the grounds of materiality.

Results

The results for the year are set out on page 6. The profit after taxation amounted to £3,280,120 (2004:£4,463,173).

Viglen

Viglen is a successful IT company, which principally focuses on the education market. It has made a significant contribution to the group's profit for the year to 30 September 2005.

Xenon

Xenon continues to support the Viglen business through its national engineering base. The company also continues to win support contracts, mainly within higher education, and to design, install and support large Storage Area Networks.

IntY

IntY was profitable during this current year. The company now has a positive balance sheet and has cash reserves.

AtSchool

The company has made a small profit in the year. It continues to look for ways to expand its customer base and to capitalise on schools e-learning credits.

Vigecom

Vigecom did not trade during the year. It is used as the holding company for its 26% investment in IntY Limited

Dividends

The directors do not propose payment of a dividend (2004:£nil).

Future prospects

There are no planned changes to the company's activities.

Amsprop London Limited

Directors' report

Directors and their interests

The directors who are listed on page 1 held office throughout the year.

The following directors who held office at 30 September 2005 had interests in shares of the company:

	Ordinary shares of £1 each	
	2005	2004
Sir Alan M Sugar	41,490,000	41,490,000

Colin Sandy holds an interest in 200 ordinary shares in Viglen Technology Limited. The other directors did not have any interests in the shares of the company or any other group company throughout the year ended 30 September 2005.

Payment policy

It is the company's normal practise to pay its suppliers within the agreed payment terms provided that the suppliers meet their obligations. Trade creditors at the year end amounted to 63 days (2004:62 days).

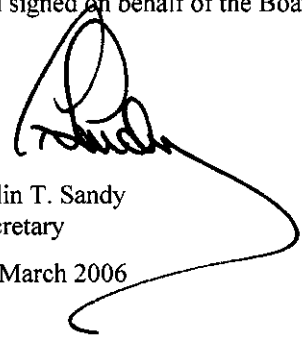
Political and charitable donations

The group made charitable donations of £nil (2004:£nil) during the year. No political donations were made (2004:£nil).

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

24 March 2006

Amsprop London Limited

Statement of directors' responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or 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;
- 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 the system of internal control, 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 London Limited

We have audited the financial statements of Amsprop London Limited for the year ended 30 September 2005 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the balance sheets, the consolidated cash flow statement, the principal accounting policies, and the related notes 1 to 30. 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

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company 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.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's and group's affairs as at 30 September 2005 and of the profit for the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

24 March 2006

Amsprop London Limited

Consolidated profit and loss account Year ended 30 September 2005

	Note	2005 £	2004 £
Turnover	2	65,587,416	79,233,164
Operating costs	3	(61,832,631)	(73,584,188)
Operating profit	2	3,754,785	5,648,976
Share of profit in associated undertakings	11	105,041	194,997
Profit on ordinary activities before interest		3,859,826	5,843,973
Net interest income	5	682,518	460,744
Profit on ordinary activities before taxation	6	4,542,344	6,304,717
Tax on profit on ordinary activities	7	(1,262,224)	(1,841,544)
Profit on ordinary activities after taxation		3,280,120	4,463,173
Equity minority interest	25	(861,165)	(1,264,596)
Non-equity minority interest	25	(55,910)	(55,910)
Retained profit carried forward		2,363,045	3,142,667

Consolidated statement of total recognised gains and losses Year ended 30 September 2005

	Note	2005 £	2004 £
Profit for the financial year		2,363,045	3,142,667
Unrealised surplus on revaluation of property		705,000	589,869
Total recognised gain and losses relating to the year		3,068,045	3,732,536

The results stated above relate to the continuing activities of the group.

Amsprop London Limited

Consolidated balance sheet 30 September 2005

	Note	2005 £	2004 £
Fixed assets			
Investment property	8	7,819,000	7,114,000
Fixed assets	9	603,281	5,466,825
Investments	11	139,255	34,214
Goodwill	12	4,253,606	4,844,610
		<u>12,815,142</u>	<u>17,459,649</u>
Current assets			
Stocks	13	6,254,083	5,441,611
Debtors	14	13,862,479	15,599,009
Investments	15	441,159	89,034
Cash at bank and in hand		12,925,321	11,924,051
		<u>33,483,042</u>	<u>33,053,705</u>
Creditors: amounts falling due within one year	16	(16,221,633)	(23,246,385)
Net current assets		<u>17,261,409</u>	<u>9,807,320</u>
Total assets less current liabilities		30,076,551	27,266,969
Creditors: amounts falling due after more than one year	17	(1,849,058)	(2,739,346)
Provisions for liabilities and charges	19	(1,457,561)	(816,901)
Net assets	2	<u>26,769,932</u>	<u>23,710,722</u>
Capital and reserves			
Called up share capital	20	41,490,000	41,490,000
Profit and loss account	21	(22,790,021)	(25,153,066)
Revaluation reserve	23	1,295,618	590,618
Equity shareholders' funds	24	19,995,597	16,927,552
Equity minority interest	25	1,183,335	1,192,170
Non equity minority interest	25	5,591,000	5,591,000
Total capital employed		<u>26,769,932</u>	<u>23,710,722</u>

These financial statements were approved by the Board of Directors on 24 March 2006.

Signed on behalf of the Board of Directors

Colin T. Sandy
Director

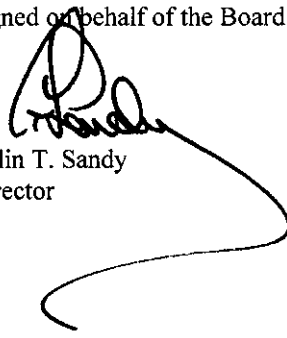
Amsprop London Limited

Company balance sheet 30 September 2005

	Note	2005 £	2004 £
Fixed assets			
Investment property	8	7,819,000	7,114,000
Investments	10	7,000	7,000
		<u>7,826,000</u>	<u>7,121,000</u>
Current assets			
Debtors	14	37,400	36,246
Investments	15	441,159	89,034
Cash at bank and in hand		10,506,778	7,859,115
		<u>10,985,337</u>	<u>7,984,395</u>
Creditors: amounts falling due within one year	16	(261,516)	(130,198)
Net current assets		<u>10,723,821</u>	<u>7,854,197</u>
Total assets less current liabilities		<u>18,549,821</u>	<u>14,975,197</u>
Capital and reserves			
Called up share capital	20	41,490,000	41,490,000
Profit and loss account	21	(24,235,797)	(27,105,421)
Revaluation reserve	23	1,295,618	590,618
Equity shareholders' funds	24	<u>18,549,821</u>	<u>14,975,197</u>

These financial statements were approved by the Board of Directors on 24 March 2006.

Signed on behalf of the Board of Directors


Colin T. Sandy
Director

Amsprop London Limited

Consolidated cash flow statement Year ended 30 September 2005

	Note	2005 £	2004 £
Net cash inflow from operating activities	26	<u>3,438,171</u>	<u>6,169,760</u>
Returns on investments and servicing of finance			
Interest received		693,228	462,738
Interest paid		(10,710)	(1,994)
Dividends paid on preference shares	25	(55,910)	(55,910)
Dividends paid to minority interests	25	<u>(870,000)</u>	<u>(1,371,300)</u>
Net cash outflow from returns on investments and servicing of finance		<u>(243,392)</u>	<u>(966,466)</u>
Taxation			
Corporation tax paid		(2,650,945)	(2,718,158)
Capital expenditure and financial investments			
Purchase of investment properties		-	(1,528,131)
Purchase of tangible fixed assets		(105,359)	(299,854)
Sale of tangible fixed asset		<u>562,795</u>	<u>47,689</u>
Net cash inflow/(outflow) from capital expenditure and financial investments		<u>457,436</u>	<u>(1,780,296)</u>
Increase in cash in year	27	<u><u>1,001,270</u></u>	<u><u>704,840</u></u>

Amsprop London Limited

Notes to the accounts

Year ended 30 September 2005

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and applicable accounting standards. Compliance with SSAP 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 principal accounting policies set out below have remained unchanged from the previous year.

Accounting convention

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

Turnover

Turnover comprises the invoiced value of goods sold and services supplied by the group, excluding value added tax and trade discounts.

Consolidation

The group financial statements consolidate those of the company and all subsidiaries. On the acquisition of a business, including an interest in an associated undertaking, fair values are attributed to the group's share of net separable assets. Where the cost of acquisition exceeds the fair values attributable to such net assets, the difference is treated as purchased goodwill and capitalised in the balance sheet in the year of acquisition and amortised over its estimated useful life.

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The rates generally applicable are:

Leasehold improvements	- over life of lease
Motor vehicles	- 25% on cost
Fixtures, fittings and equipment	- 10% - 20% on cost

Equipment held at third parties as part of a managed service is depreciated over the life of the contract.

Investment properties

In accordance with SSAP 19, investment properties are revalued annually internally and externally every five years 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.

Managed services

Assets used in providing managed services are capitalised at cost. These assets are then depreciated over the life of the contract. Revenue from these contracts are recognised over the life of the contract in line with the services provided.

Amsprop London Limited

Notes to the accounts

Year ended 30 September 2005

1. Accounting policies (continued)

Investments

In the consolidated accounts, shares in associated undertakings are accounted for using the equity method. The consolidated profit and loss account includes the group's share of the pre-tax results and attributable taxation of the associated undertakings based on audited financial statements for the financial year. In the consolidated balance sheet, the investment in associated undertakings is shown at the group's share of the net assets of the associated undertakings. Goodwill arising on the acquisition of an associate is capitalised as part of the carrying amount in the consolidated balance sheet and amortised over its estimated useful life.

Current asset investments

Current asset investments are held at market value.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rates 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.

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.

Amsprop London Limited

Notes to the accounts

Year ended 30 September 2005

1. Accounting policies (continued)

Extended warranties

Income from extended warranties is held as deferred income and released over the length of the extended warranty. Costs associated with the extended warranty are taken to profit and loss account as and when the costs are incurred.

Contributions to pension funds

The company operates a defined contribution pension scheme in respect of certain employees and pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

Leased assets

All current leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

2. Turnover and segmental results

Turnover, net assets and operating profit on ordinary activities before taxation are attributable to the manufacture and marketing of computers peripherals and software and the management of networked solutions. Additionally turnover is also derived from the sale of current asset investments, which fall within the company's ordinary activities after deduction of trade discounts and value added tax. The turnover and operating profit arise predominantly within the United Kingdom. Turnover, operating profit and net assets are analysed as follows:

	2005 £	2004 £
Turnover		
IT market	65,025,041	78,570,764
Property and shares	562,375	662,400
	<hr/> 65,587,416	<hr/> 79,233,164
Operating profit		
IT market	3,357,330	5,352,170
Property and shares	397,455	296,806
	<hr/> 3,754,785	<hr/> 5,648,976
Net assets		
IT market	8,220,111	8,735,525
Property and shares	18,549,821	14,975,197
	<hr/> 26,769,932	<hr/> 23,710,722

Amsprop London Limited

Notes to the accounts

Year ended 30 September 2005

3. Operating costs

	2005 £	2004 £
Other operating income	4,765	20,965
Changes in work in progress and finished goods	366,936	(2,888,896)
Raw materials and consumables	(40,594,267)	(47,459,027)
Other external charges	(6,243,120)	(6,109,342)
Staff costs	(9,988,990)	(10,098,780)
Depreciation	(4,729,243)	(6,305,884)
Profit on sale of fixed assets	21,802	26,962
Amortisation of goodwill	(591,004)	(591,004)
Other operating charges	(79,510)	(179,182)
	<u>(61,832,631)</u>	<u>(73,584,188)</u>

4. Information regarding directors and employees

	2005 £	2004 £
Directors' remuneration		
Directors' emoluments	<u>103,000</u>	<u>100,000</u>

The average number of employees during the year was 311 (2004: 335).

	£	£
Staff costs during the year (including directors)		
Wages and salaries	8,891,395	9,075,040
Social security costs	968,102	985,641
Pension costs	39,493	38,099
	<u>9,988,990</u>	<u>10,098,780</u>

5. Net interest income

	2005 £	2004 £
Interest receivable	693,228	462,738
Interest payable	(10,710)	(1,994)
Net interest income	<u>682,518</u>	<u>460,744</u>

Amsprop London Limited

Notes to the accounts

Year ended 30 September 2005

6. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2005 £	2004 £
Depreciation of fixed assets	4,729,243	6,305,884
Auditors' remuneration		
- audit fees		
- company	5,000	5,000
- other	44,975	45,500
- non audit services	20,800	28,925
Hire of plant and machinery	134,936	149,072
Hire of other assets	114,378	113,372
Hire of land and buildings	1,020,089	916,485
Amortisation of goodwill	591,004	591,004

7. Tax on profit on ordinary activities

	2005 £	2004 £
Group		
Current taxation		
United Kingdom Corporation tax:		
Current tax on income for the year at 30% (2004: 30%)	(1,327,801)	(2,680,468)
Adjustment in respect of prior years' tax provisions	-	1,960
Total current taxation	(1,327,801)	(2,678,508)
Deferred taxation		
Movement in short term timing differences	65,577	838,739
Prior year adjustment	-	(1,775)
Tax on profit on ordinary activities	(1,262,224)	(1,841,544)

Amsprop London Limited

Notes to the accounts

Year ended 30 September 2005

7. Tax on profit on ordinary activities (continued)

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30% (2004-30%). The actual tax charge of the current and the previous year differs from the standard rate for the reasons set out in the following reconciliation:

	2005 £	2004 £
Group		
Profit on ordinary activities before tax	4,542,344	6,304,717
Tax on profit on ordinary activities before tax at standard rate	(1,362,703)	(1,891,415)
Factors affecting charge for the year:		
Permanent differences	(6,681)	(126,698)
Capital allowances in excess of depreciation	(53,367)	(848,050)
Utilisation of brought forward losses	252,201	176,384
Other timing differences	(12,210)	9,311
Capital losses for year	-	1,960
Other difference	(145,041)	-
Current tax charge for the year	(1,327,801)	(2,678,508)

Deferred tax has not been provided on revaluation of fixed assets. The tax will only become payable if the assets are sold and rollover relief is not obtained. The estimated amount of tax that would become payable in these circumstances is £388,685 (2004:£177,185).

8. Investment property

	Freehold £
Group and company	
Valuation and net book value	
At 1 October 2004	7,114,000
Net surplus on revaluation during the year	705,000
At 30 September 2005	7,819,000
Representing:	
Properties valued	
Cost	6,523,382
Net surplus	1,295,618
	7,819,000

The investment properties were valued by the directors at 30 September 2005 on an open market basis.

Amsprop London Limited

Notes to the accounts Year ended 30 September 2005

9. Tangible fixed assets

	Leasehold improve- ment £	Managed service assets £	Fixtures, fittings, tools and equipment £	Motor vehicles £	Total £
Group					
At 1 October 2004	811,302	17,098,893	4,196,305	415,952	22,522,452
Additions	-	26,527	68,960	9,872	105,359
Disposals	(797,302)	(7,599,176)	(127,820)	(61,596)	(8,585,894)
At 30 September 2005	14,000	9,526,244	4,137,445	364,228	14,041,917
Depreciation					
At 1 October 2004	799,729	12,212,766	3,753,124	290,008	17,055,627
Charged in the year	9,575	4,459,340	200,150	60,178	4,729,243
Disposals	(797,304)	(7,364,662)	(127,232)	(57,036)	(8,346,234)
At 30 September 2005	12,000	9,307,444	3,826,042	293,150	13,438,636
Net book value					
At 30 September 2005	2,000	218,800	311,403	71,078	603,281
At 30 September 2004	11,573	4,886,127	443,181	125,944	5,466,825

During the year £13,311,081 (2004:£15,930,730) of revenue was recognised in respect of Managed Services.

10. Fixed asset investments

Group

The group's associated undertakings at 30 September 2005 were a 26% shareholding in IntY Limited and a 49% shareholding in Pedegog Limited (trading as AtSchool); both companies are incorporated in Great Britain. The Directors believe that Pedegog Limited is immaterial to the group accounts, and has not been equity accounted for on the grounds of materiality.

Company

£

Investment in subsidiary

Cost and net book value

At 1 October 2004 and 30 September 2005

7,000

The subsidiary investment at 30 September 2005 is a 70% shareholding in Viglen Technology Limited.

The company's principal subsidiary undertakings are Viglen Limited, Xenon Network Services Limited, Vigecom Limited and Viglen Technology Limited, which all operate in the United Kingdom and engage in the group's principal activity. Viglen Technology Limited wholly owns Viglen Limited, Xenon Network Services Limited and Vigecom Limited and is itself 70% owned by Amsprop London Limited.

Amsprop London Limited

Notes to the accounts

Year ended 30 September 2005

11. Investments

The share of the net assets of associate company relates to the investment in Inty Limited. The group's share of the profits from Inty Limited was £105,041 during the year. When added to the brought forward asset of £34,214 this resulted in an asset of £139,255.

12. Goodwill

On 11 December 2002 the company acquired a 70% interest in Viglen Technology Limited as a result of the acquisition goodwill of £5,910,036 was generated. This is being amortised over ten years from 11 December 2002.

Group	Cost £	Amortis- ation £	Net book value £
At 1 October 2005	5,910,036	(1,065,426)	4,844,610
Amortisation during year	-	(591,004)	(591,004)
At 30 September 2005	<u>5,910,036</u>	<u>(1,656,430)</u>	<u>4,253,606</u>

13. Stocks

	Group		Company	
	2005 £	2004 £	2005 £	2004 £
Raw materials and consumables	4,881,073	4,458,351	-	-
Work in progress and finished goods	1,737,010	983,260	-	-
	<u>6,254,083</u>	<u>5,441,611</u>	<u>-</u>	<u>-</u>

14. Debtors

	Group		Company	
	2005 £	2004 £	2005 £	2004 £
Trade debtors	12,274,261	13,962,426	30,804	22,854
Deferred tax (see note 18)	1,214,210	1,148,633	-	-
Other debtors	67,863	48,063	530	530
Prepayments and accrued income	306,145	439,887	6,066	12,862
	<u>13,862,479</u>	<u>15,599,009</u>	<u>37,400</u>	<u>36,246</u>

15. Current asset investments

	Group		Company	
	2005 £	2004 £	2005 £	2004 £
Shares at market value	<u>441,159</u>	<u>89,034</u>	<u>441,159</u>	<u>89,034</u>

The investments are all shares traded on a recognised stock exchange.

Amsprop London Limited

Notes to the accounts

Year ended 30 September 2005

16. Creditors: amounts falling due within one year

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Trade creditors	7,014,529	8,043,775	-	-
Corporation tax	124,564	1,447,708	-	-
Other taxes and social security costs	1,436,432	2,395,310	-	-
Accruals	984,918	1,599,500	261,516	130,198
Deferred income	6,661,190	9,760,092	-	-
	<u>16,221,633</u>	<u>23,246,385</u>	<u>261,516</u>	<u>130,198</u>

17. Creditors: amounts falling due after more than one year

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Deferred income				
Between one and two years	1,339,241	2,123,398	-	-
Between two and three years	509,817	615,948	-	-
	<u>1,849,058</u>	<u>2,739,346</u>	<u>-</u>	<u>-</u>

18. Deferred tax asset

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Movement on deferred taxation				
At 1 October 2004	(1,148,633)	(311,669)	-	-
Credited to profit and loss account	(65,577)	(836,964)	-	-
At 30 September 2005	<u>(1,214,210)</u>	<u>(1,148,633)</u>	<u>-</u>	<u>-</u>

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Capital allowances in excess of depreciation	(1,192,400)	(1,139,033)	-	-
Short term timing differences	(21,810)	(9,600)	-	-
Deferred tax asset	<u>(1,214,210)</u>	<u>(1,148,633)</u>	<u>-</u>	<u>-</u>

Amsprop London Limited

Notes to the accounts Year ended 30 September 2005

19. Provisions for liabilities and charges

	Warranty £	Other £	Total £
At 1 October 2004	816,901	-	816,901
Utilised during the year	(601,314)	-	(601,314)
Provided during the year	501,974	740,000	1,241,974
At 30 September 2005	717,561	740,000	1,457,561

The majority of the warranty provision will be utilised within two years. The other provision relates to the relocation of Viglen Limited and is expected to be utilised within two years.

20. Called up share capital

	2005 Ordinary shares of £1 each		2004 Ordinary shares of £1 each	
	Number	£	Number	£
Authorised	50,000,000	50,000,000	50,000,000	50,000,000
Called up, allotted and fully paid	41,490,000	41,490,000	41,490,000	41,490,000

21. Profit and loss account

	Group £	Company £
At 1 October 2004	(25,153,066)	(27,105,421)
Retained profit for the year	2,363,045	2,869,624
At 30 September 2005	(22,790,021)	(24,235,797)

22. Profit for the financial year

As permitted by section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's profit after taxation for the financial year amounts to £2.9m (2004:£3.8m).

23. Revaluation reserve

	Group £	Company £
At 1 October 2004	590,618	590,618
Surplus on revaluations during the year	705,000	705,000
At 30 September 2005	1,295,618	1,295,618

Amsprop London Limited

Notes to the accounts

Year ended 30 September 2005

24. Reconciliation of movements in shareholders' funds

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Opening shareholders' funds	16,927,552	13,195,016	14,975,197	10,597,680
Profit for financial year	2,363,045	3,142,667	2,869,624	3,787,648
Surplus on valuation during the year	705,000	589,869	705,000	589,869
Closing shareholders' funds	<u>19,995,597</u>	<u>16,927,552</u>	<u>18,549,821</u>	<u>14,975,197</u>

25. Minority interests

	Equity £	Non Equity £	Total £
At 1 October 2004	1,192,170	5,591,000	6,783,170
Profit on ordinary activities after taxation	861,165	55,910	917,075
Dividend paid	(870,000)	(55,910)	(925,910)
At 30 September 2005	<u>1,183,335</u>	<u>5,591,000</u>	<u>6,774,335</u>

26. Net cash inflow from operating activities

	2005 £	2004 £
Operating profit	3,754,785	5,648,976
Amortisation of goodwill	591,004	591,004
Depreciation	4,729,243	6,305,884
Profit on sale of fixed assets	(323,135)	(26,962)
Increase in stocks	(812,472)	(483,493)
Decrease in debtors	1,802,107	28,613
(Decrease)/increase in creditors	(2,602,706)	2,724,256
Decrease in investments	(352,125)	(5,369)
Decrease in deferred income	(3,989,190)	(8,390,677)
Increase/(decrease) in provisions	640,660	(222,472)
	<u>3,438,171</u>	<u>6,169,760</u>

Amsprop London Limited

Notes to the accounts

Year ended 30 September 2005

27. Reconciliation of net cash flow to movement in net funds

	2005 £	2004 £
At 1 October 2004	11,924,051	11,219,211
Change in net funds resulting from cash flows	1,001,270	704,840
At 30 September 2005	<u>12,925,321</u>	<u>11,924,051</u>

28. Analysis of changes in net funds

	1 October 2004 £	Cash flow £	30 September 2005 £
Cash at bank and in hand	<u>11,924,051</u>	<u>1,001,270</u>	<u>12,925,321</u>

29. Leasing commitments

At 30 September 2005 the group has annual non-cancellable lease commitments, which expire

	2005		2004	
	Land and buildings £	Other £	Land and buildings £	Other £
In one year or less	82,391	6,128	470,110	66,441
Between one and five years	105,109	13,590	104,933	103,522
Over five years	1,060,500	-	450,000	-
	<u>1,248,000</u>	<u>19,718</u>	<u>1,025,043</u>	<u>104,580</u>

Amsprop London Limited

Notes to the accounts

Year ended 30 September 2005

30. Ultimate and controlling party and related party transactions

The company is controlled by Sir Alan Sugar, who owns 100% of the issued share capital.

By reason of Sir Alan Sugar's indirect ownership of 76% of the ordinary shares of Amsprop Limited, Amsprop Estates Limited and Amsprop Investments Limited, 29% of ordinary shares of Amstrad plc and indirect ownership of 100% of the ordinary shares of Amshold Securities Limited, Sir Alan Sugar has an interest in the following contracts between Amsprop London Limited and its subsidiaries and those companies:

- 1) During the year the group provided £13,421 plus VAT (2004: £12,530 plus VAT) of services to Amstrad plc. The company also received £nil plus VAT (2004: £28,514 plus VAT) worth of services from Amstrad plc.
- 2) The group signed a fifteen year lease for the use of Viglen House in December 2002. During the year £450,000 (2004: £450,000) was paid in rent to Amsprop Investments Limited.
- 3) During the year Amsprop London Limited was charged £25,000 plus VAT (2004: £25,000 plus VAT) by Amsprop Estates Limited for financial services.
- 4) During the year the group provided £nil plus VAT (2004: £19,471) of services to Amsprop Estates Limited.
- 5) During the year the group provided £5,019 plus VAT (2004: £18,363 plus VAT) of services to Amsprop Limited.
- 6) There is an amount receivable from Amstrad plc at 30 September 2005 of £4,734 (2004: £5,201) and an amount receivable from Amsprop Estates Limited of £nil (2004: £2,054).