

**AMSPROP LONDON LIMITED**

**Report and Financial Statements**

**30 April 2001**

**Deloitte & Touche  
Hill House  
1 Little New Street  
London EC4A 3TR**



**REPORT AND FINANCIAL STATEMENTS 2001**

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**REPORT AND FINANCIAL STATEMENTS 2001**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Sir Alan Sugar	
Lady Ann Sugar	(appointed 15 May 2000)
Colin T Sandy	
Louise J Baron (née Sugar)	(appointed 15 May 2000)
Andrew N Cohen	(appointed 15 May 2000)
Daniel P Sugar	(appointed 17 December 2000; resigned 12 January 2001)

**SECRETARY**

Colin T Sandy

**REGISTERED OFFICE**

Brentwood House  
169 Kings Road  
Brentwood  
Essex CM14 4EF

**BANKERS**

Merita Bank  
19 Thomas More Street  
London E1 9YW

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

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Hill House  
1 Little New Street  
London EC4A 3TR

**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 30 April 2001.

**ACTIVITIES**

The principal activity of the company is the holding of investments.

**REVIEW OF DEVELOPMENTS**

The profit and loss account for the year is set out on page 5.

**DIVIDENDS**

The directors do not propose the payment of a dividend (2000 – £nil).

**FUTURE PROSPECTS**

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

**DIRECTORS AND THEIR INTERESTS**

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

Sir Alan Sugar	
Lady Ann Sugar	(appointed 15 May 2000)
Colin T Sandy	
Louise J Baron (née Sugar)	(appointed 15 May 2000)
Andrew N Cohen	(appointed 15 May 2000)
Daniel P Sugar	(appointed 17 December 2000; resigned 12 January 2001)

The following directors who held office at 30 April 2001 had interests in the shares of the company:

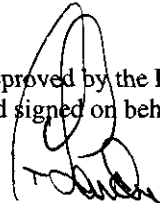
	<b>Ordinary shares of £1 each</b>	
	<b>2001</b>	<b>2000</b>
Sir Alan M Sugar	41,490,000	41,490,000

The other directors did not have any interests in the shares of the company during the year ended 30 April 2001, (2000 – none).

**AUDITORS**

Deloitte & Touche 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  
11 February 2002

## **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 and statements of recommended practice have been followed; and
- prepare the financial statements on a 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, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **AUDITORS' REPORT TO THE MEMBERS OF AMSPROP LONDON LIMITED**

We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 8.

### **Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### **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 affairs as at 30 April 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Deloitte & Touche

Chartered Accountants and  
Registered Auditors

11 February 2002

**PROFIT AND LOSS ACCOUNT**  
**For the year ended 30 April 2001**

	Note	2001 £	2000 £
<b>TURNOVER</b>	2	876,680	1,802,512
Cost of sales		(1,340,965)	(1,567,080)
Gross (loss)/profit		(464,285)	235,432
Administrative expenses		(50,251)	(62,419)
Other operating income		(263)	35,664
Profit on sale of investment property		-	364,527
<b>OPERATING (LOSS)/PROFIT</b>	4	(514,799)	573,204
Interest receivable and similar income		445,131	155,024
Interest payable and similar charges	5	(25)	(270)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(69,693)	727,958
Tax on (loss)/profit on ordinary activities	6	-	-
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		(69,693)	727,958
<b>Accumulated deficit brought forward</b>		(32,339,643)	(33,067,601)
<b>Accumulated deficit carried forward</b>		(32,409,336)	(32,339,643)

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.

**BALANCE SHEET**  
**30 April 2001**

	Note	2001 £	2000 £
<b>FIXED ASSETS</b>			
Investment property	7	979,000	-
Tangible fixed assets	8	1,052	1,403
		<u>980,052</u>	<u>1,403</u>
<b>CURRENT ASSETS</b>			
Debtors	9	530	62,487
Investments		379,920	855,667
Cash at bank and in hand		7,764,814	8,253,487
		<u>8,145,264</u>	<u>9,171,641</u>
<b>CREDITORS: amounts falling due within one year</b>			
Accruals and deferred income		<u>(30,006)</u>	<u>(22,687)</u>
<b>NET CURRENT ASSETS</b>		<u>8,115,258</u>	<u>9,148,954</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>9,095,310</u>	<u>9,150,357</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	41,490,000	41,490,000
Profit and loss account - deficit		(32,409,336)	(32,339,643)
Revaluation reserve		14,646	-
<b>EQUITY SHAREHOLDERS' FUNDS</b>	11	<u>9,095,310</u>	<u>9,150,357</u>

These financial statements were approved by the Board of Directors on 11 February 2002.

Signed on behalf of the Board of Directors

C T Sandy  
Director



**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**Year ended 30 April 2001**

	2001 £	2000 £
(Loss)/profit for the financial year	(69,693)	727,958
Unrealised surplus on revaluation of property	<u>14,646</u>	<u>-</u>
Total recognised gains and losses relating to the year	<u><u>(55,047)</u></u>	<u><u>727,958</u></u>

**NOTES TO THE ACCOUNTS****Year ended 30 April 2001****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with 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 particular accounting policies adopted are described below.

**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.

**Investments**

Current asset investments are held at the lower of cost and net realisable value.

**Depreciation**

Depreciation is calculated to write off the cost, less estimated residual value, of tangible fixed assets over their estimated useful lives. The annual depreciation method for office equipment is 25% on a reducing balance basis.

**2. TURNOVER**

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax. The turnover and pre-tax loss all arises in the United Kingdom.

**3. STAFF COSTS**

The company has no employees (2000 – none). The directors received no emoluments during the year (2000 – £nil).

**4. OPERATING (LOSS)/PROFIT**

The audit fee for the year was £3,452 (2000 – £2,000).

Remuneration of the company's auditors for provision of non-audit services was £5,016 (2000 – £1,881).

Depreciation on owned assets was £351 (2000 – £128).

## NOTES TO THE ACCOUNTS

Year ended 30 April 2001

## 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £	2000 £
Bank charges	25	270

## 6. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

No tax liability arose in the year ended 30 April 2001 due to the availability of tax losses brought forward.

## 7. INVESTMENT PROPERTY

	Freehold £
At 1 May 2000	-
Additions	964,354
Net surplus on revaluation during the year	14,646
At 30 April 2001	979,000
Representing Properties valued	
Cost	964,354
Net surplus	14,646
	979,000

The investment property was valued by the directors at 30 April 2001 on an open market basis.

## 8. TANGIBLE FIXED ASSETS

	Office equipment £
<b>Cost</b>	
At 1 May 2000 and 30 April 2001	1,530
<b>Depreciation</b>	
At 1 May 2000	127
Charge for the year	351
At 30 April 2001	478
<b>Net book value</b>	
At 30 April 2001	1,052
At 30 April 2000	1,403

## NOTES TO THE ACCOUNTS

Year ended 30 April 2001

## 9. DEBTORS

	2001 £	2000 £
Trade debtors	-	3,045
Other debtors	530	57,126
Prepayments and accrued income	-	2,316
	<u>530</u>	<u>62,487</u>

## 10. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised: 50,000,000 ordinary shares of £1 each	<u>50,000,000</u>	<u>50,000,000</u>
	£	£
Called up, allotted and fully paid: 41,490,000 ordinary shares of £1 each	<u>41,490,000</u>	<u>41,490,000</u>

## 11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Opening shareholders' funds	9,150,357	8,422,399
(Loss)/profit for the financial year	(69,693)	727,958
Surplus on valuation during the year	14,646	-
<b>Closing shareholders' funds</b>	<u>9,095,310</u>	<u>9,150,357</u>

## 12. ULTIMATE CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

The company is owned by Sir Alan Sugar.

During the year the company was charged £25,000 (2000 – £25,000) by Amsprop Trading Limited, a company which is indirectly controlled by Sir Alan Sugar, for administrative services. At 30 April 2001 a balance of £nil, (2000 – £nil) was due to Amsprop Trading Limited.