

Company Registration No. 2344929

Amsprop London Limited

Report and Financial Statements

30 September 2008

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Amsprop London Limited

Report and financial statements 2008

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Amsprop London 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 Sugar
Simon Sugar
James Hughes (appointed 22 January 2008)

Secretary

Colin T Sandy

Registered Office

West Wing, Sterling House
Langston Road
Loughton
Essex, IG10 3TS

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 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 2008.

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, Vigecom Limited and Amscreen PLC and Amscreen Group Limited which were acquired in the current year. The company also indirectly has one associated company Pedegog Limited (trading as AtSchool).

The key performance indicators used by management in assessing the success of the company are net income from properties and investments which rose from £389,404 in 2007 to £441,203 in 2008. The valuation deficit of properties was £1,323,000 in the year (2007: surplus of £20,500).

The company's investment in the Viglen Technology Limited group of companies is measured by the total return before taxation, this increased to £2,398,499 in 2008 (2007: £197,114).

On 25 July 2008 the company acquired a 60% share of Amscreen PLC, a company specialising in digital signage. The Amscreen group of companies made an operating loss in the period of £562,125.

Principal risks and uncertainties

Risk is present in all businesses and the Board regularly reviews the risks faced by the company. The directors consider that the major risks and uncertainties to the company at this point in time are:

Financial risks

- Exchange rate risk. The company principally sells in sterling and buys in dollars. Therefore, there is a risk in terms of adverse exchange rate movements. The company mitigates this risk by hedging its exposure through the forward purchase of dollars. Additionally the company produces a new price list monthly. The forward exchange rate exposure, unhedged, is therefore limited to one month's sales. The company does not use foreign company derivative instruments.
- Interest rate risk. The company has an external bank loan. Therefore, there is a risk in terms of adverse interest rate movements. The directors are satisfied that the risk is not significant to the company and therefore no mitigating procedures are necessary.
- Price risk. The company is exposed to commodity price risk. The company considers that volatility in certain component prices is a regular part of its business environment. The company accepts this price risk and does not use commodity price risk management instruments.
- Liquidity risk. The company regularly reviews its liquidity to ensure that sufficient funds are available for ongoing operation and future developments. The company currently has unused overdraft facilities.
- Credit risk. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Amsprop London Limited

Directors' report

Uncertainties

- **Warranty.** The company sells the majority of its products with between one and three years warranty support. A warranty provision is made on every product sold to cover the basic forecast of repairing the product. The amount that is provided is an estimate based on past experience, but by its nature does involve interest risk and uncertainty. In addition, sales of enhanced warranty products also carry an inherent risk. Income on these sales is deferred over the period of cover with the costs of providing the service being taken as and when the cost is incurred.
- **Market uncertainties.** The IT industry continues to go through rapid changes. This in itself presents opportunities and uncertainties. The margins on hardware continue to be under pressure with the future being focused on high margin solutions and value added services.
- **Supply of components.** There are times where components are in short supply with long lead times. Viglen's offering to its customers is to supply tailor-made solutions with short lead-times. This can cause problems during industry shortages. The company reduces this risk by, where possible:
 - multi sourcing components;
 - strong, long-term supplier relationships; and
 - planning and forecasting component requirements.
- **Property prices are falling from their all time highs which could result in the company being able to acquire properties at favourable prices. The estates team are fully aware of this and consequently will remain diligent in seeking acquisitions that can provide future growth from active management.**

The company regularly reviews the situation and adjusts its plan accordingly.

Results

The results for the year are set out on page 9. The profit for the financial year amounted to £2,234,794 (2007: £2,613,512).

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 2008.

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.

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.

Amscreen

Amscreen is focused on developing its range of digital signage products which will be available for sale during the year ending 30 September 2009.

Amsprop London Limited

Directors' report

Dividends

The directors do not propose payment of a dividend (2007: £nil).

Future prospects

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

Employees

Detail of the number of employees and related costs can be found in note 4 to the financial statements.

It is the group's policy to promote equal opportunities in employment for both existing employees and applicants for employment. Every effort is made to ensure that applications for employment from disabled persons are fully and fairly considered having regard to their particular aptitudes and abilities and that disabled employees have equal opportunities in career development. In the event of an existing employee becoming disabled, every effort is made to ensure that their employment by the group continues and that appropriate adjustments are made to their work environment.

The group has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the group. This is achieved through regular announcements via the notice boards of the group's performance.

Environment

The group seeks to minimise the environmental impact of its business and to operate in accordance with the standards required by law and codes of best practice. The Restriction of Hazardous Substances in Electrical and Electronic Equipment ("RoHS") Directive came into effect on 1 July 2006 and prohibits the use of lead solder and certain other restricted substances. The company's products imported after this date comply with the RoHS Directive.

The Waste Electrical and Electronic Equipment ("WEEE") Directive was adopted in the UK on 1 July 2007. This directive sets goals for the recycling of electrical goods. The group currently has the ability to offer all the services required under this directive, and does provide these services to some of its customers.

The group continues to review its processes and their environmental impact. These include the launching of the Enviro Quiet range of products which have reduced energy requirement and lower noise emissions. The group continues with the use of re-usable heavy duty boxes in delivery of our products saves raw materials in packaging by recycling the boxes.

The group maintains an environmental web-site to share information with customers, partners and suppliers. This can be found at www.enviroquiet.co.uk.

Directors

The directors who are listed on page 1 held office throughout the year, except as noted.

Supplier payment policy

It is the company's normal practice to pay its suppliers within the agreed payment terms provided that the suppliers meet their obligations. Trade creditors at the year end amounted to 59 days (2007: 60 days).

Amsprop London Limited

Directors' report

Political and charitable donations

No charitable or political donations were made during the year (2007: £nil).

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/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 s234ZA of the Companies Act 1985.

Deloitte LLP are deemed to be reappointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

Approved by the Board of Directors
and signed on behalf of the Board



Colin T. Sandy
Secretary

 2008

Amsprop London 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). 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 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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 members of Amsprop London Limited

We have audited the financial statements of Amsprop London Limited for the year ended 30 September 2008 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 and the related notes 1 to 34. 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 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 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 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 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.

Independent auditors' report to the members of Amsprop London 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 group's and the parent company's affairs as at 30 September 2008 and of its profit 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 LLP
Chartered Accountants and Registered Auditors
London
United Kingdom

22 December 2008

Amsprop London Limited

Consolidated profit and loss account Year ended 30 September 2008

	Notes	2008 £	2007 £
Turnover – existing	2	50,570,681	46,334,654
– acquisitions	2	212,133	-
		<u>50,782,814</u>	<u>46,334,654</u>
Operating costs	3	(48,909,711)	(44,418,110)
Operating profits – existing		2,435,228	1,916,544
– acquisitions		(562,125)	-
		<u>1,873,103</u>	<u>1,916,544</u>
Operating profit and profit on ordinary activities before interest		1,873,103	1,916,544
Interest receivable and similar income	5	1,209,041	1,026,315
Interest payable and similar charges	6	(135,259)	(161,639)
Profit on ordinary activities before taxation	7	<u>2,946,885</u>	<u>2,781,220</u>
Tax on profit on ordinary activities	8	(307,551)	(155,107)
Profit on ordinary activities after taxation		<u>2,639,334</u>	<u>2,626,113</u>
Minority interest	26	(404,540)	(12,601)
Profit for the financial year	22	<u><u>2,234,794</u></u>	<u><u>2,613,512</u></u>

All results are derived from continuing operations.

Consolidated statement of total recognised gains and losses Year ended 30 September 2008

	2008 £	2007 £
Profit for the financial year	2,234,794	2,613,512
Unrealised (deficit)/surplus on revaluation of property	(1,323,000)	20,500
Total recognised gains and losses relating to the year	<u><u>911,794</u></u>	<u><u>2,634,012</u></u>

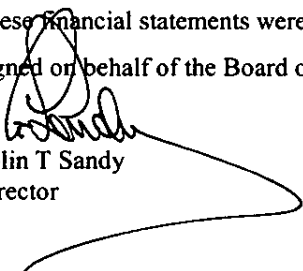
Amsprop London Limited

Consolidated balance sheet 30 September 2008

	Notes	2008 £	2007 £
Fixed assets			
Investment property	9	9,872,000	9,843,000
Tangible fixed assets	10	844,541	695,219
Investments	12	-	-
Goodwill	13	5,908,904	2,827,932
		<u>16,625,445</u>	<u>13,366,151</u>
Current assets			
Stocks	14	4,464,869	4,049,688
Debtors amounts falling due within one year	15	10,053,813	10,916,906
Debtors amount falling due after more than one year	15	737,069	876,607
Investments	16	251,061	421,022
Cash at bank and in hand		18,831,551	19,123,076
		<u>34,338,363</u>	<u>35,387,299</u>
Creditors: amounts falling due within one year	17	<u>(11,558,199)</u>	<u>(11,530,770)</u>
Net current assets		<u>22,780,164</u>	<u>23,856,529</u>
Total assets less current liabilities		39,405,609	37,222,680
Creditors: amounts falling due after more than one year	18	(7,261,447)	(8,132,492)
Provisions for liabilities	20	<u>(227,795)</u>	<u>(490,154)</u>
Net assets		<u>31,916,367</u>	<u>28,600,034</u>
Capital and reserves			
Called up share capital	21	41,490,000	41,490,000
Profit and loss account	22	(14,504,974)	(16,739,768)
Revaluation reserve	24	1,996,618	3,319,618
Shareholders' funds	25	<u>28,981,644</u>	<u>28,069,850</u>
Minority interest	26	<u>2,934,723</u>	<u>530,184</u>
Total capital employed	25	<u>31,916,367</u>	<u>28,600,034</u>

These financial statements were approved by the Board of Directors on 22 October 2008.

Signed on behalf of the Board of Directors


Colin T Sandy
Director

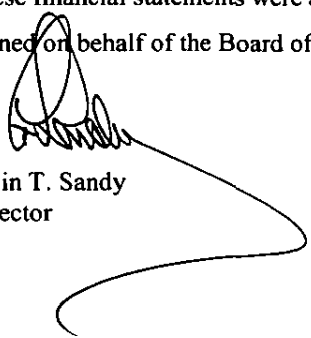
Amsprop London Limited

Company balance sheet 30 September 2008

	Notes	2008 £	2007 £
Fixed assets			
Investment property	9	9,872,000	9,843,000
Investments	11	3,007,000	7,000
		<u>12,879,000</u>	<u>9,850,000</u>
Current assets			
Debtors	15	53,823	58,879
Investments	16	251,061	421,022
Cash at bank and in hand		13,634,333	16,732,769
		<u>13,939,217</u>	<u>17,212,670</u>
Creditors: amounts falling due within one year	17	(196,215)	(222,915)
Net current assets		<u>13,743,002</u>	<u>16,989,755</u>
Net assets		<u>26,622,002</u>	<u>26,839,755</u>
Capital and reserves			
Called up share capital	21	41,490,000	41,490,000
Profit and loss account	22	(16,864,616)	(17,969,863)
Revaluation reserve	24	1,996,618	3,319,618
		<u>26,622,002</u>	<u>26,839,755</u>
Shareholders' funds	25	<u>26,622,002</u>	<u>26,839,755</u>

These financial statements were approved by the Board of Directors on 22nd December 2008.

Signed on behalf of the Board of Directors


Colin T. Sandy
Director

Amsprop London Limited

Consolidated cash flow statement Year ended 30 September 2008

	Notes	2008 £	2007 £
Net cash inflow/(outflow) from operating activities	27	845,593	(1,452,602)
Returns on investments and servicing of finance			
Interest received		1,209,041	1,026,315
Interest paid		(79,349)	(105,729)
Dividends paid on preference shares		(55,910)	(55,910)
Dividends paid to minority interests	26	-	(450,000)
Net cash inflow from returns on investments and servicing of finance		1,073,782	414,676
Taxation			
Corporation tax received		243,776	97,771
Capital expenditure and financial investment			
Purchase of investment properties		(1,352,000)	(80)
Purchase of tangible fixed assets		(272,658)	(182,335)
Sale of tangible fixed assets		7,635	5,700
Sale of investment properties		-	4,115,308
Sale of investments in associates		750,000	739,947
On acquisitions	33	(1,255,769)	-
Net cash inflow from capital expenditure and financial investment		40,359	4,678,540
Financing			
Repayment of debt		(300,000)	(300,000)
Capital element of finance lease rental payment		(31,884)	(26,143)
Net cash outflow from financing		(331,884)	(326,143)
(Decrease)/increase in cash in year	29	(291,525)	3,412,242

Amsprop London Limited

Notes to the accounts Year ended 30 September 2008

1. Accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention modified by the revaluation of certain freehold properties. The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year. 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.

Turnover

Turnover comprises the invoiced value of goods sold and services supplied by the group, excluding value added tax and trade discounts. Revenue is recognised on the sale of physical product when the goods are despatched, revenue is recognised on a service contract over the life of the service.

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 the shorter of the life of the lease and the useful life
Motor vehicles	- 25% on cost
Fixtures and fittings	- 10% - 33% on cost

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 economic life, which is 20 years. Provision is made for any impairment.

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.

Amsprop London Limited

Notes to the accounts Year ended 30 September 2008

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 economic life, which is 20 years.

Fixed asset investments

Fixed asset investments are shown at cost less provision for any impairment.

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.

Research and development

Expenditure on research and development is charged against profits in the year in which it is incurred.

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 taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Amsprop London Limited

Notes to the accounts Year ended 30 September 2008

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.

Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Borrowings

Debt is initially stated at the amount of the net proceeds after deduction of issue costs. The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the period.

Derivative financial instruments

The group uses derivative financial instruments to reduce exposure to foreign exchange risk. The group does not hold or issue derivative financial instruments for speculative purposes. Gains and losses on contracts hedging forecast transactional cash flows of foreign currency denominated costs are recognised in the hedged periods. There are no open forward contracts at the balance sheet date.

Amsprop London Limited

Notes to the accounts Year ended 30 September 2008

2. Turnover and segmental results

Turnover, net assets and operating profit are attributable to the IT sector, digital signage and property investment. Turnover, operating profit and net assets arise predominantly within the United Kingdom and are analysed as follows:

	2008 £	2007 £
Turnover		
IT market	49,931,246	45,633,091
Digital Signage	212,133	-
Property and shares	639,435	701,563
	<u>50,782,814</u>	<u>46,334,654</u>
Operating profit		
IT market	2,213,447	117,276
Digital Signage	(562,125)	-
Property and shares	221,781	1,799,268
	<u>1,873,103</u>	<u>1,916,544</u>
Net assets		
IT market	3,858,227	1,767,279
Digital Signage	4,443,138	-
Property and shares	23,615,002	26,832,755
	<u>31,916,367</u>	<u>28,600,034</u>

3. Operating costs

	2008 £	2007 £
Other operating income	820,407	338,033
Changes in work in progress and finished goods	(19,346)	(504,907)
Raw materials and consumables	(36,989,924)	(32,245,719)
Other external charges	(3,514,040)	(4,023,982)
Staff costs	(8,678,306)	(8,506,829)
Depreciation	(218,631)	(223,569)
Profit on sale of fixed asset	7,234	4,248
Profit on sale of investment property	-	1,365,228
Amortisation of goodwill	(216,004)	(544,120)
Other operating charges	(101,101)	(76,493)
	<u>(48,907,318)</u>	<u>(44,418,110)</u>

Amsprop London Limited

Notes to the accounts Year ended 30 September 2008

4. Staff costs

Staff costs for the group, including directors, during the year were as follows:

	2008 £	2007 £
Wages and salaries	7,710,880	7,637,337
Social security costs	838,681	831,293
Pension costs	128,745	38,199
	<u>8,678,306</u>	<u>8,506,829</u>

The average number of employees of the group during the year, including directors, was 235 (2007: 246).

	2008 Number	2007 Number
Viglen Limited Production and Warehouse	41	41
Viglen Limited Sales and Administration	129	129
Xenon network Services Limited	59	76
Amscreen (2 months)	6	-
	<u>235</u>	<u>246</u>

The company had no employees during the year (2007: nil)

Remuneration in respect of directors was as follows:

	2008 £	2007 £
Directors' emoluments	<u>109,273</u>	<u>106,090</u>

5. Interest receivable and similar income

	2008 £	2007 £
Interest receivable and similar income	<u>1,209,041</u>	<u>1,026,315</u>

6. Interest payable and similar charges

	2008 £	2007 £
Interest payable and similar charges	(74,212)	(81,810)
Interest payable on finance leases	(5,137)	(7,120)
Interest payable – other	-	(16,799)
Preference dividend	(55,910)	(55,910)
	<u>(135,259)</u>	<u>(161,639)</u>

Amsprop London Limited

Notes to the accounts Year ended 30 September 2008

7. Profit on ordinary activities before taxation is stated after charging/(crediting):

	2008	2007
	£	£
Auditors' remuneration		
Audit fees:		
- Fees payable to the company's auditor for the audit of the company's annual accounts	5,000	5,000
- The audit of the company's subsidiaries	42,333	42,000
- Tax services	542	10,800
	<u>47,875</u>	<u>57,800</u>
	2008	2007
	£	£
Operating lease payment		
- Plant and machinery	34,608	76,076
- Land and buildings	705,958	922,055
Profit on sales of fixed assets	(7,234)	(4,248)
Profit on sale of investment properties	-	1,365,228
Profit on sale of investments	(750,000)	(319,050)
Depreciation of fixed assets	215,631	223,569
Amortisation of goodwill	213,611	544,120

8. Tax on profit on ordinary activities

	2008	2007
	£	£
Group		
Current taxation		
United Kingdom Corporation tax:		
Current tax on income for the year at 29% (2007: 30%)	(487,246)	(107,643)
Adjustment in respect of prior years' tax provisions	219,233	(1,700)
Total current taxation	<u>(268,013)</u>	<u>(109,343)</u>
Deferred taxation		
Movement in short term timing differences	(31,318)	(45,764)
Prior year adjustment	(8,220)	-
Tax on profit on ordinary activities	<u>(307,551)</u>	<u>(155,107)</u>

Amsprop London Limited

Notes to the accounts Year ended 30 September 2008

8. 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 29% (2007: 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:

Group	2008 £	2007 £
Profit on ordinary activities before tax	2,949,278	2,781,220
Tax on profit on ordinary activities before tax at standard rate	(855,291)	(834,366)
Factors affecting charge for the year:		
Permanent differences	132,868	(94,273)
Capital allowances in excess of depreciation	31,318	45,764
Utilisation of brought forward losses	320,522	775,232
Other timing differences	-	-
Unutilised losses carried forward	(153,522)	-
R & D tax credits	36,859	-
Current tax charge for the year	(487,246)	(107,643)

Deferred tax on the revaluation of fixed assets, estimated to be £559,053 (2007: £929,493) has not been provided. This is due to capital losses carried forward of £20,478,488. A deferred tax asset is not provided on the excess management expenses of £4,949,505 nor the Schedule D Case VI losses of £169,334 as they are unlikely to be utilised in the foreseeable future.

9. Investment property

	Freehold £
Group and company	
Valuation and net book value	
At 1 October 2007	9,843,000
Addition	1,352,000
Disposal	-
Net deficit on revaluation during the year	(1,323,000)
At 30 September 2008	9,872,000
Representing:	
Properties valued	
Cost	7,875,382
Net surplus	1,996,618
	9,872,000

The investment properties were valued by the directors at 30 September 2008 on an open market basis.

Amsprop London Limited

Notes to the accounts Year ended 30 September 2008

10. Tangible fixed assets

	Leasehold improve- ment £	Fixtures, fittings, tools and equipment £	Motor vehicles £	Total £
Group				
At 1 October 2007	353,810	2,812,486	375,690	3,541,986
Additions	4,700	161,505	106,453	272,658
Acquisition	-	611,703	12,995	624,698
Disposals	-	(81,430)	(70,930)	(152,360)
At 30 September 2008	<u>358,510</u>	<u>3,504,264</u>	<u>424,208</u>	<u>4,286,982</u>
Depreciation				
At 1 October 2007	77,085	2,463,654	306,028	2,846,767
Charged in the year	34,373	142,991	41,267	218,631
Acquisition	-	516,558	12,444	529,002
Disposals	-	(81,029)	(70,930)	(151,959)
At 30 September 2008	<u>111,458</u>	<u>3,042,174</u>	<u>288,809</u>	<u>3,442,441</u>
Net book value				
At 30 September 2008	<u>247,052</u>	<u>462,090</u>	<u>135,399</u>	<u>844,541</u>
At 1 October 2007	<u>276,725</u>	<u>348,832</u>	<u>69,662</u>	<u>695,219</u>

Included within net book value of £844,541 is £72,333 relating to assets held on finance leases (2007:£100,333). The depreciation charged in the year on these assets was £28,000 (2007: £28,000).

11. Fixed asset investments

Group

The group's associated undertaking at 30 September 2008 was a 49% shareholding in Pedegog Limited (trading as AtSchool) incorporated in Great Britain.

Company	£
Investment in subsidiaries	
Cost and net book value	
At 1 October 2007	7,000
Additions	3,000,000
At 30 September 2008	<u>3,007,000</u>

The subsidiary investments at 30 September 2008 comprise a 70% shareholding in Viglen Technology Limited, and a 60% shareholding in Amscreen PLC.

Amsprop London Limited

Notes to the accounts Year ended 30 September 2008

11. Fixed asset investments (continued)

The company's principal subsidiary undertakings are Viglen Limited, Xenon Network Services Limited, Vigecom Limited, Viglen Technology Limited, Amscreen PLC Limited and Amscreen Group 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. Amscreen Group Limited is wholly owned by Amscreen PLC which is itself 60% owned by Amsprop London Limited. The company also owns a 49% of Pedegog Limited, an on-line educational contract provider that operates in the United Kingdom.

12. Investments

On 24 May 2007 the company disposed of its investment in IntY Limited for an initial consideration of £750,000 with a further deferred consideration of £375,000 payable 31 January 2008 and £375,000 payable 31 July 2008. The final two instalments which were provided for fully in the previous year were paid during the current year, generating a profit of £750,000.

The profit on the sale of IntY Limited is disclosed within other operating income.

13. 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. Previously goodwill was being amortised over ten years. The useful economic life has been extended by ten years and hence the remaining balance is being amortised over 15 years. If this change had not been made the amortisation charge for the year would have increased by £380,673 to £594,284.

On 25 July 2008 the company acquired a 60% interest in Amscreen PLC. As a result of the acquisition, goodwill of £3,009,840 was generated. This is being amortised over twenty years from 25 July 2008.

Group	Cost £	Amortisation £	Net book value £
At 1 October 2007	5,441,199	(2,613,267)	2,827,932
Amortisation during year	-	(188,529)	(188,529)
Additions	3,296,976	(27,475)	3,269,501
At 30 September 2008	<u>8,738,175</u>	<u>(2,829,271)</u>	<u>5,908,904</u>

14. Stocks

	Group		Company	
	2008 £	2007 £	2008 £	2007 £
Raw materials and consumables	3,576,135	3,160,954	-	-
Work in progress and finished goods	888,734	888,734	-	-
	<u>4,464,869</u>	<u>4,049,688</u>	<u>-</u>	<u>-</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

Amsprop London Limited

Notes to the accounts Year ended 30 September 2008

15. Debtors

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Trade debtors	9,528,706	10,345,822	15,983	18,540
Other debtors	201,591	118,187	385	-
Corporation tax	23,004	276,615	-	-
Prepayments and accrued income	300,512	176,282	37,455	40,339
	<u>10,053,813</u>	<u>10,916,906</u>	<u>53,823</u>	<u>58,879</u>

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Other debtors	600,000	700,000	-	-
Deferred tax (see note 19)	137,069	176,607	-	-
	<u>737,069</u>	<u>876,607</u>	<u>-</u>	<u>-</u>

16. Current asset investments

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Shares at market value	251,061	421,022	251,061	421,022

The investments are all shares traded on a recognised stock exchange and are valued at the lower of cost or net realisable value on 30 September 2008.

17. Creditors: amounts falling due within one year

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Bank loans and overdrafts	324,123	300,000	-	-
Obligations under finance lease	59,021	33,021	-	-
Trade creditors	6,018,472	5,294,011	2,585	34
Corporation tax	325,608	67,430	-	-
Other taxes and social security costs	1,715,946	1,803,436	10,989	105,000
Accruals	1,033,601	1,188,397	182,641	117,881
Deferred income	2,081,428	2,844,475	-	-
	<u>11,558,199</u>	<u>11,530,770</u>	<u>196,215</u>	<u>222,915</u>

Amsprop London Limited

Notes to the accounts Year ended 30 September 2008

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

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Falling due between one and two years				
Bank loan	300,000	300,000	-	-
Deferred income	780,642	1,101,180	-	-
Obligation under finance lease	28,442	33,021	-	-
Falling due between two and five years				
Bank loan	150,000	450,000	-	-
Deferred income	411,363	633,986	-	-
Obligation under finance lease	-	23,305	-	-
Falling due after five years				
1% fixed coupon cumulative redeemable preference shares of £1 each	5,591,000	5,591,000	-	-
	<u>7,261,447</u>	<u>8,132,492</u>	<u>-</u>	<u>-</u>

The bank loan is repayable over five years from the date of issue. Interest of 1.15% above the Base Rate is charged on the unpaid balance. The loan is secured by a guarantee from the company's ultimate controlling party.

Cumulative redeemable preference shares carry an entitlement to dividend at the rate 1% per annum, payable on 1 October every year and may be redeemed at £1 per share at any time at the option of the company. In the event of the issue of a Controlling Interest Notice the company must redeem all the preference shares then in issue. Holders of the redeemable preference shares have the right on a winding-up to receive in priority to any other classes of shares, the sum of £1 per share together with any arrears of dividend. Preference shares have no voting rights attached to them. There is no premium payable on redemption.

19. Deferred tax asset

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Movement on deferred taxation				
At 1 October 2006	176,607	222,372	-	-
Debit/credit to profit and loss account	(39,538)	(45,765)	-	-
At 30 September 2008	<u>137,069</u>	<u>176,607</u>	<u>-</u>	<u>-</u>
	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Depreciation in excess of capital allowances	137,069	176,607	-	-
Deferred tax asset	<u>137,069</u>	<u>176,607</u>	<u>-</u>	<u>-</u>

Amsprop London Limited

Notes to the accounts Year ended 30 September 2008

20. Provisions for liabilities and charges

	Total £
At 1 October 2007	490,154
Utilised during the year	(459,565)
Provided during the year	197,206
	<u>227,795</u>
At 30 September 2008	<u>227,795</u>

The warranty provision above relates to the expected future cost of providing warranty support.

21. Called up share capital

	2008		2007	
	Ordinary shares of £1 each		Ordinary shares of £1 each	
	Number	£	Number	£
Authorised	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>
Called up, allotted and fully paid	<u>41,490,000</u>	<u>41,490,000</u>	<u>41,490,000</u>	<u>41,490,000</u>

22. Profit and loss account

	Group £	Company £
At 1 October 2007	(16,739,768)	(17,969,863)
Profit for the financial year	<u>2,234,794</u>	<u>1,085,710</u>
At 30 September 2008	<u>(14,504,974)</u>	<u>(16,884,153)</u>

23. 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 £1,085,710 (2007: £3,733,887).

24. Revaluation reserve

	2008 £	2007 £
At 1 October 2007	3,319,618	3,398,898
Transfer to profit and loss account	-	(99,780)
(Deficit)/surplus on revaluations during the year	<u>(1,323,000)</u>	<u>20,500</u>
At 30 September 2008	<u>1,996,618</u>	<u>3,319,618</u>

Amsprop London Limited

Notes to the accounts Year ended 30 September 2008

25. Reconciliation of movements in shareholders' funds

	Group		Company	
	2008 £	2007 £	2008 £	2007 £
Opening shareholders' funds	28,069,850	25,435,838	26,839,755	23,185,148
Profit for the financial year	2,234,794	2,613,512	1,105,247	3,733,887
Movement on revaluation reserve during the year	(1,323,000)	20,500	(1,323,000)	(79,280)
Closing shareholders' funds	<u>28,981,644</u>	<u>28,069,850</u>	<u>26,622,002</u>	<u>26,839,755</u>

26. Minority interests

	Total £
At 1 October 2007	530,184
Profit attributable to minority interest for the year	404,540
Additions	1,999,999
At 30 September 2008	<u>2,934,723</u>

27. Net cash inflow/(outflow) from operating activities

	2008 £	2007 £
Operating profit	1,875,496	1,916,544
Amortisation of goodwill	213,611	544,120
Depreciation	218,631	223,569
Profit on sale of fixed assets	(7,234)	(4,248)
Profit on sale of investment properties	-	(765,228)
Surrender on right to buy	-	(600,000)
Profit on sale of investment	(750,000)	(319,050)
(Increase)/decrease in stocks	(108,981)	652,409
Decrease/(increase) in debtors	1,076,228	(1,006,565)
Decrease in creditors	(273,552)	(1,137,850)
Decrease/(increase) in investments	169,961	(48,864)
(Decrease)/increase in deferred income	(1,306,208)	131,884
Decrease in provisions	(262,359)	(1,039,323)
	<u>845,593</u>	<u>(1,452,602)</u>

Amsprop London Limited

Notes to the accounts Year ended 30 September 2008

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

	2008 £	2007 £
(Decrease)/increase in cash in the year	(291,525)	3,412,242
Cash outflow from change in debt and lease finance	331,884	326,143
Change in net funds resulting from cash flows	40,359	3,738,385
On acquisition	(397,211)	-
Change in net funds	(356,852)	3,738,385
Opening net funds	17,983,729	14,245,344
Closing net funds	17,969,965	17,983,729

29. Analysis of changes in net funds

	2007 £	Acquisition £	Cash flow £	2008 £
Cash at bank and in hand	19,123,076	-	(291,525)	18,831,551
Debt due within a year	(300,000)	(24,123)	-	(324,123)
Debt due after a year	(750,000)	-	300,000	(450,000)
Finance leases	(89,347)	(30,000)	31,884	(87,463)
	17,983,729	(54,123)	40,359	17,969,965

32. Leasing commitments

At 30 September 2008 the group has annual non-cancellable lease commitments, which expire

	2008		2007	
	Land and buildings £	Other £	Land and buildings £	Other £
In one year or less	8,350	12,020	850	22,915
Between one and two years	81,500	24,680	72,287	-
Between two and five years	-	-	-	-
Over five years	710,147	-	610,500	-
	799,997	36,700	683,637	22,915

32. Related party transactions

During the year Viglen Limited sold services worth £14,451(2007: £18,770) to Amsprop Limited, a company owned 100% by Sir Alan Sugar. At 30 September 2008 there was an amount receivable of £10,151(2007: £nil).

The company has taken advantage of the exemptions conferred by Financial Reporting Standard Number 8 "Related Party Disclosures", in respect of transactions with group undertakings.

Amsprop London Limited

Notes to the accounts Year ended 30 September 2008

32. Controlling Party

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

33. Acquisition of Amscreen PLC

A 60% interest in Amscreen PLC was acquired on 25 July 2008. The principal activity of the company is digital signage. The following table sets out the stock and fair value of the assets and liabilities acquired.

	£
Fixed Assets	95,696
Stock	306,200
Debtors	366,746
Creditors	(755,727)
Finance Leases	(30,000)
Overdraft	(367,211)
	<hr/>
	(384,296)
Goodwill (See note 13)	3,296,976
	<hr/>
	2,912,680
	<hr/>
Cash consideration for shares	838,313
Acquisition costs	74,368
	<hr/>
Total outflow	912,681
Cash invested in company	1,999,999
	<hr/>
	2,912,680
	<hr/>
Cash considerations for shares	838,313
Acquisition costs	74,368
	<hr/>
Total outflow on acquisitions	912,681
Overdraft	367,211
Bank loan	(24,123)
	<hr/>
Cash outflow	1,255,769
	<hr/>

34. Post balance sheet event

During the year the company attempted to acquire a notifiable interest in Woolworths PLC. Unfortunately, the shares thought to have been acquired through the normal stock exchange processes were not ultimately delivered by the counter party so all transactions were deemed to be non effective and therefore cancelled.