

**Company Registration No. 2344929**

**Amsprop London Limited**

**Report and Financial Statements**

**30 September 2010**

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# **Amsprop London Limited**

## **Report and financial statements 2010**

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# **Amsprop London Limited**

## **Report and financial statements 2010**

### **Officers and professional advisers**

#### **Directors**

Lord Sugar (was appointed as a director with effect from 24 May 2010)

Colin T Sandy

Louise J Baron

Andrew N Cohen

Daniel Sugar

Simon Sugar

James Hughes

Claude Littner

Michael Ray

#### **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 2010

### Principal activities

The principal activity of the group 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 Molly Moggs, Soho was purchased on 7 April 2010 and Ye Olde Kings Head, Chigwell was purchased on 16 April 2010 Works are now underway to convert The Annexe, St James Road, Brentwood into offices The company is the ultimate parent company of Viglen Technology Limited, Viglen Limited, Xenon Network Services Limited and Vigecom Limited The company is also the ultimate parent company of Amscreen PLC and Amscreen Group Limited 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 £738,625 in 2009 to £1,358,570 in 2010 Capital growth of properties, which included purchases, was £8,845,773 in the year (2009 £4,102,707)

The company's investment in the Viglen Technology Limited group of companies is measured by the total return before taxation, this fell to £510,040 in 2010 (2009 £861,339)

The company holds 63.245% of the share capital of Amscreen PLC, a company specialising in digital signage The total return before taxation improved to a loss of £1,840,631 (2009 loss of £2,192,962)

### Principal risks and uncertainties

Risk is present in all businesses and the Board regularly reviews the risks faced by the group

The directors consider that the major risks and uncertainties to the group at this point in time are

#### Financial risks

- Exchange rate risk The group principally sells in sterling and buys in dollars Therefore, there is a risk in terms of adverse exchange rate movements The group mitigates this risk by hedging its exposure through the forward purchase of dollars Additionally the group produces a new price list monthly The forward exchange rate exposure, unhedged, is therefore limited to one month's sales
- Price risk The group is exposed to commodity price risk The group considers that volatility in certain component prices is a regular part of its business environment The group accepts this price risk and does not use commodity price risk management instruments
- Liquidity risk The group regularly reviews its liquidity to ensure that sufficient funds are available for ongoing operation and future developments The group 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 (continued)

### Uncertainties

- **Warranty** The group 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. The group's offering to its customers is to supply tailor-made solutions with short lead-times. This can cause problems during industry shortages. The group reduce this risk by, where possible
  - multi sourcing components
  - strong, long-term supplier relationships
  - planning and forecasting component requirements
- **Property prices are uncertain** which could result in the group acquiring overpriced properties which could subsequently result in little or no growth. 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 group regularly reviews the situation and adjusts its plan accordingly.

### Results

The results for the year are set out on page 9. The retained profit for the financial year amounted to £349,979 (2009 £62,167).

### Viglen

Viglen is a successful IT company, which principally focuses on the education and public sector markets. It has made a significant contribution to the group's profit for the year to 30 September 2010.

### 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. During the year a dividend of £3.50 per share was paid generating £49,969 of income for the group.

### Amscreen

Amscreen continues to be focused on developing its range of digital signage products. Its focus for the next year is to continue to grow its customer base and grow its advertising revenue.

# **Amsprop London Limited**

## **Directors' report (continued)**

### **Dividends**

The directors do not propose payment of a dividend (2009 £nil) On December 2009 Viglen Technology Limited declared and paid a dividend of £1,000,000 (2009 £nil) This resulted in a dividend of £300,000 (2009 £nil) being paid to the minority interest

### **Future prospects**

Since the year end the group sold a division of its digital signage company See note 33

### **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

During the year Viglen Limited achieved BS EN ISO 14001 accreditation The group continues to review its processes and their environmental impact These include the launching of the Enviro Quiet range of products which has resulted in reduced energy requirement and lower noise emissions The use of re-usable heavy duty boxes in delivery of our products saves raw materials in packaging by recycling the boxes The group sets goals for its environmental performance and seeks to achieve this via a process of continued improvement in sustainable consumption and production, reducing its overall carbon footprint

The group maintains an environmental website to share information with customers, partners and suppliers This can be found at [www.enviroquiet.co.uk](http://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 58 days (2009 65 days)

### **Political and charitable donations**

No charitable or political donations were made during the year (2009 £nil)

# Amsprop London Limited

## Directors' report (continued)

### Auditors

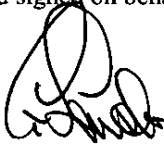
Each of the persons who is a director at the date of approval of this report confirms that

- 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 S418 of the Companies Act 2006

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. Deloitte 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

 2011

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

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **Independent auditors' report to the members of Amsprop London Limited**

We have audited the financial statements of Amsprop London Limited for the year ended 30 September 2010 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated and parent company balance sheets, the consolidated cash flow statement and the related notes 1 to 33. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

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

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2010 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Independent auditors' report to the members of Amsprop London Limited (continued)**

### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **Matters on which we are required to report by exception**

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

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

*Andrew Clark FCA*

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

*31 January 2011*

**Amsprop London Ltd**  
**Consolidated profit and loss account**  
**Year ended 30 September 2010**

	Notes	2010 £	2009 £
Turnover	2	72,879,621	60,143,561
Operating costs	3	(72,884,329)	(60,541,915)
<b>Operating loss</b>		<b>(4,708)</b>	<b>(398,354)</b>
Dividend income from associated undertakings	11	49,969	-
<b>Profit /(loss) on ordinary activities before interest</b>		<b>45,261</b>	<b>(398,354)</b>
Interest receivable and similar income	5	19,181	194,038
Interest payable and similar charges	6	(122,213)	(167,506)
<b>Loss on ordinary activities before taxation</b>	7	<b>(57,771)</b>	<b>(371,822)</b>
Tax on loss on ordinary activities	8	(165,369)	(150,176)
<b>Loss on ordinary activities after taxation</b>		<b>(223,140)</b>	<b>(521,998)</b>
Minority interest	25	573,119	584,165
<b>Profit for the financial year</b>	21	<b>349,979</b>	<b>62,167</b>

All results are derived from continuing operations

**Consolidated statement of total recognised gains and losses**  
**Year ended 30 September 2010**

	2010 £	2009 £
Profit for the financial year	349,979	62,167
Unrealised surplus on revaluation of property	8,845,773	4,102,707
<b>Total recognised gain and losses relating to the year</b>	<b>9,195,752</b>	<b>4,164,874</b>

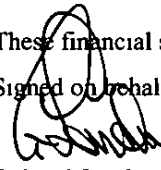
## Amsprop London Limited

Consolidated balance sheet  
30 September 2010

	Notes	2010 £	2009 £
<b>Fixed assets</b>			
Investment property	9	37,695,000	24,664,000
Fixed assets	10	1,368,821	944,256
Investments	11	-	-
Goodwill	12	5,202,148	5,555,526
		<u>44,265,969</u>	<u>31,163,782</u>
<b>Current assets</b>			
Stocks	13	5,962,511	5,172,137
Debtors amounts falling due within one year	14	13,636,732	13,208,523
Debtors amounts falling due after more than one year	14	519,277	628,090
Investments	15	-	3,317
Cash at bank and in hand		4,757,693	7,652,483
		<u>24,876,213</u>	<u>26,664,550</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>(17,312,281)</u>	<u>(14,395,860)</u>
<b>Net current assets</b>		<u>7,563,932</u>	<u>12,268,690</u>
<b>Total assets less current liabilities</b>		<u>51,829,901</u>	<u>43,432,472</u>
<b>Creditors: amounts falling due after more than one year</b>	17	(6,745,866)	(6,693,818)
<b>Provisions for liabilities</b>	19	<u>(323,942)</u>	<u>(301,194)</u>
<b>Net assets</b>		<u>44,760,093</u>	<u>36,437,460</u>
<b>Capital and reserves</b>			
Called up share capital	20	41,490,000	41,490,000
Profit and loss account	21	(14,110,899)	(14,460,878)
Revaluation reserve	23	14,945,098	6,099,325
		<u>42,324,199</u>	<u>33,128,447</u>
<b>Shareholders' funds</b>	24	<u>42,324,199</u>	<u>33,128,447</u>
<b>Minority interest</b>	25	<u>2,435,894</u>	<u>3,309,013</u>
<b>Total capital employed</b>		<u>44,760,093</u>	<u>36,437,460</u>

These financial statements were approved by the Board of Directors on 20 January 2011

Signed on behalf of the Board of Directors

  
Colin T Sandy  
Director

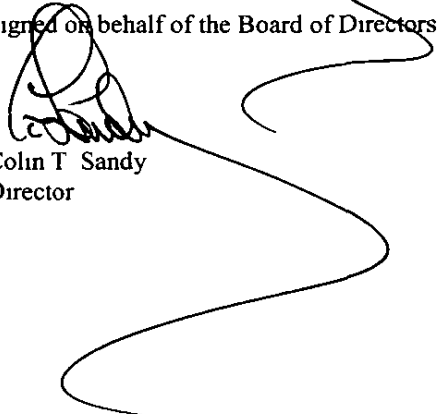
# Amsprop London Limited

## Company balance sheet 30 September 2010

	Notes	2010 £	2009 £
<b>Tangible fixed assets</b>			
Investment property	9	37,695,000	24,664,000
Investments	11	5,067,431	5,067,431
Fixed assets	10	23,432	23,160
		<u>42,785,863</u>	<u>29,754,591</u>
<b>Current assets</b>			
Debtors	14	666,812	523,965
Investments	15	-	3,317
Cash at bank and in hand		135,665	2,309,885
		<u>802,477</u>	<u>2,837,167</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>(1,084,422)</u>	<u>(906,433)</u>
<b>Net current (liabilities)/assets</b>		<u>(281,945)</u>	<u>1,930,734</u>
<b>Net assets</b>		<u>42,503,918</u>	<u>31,685,325</u>
<b>Capital and reserves</b>			
Called up share capital	20	41,490,000	41,490,000
Profit and loss account	21	(13,931,180)	(15,904,000)
Revaluation reserve	23	14,945,098	6,099,325
<b>Shareholders' funds</b>	24	<u>42,503,918</u>	<u>31,685,325</u>

These financial statement of Amsprop London Limited, registration number 2344929, were approved by the Board of Directors on *Stef Tomlinson* 2011

Signed on behalf of the Board of Directors

  
Colin T Sandy  
Director

# Amsprop London Limited

## Consolidated cash flow statement Year ended 30 September 2010

	Notes	2010 £	2009 £
<b>Net cash inflow from operating activities</b>	26	<u>2,773,785</u>	<u>311,255</u>
<b>Returns on investments and servicing of finance</b>			
Interest received		19,181	194,038
Interest paid		(66,303)	(111,596)
Dividends paid on preference shares		(55,910)	(55,910)
Dividend paid to minority interest holders		(300,000)	-
Income from associated company		49,969	-
		<u>          </u>	<u>          </u>
<b>Net cash (outflow)/inflow from returns on investments and servicing of finance</b>		(353,063)	26,532
<b>Taxation</b>			
Corporation tax paid		(172,100)	(341,189)
<b>Capital expenditure and financial investments</b>			
Purchase of investment properties		(4,185,227)	(10,689,293)
Purchase of tangible fixed assets		(936,578)	(604,493)
Sale of tangible fixed assets		12,115	5,600
Investments in subsidiaries		-	(162,260)
		<u>          </u>	<u>          </u>
<b>Net cash outflow from capital expenditure and financial investments</b>		(5,109,690)	(11,450,446)
<b>Financing</b>			
Payment of debt		-	(774,123)
Proceeds from rights issue in subsidiary		-	1,102,644
Capital element of finance lease rental payment		(33,722)	(53,741)
		<u>          </u>	<u>          </u>
<b>Net cash (outflow)/inflow from financing</b>		(33,722)	274,780
<b>Decrease in cash in year</b>	28	<u>(2,894,790)</u>	<u>(11,179,068)</u>

# Amsprop London Limited

## Notes to the accounts Year ended 30 September 2010

### 1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and applicable 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 2006 relating to depreciation and an explanation of the departure is given below.

#### Going concern

The group and company's business activities, together with the factors likely to affect its future development, performance and financial position, including principal risks and uncertainties, are set out in the Directors Report on pages 2 to 5.

The group and company regularly updates its trading and financial projections, which make allowance for anticipated market conditions. These show that the group and company should be able to work within the terms of its committed overdraft facilities, which are expected to be renewed in December 2011. The group and company currently has no external debt. After making enquiries, and considering the uncertainties described above, the directors have a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the directors continue to adopt the going concern basis in preparing the annual report and accounts.

#### Turnover

Turnover is stated net of VAT and trade discounts. Turnover from the sale of goods is recognised when the goods are despatched to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated by reference to the value of work performed to date as a proportion of the total contract value.

#### 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.

#### 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.

# Amsprop London Limited

## Notes to the accounts Year ended 30 September 2010

### 1. Accounting policies (continued)

#### 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 below historic cost, which is believed to be permanent, is written off to the profit and loss account in the year in which it arises. No depreciation is provided in respect of investment properties.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principles set out in SSAP 19. The directors consider that, as these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount, which might otherwise have been shown, cannot be separately identified or quantified.

#### 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.

#### Current 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.



# Amsprop London Limited

## Notes to the accounts Year ended 30 September 2010

### 1. Accounting policies (continued)

#### Deferred taxation

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.

#### 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.

# Amsprop London Limited

## Notes to the accounts Year ended 30 September 2010

### 2. Turnover and segmental results

Turnover, net assets and operating profit/(loss) on ordinary activities before taxation are attributable to the IT sector, digital signage and property investments. Turnover, operating profit/(loss) and net assets arising predominantly within the United Kingdom are analysed as follows

	2010 £	2009 £
<b>Turnover</b>		
IT market	68,731,797	54,348,842
Digital Signage	2,676,924	2,066,196
Property and shares	1,470,900	3,728,523
	<u>72,879,621</u>	<u>60,143,561</u>
<b>Operating profit/(loss)</b>		
IT market	528,859	914,435
Digital Signage	(1,799,062)	(2,145,361)
Property and shares	1,265,495	832,572
	<u>(4,708)</u>	<u>(398,354)</u>
<b>Net assets</b>		
IT market	3,788,159	4,443,488
Digital Signage	3,535,447	5,376,078
Property and shares	37,436,487	26,617,894
	<u>44,760,093</u>	<u>36,437,460</u>

### 3. Operating costs

	2010 £	2009 £
Other operating income	30,512	9,061
Changes in work in progress and finished goods	984,378	12,288
Raw materials and consumables	(58,502,001)	(45,092,348)
Other external charges	(4,612,474)	(4,674,855)
Staff costs	(9,701,520)	(9,856,083)
Depreciation	(511,513)	(494,626)
Profit/(loss) on sale of fixed asset	11,615	(4,552)
Amortisation of goodwill	(353,378)	(353,378)
Other operating charges	(229,948)	(87,422)
	<u>(72,884,329)</u>	<u>(60,541,915)</u>

# Amsprop London Limited

## Notes to the accounts Year ended 30 September 2010

### 4. Staff costs

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

	2010	2009
	£	£
Wages and salaries	8,638,120	8,803,057
Social security costs	928,458	936,141
Pension costs	134,942	116,885
	<u>9,701,520</u>	<u>9,856,083</u>

The average number of employees of the group during the year, including directors, was 263 (2009 264)

	2010	2009
	Number	Number
Viglen Limited Production and Warehouse	43	45
Viglen Limited Sales and Administration	118	121
Xenon Network Services Limited	58	59
Amscreen	44	39
	<u>263</u>	<u>264</u>

The company had no employees during the year (2009 none)

Remuneration in respect of directors was as follows

	2010	2009
	£	£
Directors' remuneration	274,711	281,883
Pension contribution	36,000	9,000
	<u>310,711</u>	<u>290,883</u>

The pension contributions were made in respect of one director (2009 one)

The amount set out above includes remuneration in respect of the highest paid director as follows

	2010	2009
	£	£
Highest paid director	<u>175,000</u>	<u>175,000</u>

# Amsprop London Limited

## Notes to the accounts Year ended 30 September 2010

### 5. Interest receivable and similar income

	2010 £	2009 £
Interest receivable and similar income	19,181	194,038

### 6. Interest payable and similar changes

	2010 £	2009 £
Interest payable and similar charges	(64,398)	(105,366)
Interest payable on finance leases	(1,905)	(6,230)
Preference dividend	(55,910)	(55,910)
	<u>(122,213)</u>	<u>(167,506)</u>

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

	2010 £	2009 £
Fees payable to the company's auditors for the audit of the company's annual accounts	7,000	6,800
for the audit of the company's subsidiaries	53,000	53,000
for tax services	9,500	7,500
	<u>69,500</u>	<u>67,300</u>

	2010 £	2009 £
<b>Operating lease payment</b>		
Plant and machinery	36,567	57,058
Land and buildings	800,974	805,245
Profit/(loss) on sale of fixed assets	(11,615)	4,552
Depreciation of fixed assets	511,513	494,626
Amortisation of goodwill	353,378	353,378

# Amsprop London Limited

## Notes to the accounts Year ended 30 September 2010

### 8. Tax on loss on ordinary activities

<b>Group</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Current taxation</b>		
United Kingdom Corporation tax		
Current tax on income for the year at 28% (2009 28%)	(158,532)	(141,197)
Adjustment in respect of prior years' tax provisions	1,976	-
<b>Total current taxation</b>	<b>(156,556)</b>	<b>(141,197)</b>
<b>Deferred taxation</b>		
Movement in short term timing differences	(5,365)	(8,979)
Prior year adjustment	(3,448)	-
<b>Tax on loss on ordinary activities</b>	<b>(165,369)</b>	<b>(150,176)</b>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 28% (2009 28%)  
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

<b>Group</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before tax	(57,771)	(371,822)
<b>Tax on loss on ordinary activities before tax at standard rate</b>	<b>16,176</b>	<b>104,110</b>
<b>Factors affecting charge for the year:</b>		
Permanent differences	(121,710)	(74,556)
Capital allowances in excess of depreciation	22,301	8,979
Utilisation of brought forward losses	239,004	268,972
Other timing differences	-	1,400
Unutilised losses carried forward	(351,720)	(614,029)
R & D tax credits	37,417	163,927
<b>Current tax charge for the year</b>	<b>(158,532)</b>	<b>(141,197)</b>

Deferred tax on the revaluation of fixed assets estimated to be £4,035,176 (2009 £1,707,811) has not been provided for. A deferred tax asset is not provided on the capital losses carried forward of £20,608,000 (2009 £20,624,904) excess management expenses of £4,000,880 (2009 £4,301,254) nor the Schedule D Case VI losses of £ml (2009 £169,334) as they are unlikely to be utilised in the foreseeable future.

#### Factors affecting future tax charges

In his budget of 22 June 2010, the Chancellor of the Exchequer announced Budget tax changes, which, if enacted in the proposed manner, will have a significant effect on the company's future tax position.

The budget proposed a decrease in the rate of UK corporation tax from 28% to 24% by 1% each year, from April 2011, which will be enacted annually. The first rate change to 27% has been substantively enacted at the date of signing the financial statements. This would reduce the company's recognised deferred tax asset. The rate change will also reduce the amount of the future UK cash tax payments to be made by the company.

## Amsprop London Limited

### Notes to the accounts Year ended 30 September 2010

#### 9. Investment property

	<b>Freehold £</b>
<b>Group and company</b>	
Valuation and net book value	
At 1 October 2009	24,664,000
Additions	4,185,227
Net surplus on revaluation during the year	<u>8,845,773</u>
At 30 September 2010	<u>37,695,000</u>
Representing	
Properties valued	
Cost	22,749,902
Net surplus	<u>14,945,098</u>
	<u>37,695,000</u>

The investment properties were valued by the directors at 30 September 2010 on an open market basis, one of the directors being FRICS. The investment property at 206-210 Bishopsgate was valued by CBRE, independent valuers not connected with the group at 30 September 2009 on the basis of market value in accordance with the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors.

# Amsprop London Limited

## Notes to the accounts Year ended 30 September 2010

### 10. Tangible fixed assets

	Leasehold improve- ment £	Fixtures, fittings, tools and equipment £	Motor vehicles £	Total £
<b>Group</b>				
At 1 October 2009	370,146	3,467,151	352,463	4,189,760
Additions	-	831,562	105,016	936,578
Disposals	-	(91,298)	(83,247)	(174,545)
	<u>370,146</u>	<u>4,207,415</u>	<u>374,232</u>	<u>4,951,793</u>
<b>At 30 September 2010</b>				
<b>Depreciation</b>				
At 1 October 2009	150,563	2,839,542	255,399	3,245,504
Charged in the year	35,615	416,859	59,039	511,513
Disposals	-	(90,798)	(83,247)	(174,045)
	<u>186,178</u>	<u>3,165,603</u>	<u>231,191</u>	<u>3,582,972</u>
<b>At 30 September 2010</b>				
<b>Net book value</b>				
At 30 September 2010	<u>183,968</u>	<u>1,041,812</u>	<u>143,041</u>	<u>1,368,821</u>
At 30 September 2009	<u>219,583</u>	<u>627,609</u>	<u>97,064</u>	<u>944,256</u>

Included within net book value of £1,368,821 is £16,333 relating to assets held on finance leases (2009 £53,333) The depreciation charged in the year on these assets was £37,000 (2009 £46,000)

	Fixtures, fittings, tools and equipment £	Total £
<b>Company</b>		
At 1 October 2009	25,734	25,734
Additions	4,246	4,246
	<u>29,980</u>	<u>29,980</u>
<b>At 30 September 2010</b>		
<b>Depreciation</b>		
At 1 October 2009	2,574	2,574
Charged in the year	3,974	3,974
	<u>6,548</u>	<u>6,548</u>
<b>At 30 September 2010</b>		
<b>Net book value</b>		
At 30 September 2010	<u>23,432</u>	<u>23,432</u>
At 30 September 2009	<u>23,160</u>	<u>23,160</u>

# Amsprop London Limited

## Notes to the accounts Year ended 30 September 2010

### 11. Fixed asset investments

#### Group

The group's associated undertaking at 30 September 2010 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 2009 and 30 September 2010

5,067,431

The subsidiary investments at 30 September 2010 comprise a 70% shareholding in Viglen Technology Limited, and a 63.245% shareholding in Amscreen PLC

The company's principal subsidiary undertakings are Viglen Limited, Xenon Network Services Limited, Vigecom Limited, Viglen Technology Limited, Amscreen PLC and Amscreen Group Limited which all operate in the United Kingdom. Viglen Limited, Xenon Network Services Limited and Viglen Technology Limited engage in IT Solutions mainly in the public sector. Amscreen PLC and Amscreen Group Limited engage in digital signage. 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 63.245% owned by Amsprop London Limited.

On 31 May 2010 Pedegog Limited declared and paid a dividend of £3.50 per share as a capital distribution of surplus assets. The distribution taking place after a capital reduction scheme was implemented. The group received a £49,969 dividend on the 14,277 ordinary shares held in Pedegog Limited.



# Amsprop London Limited

## Notes to the accounts Year ended 30 September 2010

### 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 twenty years from 11 December 2002.

On 25 July 2008 the company acquired a 60% interest in Amscreen PLC. As a result of the acquisition, goodwill of £3,296,976 was generated. This is being amortised over twenty years from 25 July 2008. This investment was subsequently increased to 63.245%.

Group	Cost £	Amortisation £	Net book value £
At 1 October 2009	8,738,175	(3,182,649)	5,555,526
Amortisation during year	-	(353,378)	(353,378)
At 30 September 2010	<u>8,738,175</u>	<u>(3,536,027)</u>	<u>5,202,148</u>

### 13. Stocks

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Raw materials and consumables	4,077,111	4,271,115	-	-
Work in progress and finished goods	1,885,400	901,022	-	-
	<u>5,962,511</u>	<u>5,172,137</u>	<u>-</u>	<u>-</u>

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

### 14. Debtors

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Trade debtors	12,805,763	11,973,060	85,132	26,198
Other debtors	127,938	529,200	24,070	411,184
Amounts owed by group companies	-	-	535,500	-
Prepayments and accrued income	703,031	706,263	22,110	86,583
Amounts falling due within one year	<u>13,636,732</u>	<u>13,208,523</u>	<u>666,812</u>	<u>523,965</u>

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Other debtors	400,000	500,000	-	-
Deferred tax (see note 18)	119,277	128,090	-	-
Amounts falling due after more than one year	<u>519,277</u>	<u>628,090</u>	<u>-</u>	<u>-</u>

# Amsprop London Limited

## Notes to the accounts Year ended 30 September 2010

### 15. Current asset investments

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Shares at market value	-	3,317	-	3,317

The investments are all shares traded on a recognised stock exchange and are valued at the lower of cost or net realisable value at the year end

### 16. Creditors: amounts falling due within one year

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Trade creditors	10,098,751	8,755,152	23,388	512,819
Other creditors	1,072,549	269,833	541,410	21,817
Obligations under finance lease	-	33,722	-	-
Corporation tax	87,068	102,612	-	-
Other taxes and social security costs	2,738,376	2,318,091	39,858	37,893
Accruals	1,781,137	1,126,425	479,766	333,904
Deferred income	1,534,400	1,790,025	-	-
	<u>17,312,281</u>	<u>14,395,860</u>	<u>1,084,422</u>	<u>906,433</u>

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

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
<b>Falling due between one and two years</b>				
Deferred income	613,625	651,726	-	-
<b>Falling due between two and five years</b>				
Deferred income	541,241	451,092	-	-
<b>Falling due after five years</b>				
1% fixed coupon cumulative redeemable preference shares of £1 each	5,591,000	5,591,000	-	-
	<u>6,745,866</u>	<u>6,693,818</u>	<u>-</u>	<u>-</u>

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.

# Amsprop London Limited

## Notes to the accounts Year ended 30 September 2010

### 18. Deferred tax asset

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Movement on deferred taxation				
At 1 October	128,090	137,069	-	-
Debit to profit and loss account	(5,365)	(8,979)	-	-
Prior year adjustment	(3,448)	-	-	-
At 30 September	<u>119,277</u>	<u>128,090</u>	<u>-</u>	<u>-</u>

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Capital allowances in excess of depreciation	<u>119,277</u>	<u>128,090</u>	<u>-</u>	<u>-</u>
Deferred tax asset	<u>119,277</u>	<u>128,090</u>	<u>-</u>	<u>-</u>

### 19. Provisions for liabilities and charges

	Total £
At 1 October 2009	301,194
Utilised during the year	(290,125)
Provided during the year	<u>312,873</u>
At 30 September 2010	<u>323,942</u>

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

### 20. Called up share capital

	2010		2009	
	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>

# Amsprop London Limited

## Notes to the accounts Year ended 30 September 2010

### 21. Profit and loss account

	Group £	Company £
At 1 October 2009	(14,460,878)	(15,904,000)
Profit for the financial year	349,979	1,972,820
	<u>                    </u>	<u>                    </u>
At 30 September 2010	<u>(14,110,899)</u>	<u>(13,931,180)</u>

### 22. Profit for the financial year

As permitted by section 408 of the Companies Act 2006, 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 £1,972,820 (2009 £960,616)

### 23. Revaluation reserve

	2010 £	2009 £
At 1 October 2009	6,099,325	1,996,618
Surplus on revaluations during the year	8,845,773	4,102,707
	<u>                    </u>	<u>                    </u>
At 30 September 2010	<u>14,945,098</u>	<u>6,099,325</u>

### 24. Reconciliation of movements in shareholders' funds

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Opening shareholders' funds	33,128,447	28,981,644	31,685,325	26,622,002
Profit for the financial year	349,979	62,167	1,972,820	960,616
Transfer to minority interest	-	(18,071)	-	-
Movement on revaluation reserve during the year	8,845,773	4,102,707	8,845,773	4,102,707
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Closing shareholders' funds	<u>42,324,199</u>	<u>33,128,447</u>	<u>42,503,918</u>	<u>31,685,325</u>

### 25. Minority interests

	Total £
At 1 October 2009	3,309,013
Loss attributable to minority interest for the year	(573,119)
Dividends paid	(300,000)
	<u>                    </u>
At 30 September 2010	<u>2,435,894</u>

# Amsprop London Limited

## Notes to the accounts Year ended 30 September 2010

### 26. Net cash inflow from operating activities

	2010 £	2009 £
Operating (loss)/profit	(4,708)	(398,354)
Amortisation of goodwill	353,378	353,378
Depreciation	511,513	494,626
(Profit)/loss on sale of fixed assets	(11,615)	4,552
Increase in stocks	(790,374)	(707,268)
Increase in debtors	(328,209)	(3,077,714)
Increase in creditors	3,221,312	3,701,482
Decrease in investments	3,317	247,744
Decrease in deferred income	(203,577)	(380,590)
Increase in provisions	22,748	73,399
	<u>2,773,785</u>	<u>311,255</u>

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

	2010 £	2009 £
Decrease in cash in the year	(2,894,790)	(11,179,068)
Cash outflow from charge in debt and lease finance	33,722	827,864
Change in net funds	<u>(2,861,068)</u>	<u>(10,351,204)</u>
Opening net funds	2,027,761	12,378,965
Closing net funds	<u>(833,307)</u>	<u>2,027,761</u>

### 28. Analysis of changes in net funds

	2009 £	Cash flow £	2010 £
Cash at bank and in hand	7,652,483	(2,894,790)	4,757,693
Finance leases	(33,722)	33,722	-
Preference shares	(5,591,000)	-	(5,591,000)
	<u>2,027,761</u>	<u>(2,861,068)</u>	<u>(833,307)</u>

# Amsprop London Limited

## Notes to the accounts Year ended 30 September 2010

### 29. Leasing commitments

At 30 September 2009 the group has annual non-cancellable lease commitments, which expire

	2010		2009	
	Land and buildings £	Other £	Land and buildings £	Other £
In one year or less	850	1,521	850	6,260
Between one and two years	-	1,960	81,500	4,215
Between two and five years	39,000	-	-	2,059
Over five years	716,861	-	710,649	-
	<u>756,711</u>	<u>3,481</u>	<u>792,999</u>	<u>12,534</u>

### 30. Related party transactions

During the year Viglen Limited sold services worth £nil (2009 £107,467) to Amsprop Limited At 30 September 2010 there was an amount receivable of £nil (2009 £2,294)

During the year Viglen Limited sold services worth £nil (2009 £207) to Amsair Limited At 30 September 2010 the amount receivable was £nil (2009 £nil)

During the year Viglen Limited sold services worth £7,850 (2009 £14,188) to Amshold Group Limited At 30 September 2010 the amount receivable was £2,391 (2009 £1,137)

Amsprop Limited, Amsair Limited and Amshold Group Limited are all companies 100% owned by Lord Sugar

During the year Viglen Limited made sales of £nil (2009 £955) to Amscreen Limited At 30 September 2010 the amount receivable was £nil (2009 £661) Amscreen Limited is 63.245% owned by Amsprop London Limited the ultimate parent company of Viglen Limited

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

As of the year end the following amounts were owed by Amscreen Group Limited to companies owned and controlled by Lord Sugar Amshold Limited £319,483 (2009 £17,128), Amsprop Estates Limited £40,000 (2009 £24,000) The amounts relate to expenses, recharges and loans together with accrued interest

### 31. Controlling Party

The company is directly owned by Lord Sugar who owns 100% of the issued share capital

### 32. Contingent liabilities

There were no contingent liabilities at 30 September 2010 (2009 £nil)

At 30 September 2010 the company had a commitment to purchase US Dollars under the terms of foreign exchange contracts to the value of £950,047 (2009 £nil) The fair value of the contracts being £954,745

### 33. Post balance sheet event

In December 2010 Amscreen Group Limited sold its machine to machine communication business known as Amscreen M2M to Brulmes Group plc for cash consideration of £2 million and contingent deferred consideration of £1.4 million The net investment disposed of included fixed assets and stock with a net book value of around £200,000 and associated goodwill arising on the original acquisition of Amscreen PLC of £1.6 million