

Company Registration No. 2344929

Amsprop London Limited

Report and Financial Statements

30 September 2011



Amsprop London Limited

Report and financial statements 2011

Contents	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	6
Independent auditors' report	7
Consolidated profit and loss account	9
Consolidated statement of recognised gains and losses	9
Consolidated balance sheet	10
Company balance sheet	11
Consolidated cash flow statement	12
Notes to the accounts	13

Amsprop London Limited

Report and financial statements 2011

Officers and professional advisers

Directors

Lord Sugar
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 2011

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 made no further property purchases or sales. The company completed its conversion of the Brentwood Annexe and is now actively marketing this site. The company agreed to sell The Gatehouse for £5,350,000 and completion took place on 3rd October 2011. The company is the ultimate parent company of Viglen Technology Limited, Viglen Limited, Xenon Network Services Limited and Vigecon 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 £1,358,570 in 2010 to £1,566,614 in 2011. Capital growth of properties, which included purchases, was £419,542 in the year (2010 £8,845,773).

The company's investment in the Viglen Technology Limited group of companies is measured by the operating profit, this increased to £1,857,030 in 2011 (2010 £528,859).

The company holds 62.398% of the share capital of Amscreen PLC, a company specialising in digital signage. The operating loss improved to a loss of £448,994 (2010 loss of £1,799,062). During the year Amscreen PLC disposed of its M2M business division for a consideration of £3.4m, of which £1.4m was deferred and contingent on sales of certain products.

Going concern

The directors have reviewed the current and projected financial position of the company, making reasonable assumptions about future trading prospects.

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

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.

Amsprop London Limited

Directors' report (continued)

- **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 primary 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.

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 £2,456,749 (2010 £349,979).

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 2011.

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.

Amsprop London Limited

Directors' report (continued)

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 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.

Dividends

No dividend was declared or paid during the year (2010 £1,000,000). This resulted in a dividend of £nil (2010 £300,000) being paid to the minority interest.

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

Directors

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

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 55 days (2010 58 days).

Amsprop London Limited

Directors' report (continued)

Political and charitable donations

No charitable or political donations were made during the year (2010 £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 auditor is 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 auditor is 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 s487(2) of the Companies Act 2006

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



Colin T Sandy
Secretary
West Wing
Sterling House
Langston Road
Loughton
Essex
IG10 3TS

 2012

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 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 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 auditor's report to the members of Amsprop London Limited

We have audited the financial statements of Amsprop London Limited for the year ended 30 September 2011 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 32. 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 auditor

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 and express an opinion on 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 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 2011 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 auditor's 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 Auditor
London, UK

3 February 2012

Amsprop London Ltd
Consolidated profit and loss account
Year ended 30 September 2011

	Notes	2011 £	2010 £
Turnover	2	67,511,790	72,879,621
Operating costs	3	(64,354,515)	(72,884,329)
Operating profit /(loss)		3,157,275	(4,708)
Dividend income from associated undertakings	11	-	49,969
Profit on ordinary activities before interest		3,157,275	45,261
Interest receivable and similar income	5	52,232	19,181
Interest payable and similar charges	6	(90,084)	(122,213)
Profit /(loss) on ordinary activities before taxation	7	3,119,423	(57,771)
Tax on profit /(loss) on ordinary activities	8	(415,352)	(165,369)
Profit /(loss) on ordinary activities after taxation		2,704,071	(223,140)
Minority interest	24	(247,322)	573,119
Profit for the financial year	20	2,456,749	349,979

All results are derived from continuing operations

Consolidated statement of total recognised gains and losses
Year ended 30 September 2011

	2011 £	2010 £
Profit for the financial year	2,456,749	349,979
Unrealised surplus on revaluation of property	419,542	8,845,773
Total recognised gain and losses relating to the year	2,876,291	9,195,752

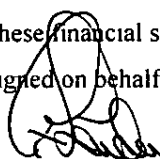
Amsprop London Limited

Consolidated balance sheet
30 September 2011

	Notes	2011 £	2010 £
Fixed assets			
Investment property	9	38,488,043	37,695,000
Fixed assets	10	1,218,521	1,368,821
Investments	11	-	-
Goodwill	12	3,870,605	5,202,148
		<u>43,577,169</u>	<u>44,265,969</u>
Current assets			
Stocks	13	4,039,060	5,962,511
Debtors amounts falling due within one year	14	13,580,721	13,636,732
Debtors amounts falling due after more than one year	14	390,561	519,277
Cash at bank and in hand		9,183,900	4,757,693
		<u>27,194,242</u>	<u>24,876,213</u>
Creditors: amounts falling due within one year	15	<u>(15,261,346)</u>	<u>(17,312,281)</u>
Net current assets		<u>11,932,894</u>	<u>7,563,932</u>
Total assets less current liabilities		<u>55,510,063</u>	<u>51,829,901</u>
Creditors: amounts falling due after more than one year	16	<u>(7,097,096)</u>	<u>(6,745,866)</u>
Provisions for liabilities	18	<u>(357,193)</u>	<u>(323,942)</u>
Net assets		<u>48,055,774</u>	<u>44,760,093</u>
Capital and reserves			
Called up share capital	19	41,490,000	41,490,000
Profit and loss account	20	(11,631,447)	(14,110,899)
Revaluation reserve	22	15,364,640	14,945,098
Shareholders' funds	23	<u>45,223,193</u>	<u>42,324,199</u>
Minority interest	24	<u>2,832,581</u>	<u>2,435,894</u>
Total capital employed		<u>48,055,774</u>	<u>44,760,093</u>

These financial statements were approved by the Board of Directors on 30 February 2012

Signed on behalf of the Board of Directors


Colin T Sandy
Director

Amsprop London Limited

Company balance sheet 30 September 2011

	Notes	2011 £	2010 £
Tangible fixed assets			
Investment property	9	38,488,043	37,695,000
Investments	11	5,212,957	5,067,431
Fixed assets	10	19,458	23,432
		<u>43,720,458</u>	<u>42,785,863</u>
Current assets			
Debtors	14	185,888	666,812
Cash at bank and in hand		1,762,484	135,665
		<u>1,948,312</u>	<u>802,477</u>
Creditors: amounts falling due within one year	15	(986,682)	(1,084,422)
		<u>961,630</u>	<u>(281,945)</u>
Net current (liabilities)/assets			
Net assets		<u>44,682,088</u>	<u>42,503,918</u>
Capital and reserves			
Called up share capital	19	41,490,000	41,490,000
Profit and loss account	20	(12,172,552)	(13,931,180)
Revaluation reserve	22	15,364,640	14,945,098
		<u>44,682,088</u>	<u>42,503,918</u>
Shareholders' funds	23		

These financial statement of Amsprop London Limited, registration number 2344929, were approved by the Board of Directors on *Sand Robinson* 2012

Signed on behalf of the Board of Directors

Colin T Sandy
Colin T Sandy
Director

Amsprop London Limited

Consolidated cash flow statement Year ended 30 September 2011

	Notes	2011 £	2010 £
Net cash inflow from operating activities	25	4,030,729	2,773,785
Returns on investments and servicing of finance			
Interest received		52,232	19,181
Interest paid		(34,174)	(66,303)
Dividends paid on preference shares		(55,910)	(55,910)
Dividend paid to minority interest holders		-	(300,000)
Income from associated company		-	49,969
Net cash outflow from returns on investments and servicing of finance		(37,852)	(353,063)
Taxation			
Corporation tax paid		(262,839)	(172,100)
Capital expenditure and financial investments			
Purchase of investment properties		(373,501)	(4,185,227)
Purchase of tangible fixed assets		(466,698)	(936,578)
Sale of division		1,736,918	-
Sale of tangible fixed assets		40,135	12,115
Investments in subsidiaries		(145,526)	-
Acquisitions		(100,059)	-
Net cash inflow /(outflow) from capital expenditure and financial investments		691,269	(5,109,690)
Financing			
Payment of debt		-	-
Proceeds from share issue in subsidiary		4,900	-
Capital element of finance lease rental payment		-	(33,722)
Net cash inflow /(outflow) from financing		4,900	(33,722)
Increase /(decrease) in cash in year	27	4,426,207	(2,894,790)

Amsprop London Limited

Notes to the accounts Year ended 30 September 2011

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 have been renewed to December 2012. 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 2011

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. Sale of investment properties are recognised on exchange of contract.

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 2011

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. 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 2011

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 arise predominantly within the United Kingdom are analysed as follows

	2011 £	2010 £
Turnover		
IT market	63,117,708	68,731,797
Digital Signage	2,719,228	2,676,924
Property	1,674,794	1,470,900
	<u>67,511,790</u>	<u>72,879,621</u>
Operating profit/(loss)		
IT market	1,857,030	528,859
Digital Signage	(448,994)	(1,799,062)
Property and shares	1,749,239	1,265,495
	<u>3,157,275</u>	<u>(4,708)</u>
Net assets		
IT market	5,211,273	3,788,159
Digital Signage	3,375,370	3,535,447
Property and shares	39,469,131	37,436,487
	<u>48,055,774</u>	<u>44,760,093</u>

3. Operating costs

	2011 £	2010 £
Other operating income	268,374	30,512
Changes in work in progress and finished goods	(778,289)	984,378
Raw materials and consumables	(48,935,566)	(58,502,001)
Other external charges	(4,339,095)	(4,612,474)
Staff costs	(9,792,248)	(9,701,520)
Depreciation	(596,175)	(511,513)
Profit/(loss) on sale of fixed asset	19,312	11,615
Amortisation of goodwill	(274,394)	(353,378)
Exceptional income (see note 12)	267,016	-
Other operating charges	(193,450)	(229,948)
	<u>(64,354,515)</u>	<u>(72,884,329)</u>

Amsprop London Limited

Notes to the accounts Year ended 30 September 2011

4. Staff costs

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

	2011 £	2010 £
Wages and salaries	8,706,303	8,638,120
Social security costs	941,746	928,458
Pension costs	144,199	134,942
	<u>9,792,248</u>	<u>9,701,520</u>

The average number of employees of the group during the year, including directors, was 258 (2010 263)

	2011 Number	2010 Number
Viglen Limited Production and Warehouse	43	43
Viglen Limited Sales and Administration	125	118
Xenon Network Services Limited	57	58
Amscreen PLC	33	44
	<u>258</u>	<u>263</u>

The company had no employees during the year (2010 none)

Remuneration in respect of directors was as follows

	2011 £	2010 £
Directors' remuneration	270,898	274,711
Pension contribution	43,000	36,000
	<u>313,898</u>	<u>310,711</u>

The pension contributions were made in respect of one director (2010 one)

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

	2011 £	2010 £
Highest paid director	<u>175,000</u>	<u>175,000</u>

Amsprop London Limited

Notes to the accounts Year ended 30 September 2011

5. Interest receivable and similar income

	2011	2010
	£	£
Interest receivable and similar income	52,232	19,181

6. Interest payable and similar charges

	2011	2010
	£	£
Interest payable and similar charges	(34,174)	(64,398)
Interest payable on finance leases	-	(1,905)
Preference dividend	(55,910)	(55,910)
	<u>(90,084)</u>	<u>(122,213)</u>

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

	2011	2010
	£	£
Fees payable to the company's auditors for the audit of the company's annual accounts	7,280	7,000
for the audit of the company's subsidiaries	56,700	53,000
for group tax services	2,374	9,500
	<u>66,354</u>	<u>69,500</u>
	2011	2010
	£	£
Operating lease payment		
Plant and machinery	29,284	36,567
Land and buildings	876,360	800,974
Profit on sale of fixed assets	(19,312)	(11,615)
Depreciation of fixed assets	596,175	511,513
Amortisation of goodwill	274,394	353,378

Amsprop London Limited

Notes to the accounts Year ended 30 September 2011

8. Tax on loss on ordinary activities

Group	2011 £	2010 £
Current taxation		
United Kingdom Corporation tax		
Current tax on income for the year at 27% (2010 28%)	(501,991)	(158,532)
Adjustment in respect of prior years' tax provisions	115,355	1,976
Total current taxation	<u>(386,636)</u>	<u>(156,556)</u>
Deferred taxation		
Movement in short term timing differences	(24,299)	(5,365)
Prior year adjustment	(4,417)	(3,448)
Tax on loss on ordinary activities	<u>415,352</u>	<u>(165,369)</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 27% (2010 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

Group	2011 £	2010 £
Profit/(loss) on ordinary activities before tax	<u>3,119,633</u>	<u>(57,771)</u>
Tax on profit/(loss) on ordinary activities before tax at standard rate	(842,144)	16,176
Factors affecting charge for the year:		
Permanent differences	(444,900)	(121,710)
Capital allowances in excess of depreciation	24,299	22,301
Utilisation of brought forward losses	620,879	239,004
Other timing differences	101,934	-
Unutilised losses carried forward	(733)	(351,720)
R & D tax credits	38,674	37,417
Current tax charge for the year	<u>(501,991)</u>	<u>(158,532)</u>

Deferred tax on the revaluation of fixed assets estimated to be £3,994,806 (2010 £4,035,176) has not been provided for. A deferred tax asset is not provided on the capital losses carried forward of £20,438,178 (2010 £20,608,000) and the excess management expenses of £2,730,545 (2010 £4,000,880) as they are unlikely to be utilised in the foreseeable future.

Factors affecting future tax charges

Deferred tax has been calculated at a rate of 26% which reflects the future annual corporation tax rate.

Amsprop London Limited

Notes to the accounts Year ended 30 September 2011

9. Investment property

	Freehold £
Group and company	
Valuation and net book value	
At 1 October 2010	37,695,000
Additions	373,501
Net surplus on revaluation during the year	419,542
At 30 September 2011	<u>38,488,043</u>
Representing	
Properties valued	
Cost	23,123,403
Net surplus	15,364,640
	<u>38,488,043</u>

The investment properties were valued by the directors at 30 September 2011 on a valuation prepared internally by a company director, a qualified chartered surveyor, on an open market basis. During the year following investment properties were valued by CBRE, independent valuers not connected with the group on the basis of market value in accordance with the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors, 1/3 Market Place, Romford, valued 30 September 2011.

Amsprop London Limited

Notes to the accounts Year ended 30 September 2011

10. Tangible fixed assets

	Leasehold improve- ment £	Fixtures, fittings, tools and equipment £	Motor vehicles £	Total £
Group				
At 1 October 2010	370,146	4,207,415	374,232	4,951,793
Additions	-	362,147	104,551	466,698
Disposals	-	(791,740)	(66,215)	(857,955)
	<u>370,146</u>	<u>3,777,822</u>	<u>412,568</u>	<u>4,560,536</u>
At 30 September 2011	370,146	3,777,822	412,568	4,560,536
Depreciation				
At 1 October 2010	186,178	3,165,603	231,191	3,582,972
Charged in the year	35,615	484,919	75,641	596,175
Disposals	-	(780,616)	(56,516)	(837,132)
	<u>221,796</u>	<u>2,869,906</u>	<u>250,316</u>	<u>3,342,015</u>
At 30 September 2011	221,796	2,869,906	250,316	3,342,015
Net book value				
At 30 September 2011	<u>148,353</u>	<u>907,916</u>	<u>162,252</u>	<u>1,218,521</u>
At 30 September 2010	<u>183,968</u>	<u>1,041,812</u>	<u>143,041</u>	<u>1,368,821</u>

Included within net book value of £1,218,521 is £nil relating to assets held on finance leases (2010 £16,333)
The depreciation charged in the year on these assets was £16,333 (2010 £37,000)

	Fixtures, fittings, tools and equipment £	Total £
Company		
At 1 October 2010	29,980	29,980
Disposals	-	-
	<u>29,980</u>	<u>29,980</u>
At 30 September 2011	29,980	29,980
Depreciation		
At 1 October 2010	6,548	6,548
Charged in the year	3,974	3,974
Disposals	-	-
	<u>10,522</u>	<u>10,522</u>
At 30 September 2011	10,522	10,522
Net book value		
At 30 September 2011	<u>19,458</u>	<u>19,458</u>
At 30 September 2010	<u>23,432</u>	<u>23,432</u>

Amsprop London Limited

Notes to the accounts Year ended 30 September 2011

11. Fixed asset investments

Group

The group's associated undertaking at 30 September 2011 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 2010	5,067,431
Additions	145,526
	<hr/>
At 30 September 2011	5,212,957
	<hr/>

The subsidiary investments at 30 September 2011 comprise a 70% shareholding in Viglen Technology Limited, and a 62.398% 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 62.398% owned by Amsprop London Limited.

Amsprop London Limited

Notes to the accounts Year ended 30 September 2011

12. Goodwill

On 11 December 2002 the company acquired a 70% interest in Viglen Technology Limited. As a result of the acquisition goodwill of £5,441,199 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 has subsequently increased to 62.398%.

On 6th December 2010 Amscreen PLC disposed of its M2M business for a consideration of £3.4m, of which £1.4m was deferred and contingent on sales of certain products. £1,648,488 of the original goodwill was attached to the sale. The net book value of this goodwill was £1,469,902 which was charged to the profit and loss account in the year.

	£
Sale Proceeds	1,999,264
Stock sold	(207,264)
Net assets at date of disposal	(55,082)
	<hr/>
	1,736,918
Goodwill attributable to business disposal	(1,469,902)
	<hr/>
Exceptional profit on sale (see note 3)	267,016
	<hr/> <hr/>

On 4 August 2011 Amscreen PLC purchased the trade and fixed assets of Digicom Out of Home Digital Media Limited. Goodwill of £412,753 was generated from the transaction. The acquisition was funded by the issue of 312,694 new shares in Amscreen PLC of £1 each and the payment of £100,059 in cash or equivalent.

Group	Cost £	Amortisation £	Net book value £
At 1 October 2010	8,738,175	(3,536,027)	5,202,148
Addition	412,753	(3,440)	409,313
Amortisation during year	-	(270,954)	(270,954)
Disposals	(1,648,488)	178,586	(1,469,922)
	<hr/>	<hr/>	<hr/>
At 30 September 2011	7,502,440	(3,631,835)	3,870,605
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Amsprop London Limited

Notes to the accounts Year ended 30 September 2011

13. Stocks

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Raw materials and consumables	2,931,949	4,077,111	-	-
Work in progress and finished goods	1,107,111	1,885,400	-	-
	<u>4,039,060</u>	<u>5,962,511</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	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	12,088,768	12,805,763	18,630	85,132
Other debtors	139,175	127,938	32,443	24,070
Amounts owed by group companies	-	-	-	535,500
Corporation tax	91,125	-	-	-
Prepayments and accrued income	1,261,653	703,031	134,755	22,110
	<u>13,580,721</u>	<u>13,636,732</u>	<u>185,828</u>	<u>666,812</u>

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Other debtors	300,000	400,000	-	-
Deferred tax (see note 18)	90,561	119,277	-	-
	<u>390,561</u>	<u>519,277</u>	<u>-</u>	<u>-</u>

Amsprop London Limited

Notes to the accounts Year ended 30 September 2011

15. Creditors: amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade creditors	8,016,862	10,098,751	143,853	23,388
Other creditors	348,317	1,072,549	348,317	541,410
Corporation tax	301,990	87,068	-	-
Other taxes and social security costs	2,950,677	2,738,376	51,775	39,858
Accruals	2,040,515	1,781,137	442,737	479,766
Deferred income	1,602,987	1,534,400	-	-
	<u>15,261,346</u>	<u>17,312,281</u>	<u>986,682</u>	<u>1,084,422</u>

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

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Falling due between one and two years				
Deferred income	743,924	613,625	-	-
Falling due between two and five years				
Deferred income	762,172	541,241	-	-
Falling due after five years				
1% fixed coupon cumulative redeemable preference shares of £1 each	5,591,000	5,591,000	-	-
	<u>7,097,096</u>	<u>6,745,866</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 2011

17. Deferred tax asset

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Movement on deferred taxation				
At 1 October	119,277	128,090	-	-
Debit to profit and loss account	(24,323)	(5,365)	-	-
Prior year adjustment	(4,393)	(3,448)	-	-
At 30 September	<u>90,561</u>	<u>119,277</u>	<u>-</u>	<u>-</u>
	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Depreciation in excess of capital allowances	<u>90,561</u>	<u>119,277</u>	<u>-</u>	<u>-</u>
Deferred tax asset	<u>90,561</u>	<u>119,277</u>	<u>-</u>	<u>-</u>

18. Provisions for liabilities and charges

	Total £
At 1 October 2010	323,942
Utilised during the year	(209,969)
Provided during the year	243,220
At 30 September 2011	<u>357,193</u>

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

19. Called up share capital

	2011		2010	
	Ordinary shares of £1 each Number	£	Ordinary shares of £1 each 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 2011

20. Profit and loss account

	Group £	Company £
At 1 October 2010	(14,110,899)	(13,931,180)
Transfer to minority interests	22,703	-
Profit for the financial year	<u>2,456,749</u>	<u>1,758,628</u>
At 30 September 2011	<u>(11,631,447)</u>	<u>(12,172,552)</u>

21 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 £1,758,628 (2010 £1,972,820)

22. Revaluation reserve

	2011 £	2010 £
At 1 October 2010	14,945,098	6,099,325
Surplus on revaluations during the year	<u>419,542</u>	<u>8,845,773</u>
At 30 September 2011	<u>15,364,640</u>	<u>14,945,098</u>

23. Reconciliation of movements in shareholders' funds

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Opening shareholders' funds	42,324,199	33,128,447	42,503,918	31,685,325
Profit for the financial year	2,456,749	349,979	1,758,628	1,972,820
Transfer to minority interest	22,703	-	-	-
Movement on revaluation reserve during the year	<u>419,542</u>	<u>8,845,773</u>	<u>419,542</u>	<u>8,845,773</u>
Closing shareholders' funds	<u>45,223,193</u>	<u>42,324,199</u>	<u>44,682,088</u>	<u>42,503,918</u>

24 Minority interests

	Total £
At 1 October 2010	2,435,894
Profit attributable to minority interest for the year	247,322
Transfer from profit and loss account	(22,703)
Shares issued in year to minority interest	317,594
Shares purchased from minority interest	<u>(145,526)</u>
At 30 September 2011	<u>2,832,581</u>

Amsprop London Limited

Notes to the accounts Year ended 30 September 2011

25. Net cash inflow from operating activities

	2011 £	2010 £
Operating profit /(loss)	3,157,275	(4,708)
Amortisation of goodwill	274,394	353,378
Depreciation	596,175	511,513
Profit on sale of fixed assets	(19,312)	(11,615)
Profit on sale of division	(267,016)	-
Decrease /(Increase) in stocks	1,923,451	(790,374)
Decrease /(Increase) in debtors	247,136	(328,209)
(Decrease) /Increase in creditors	(2,334,442)	3,221,312
(Increase)/ Decrease in investments	-	3,317
Increase /(Decrease) in deferred income	419,817	(203,577)
Increase in provisions	33,251	22,748
	<u>4,030,729</u>	<u>2,773,785</u>

26. Reconciliation of net cash flow to movement in net funds/ (deficit)

	2011 £	2010 £
Increase /(Decrease) in cash in the year	4,426,207	(2,894,790)
Cash inflow from charge in debt and lease finance	-	33,722
Change in net funds	<u>4,426,207</u>	<u>(2,861,068)</u>
Opening net (deficit)/ funds	<u>(833,307)</u>	<u>2,027,761</u>
Closing net funds/ (deficit)	<u>3,592,900</u>	<u>(833,307)</u>

27. Analysis of changes in net funds/ (deficit)

	2010 £	Cash flow £	2011 £
Cash at bank and in hand	4,757,693	4,426,207	9,183,900
Preference shares	(5,591,000)	-	(5,591,000)
	<u>(833,307)</u>	<u>4,426,207</u>	<u>3,592,900</u>

Amsprop London Limited

Notes to the accounts Year ended 30 September 2011

28. Leasing commitments

At 30 September 2011 the group has annual non-cancellable lease commitments, which expire

	2011		2010	
	Land and buildings £	Other £	Land and buildings £	Other £
In one year or less	850	1,170	850	1,521
Between one and two years	-	1,960	-	1,960
Between two and five years	213,120	-	39,000	-
Over five years	717,426	-	716,861	-
	<u>931,396</u>	<u>3,130</u>	<u>756,711</u>	<u>3,481</u>

29. Related party transactions

During the year Viglen Limited sold services worth £17,573 (2010 £7,850) to Amshold Group Limited. At 30 September 2011 the amount receivable was £3,396 (2010 £2,391). During the year Viglen Limited purchased services worth £135,000 (2010 £135,000) from Amshold Group Limited. At the year end Amscreen Group Limited owed £5,418 (2010 £5,288) to Amshold Group Limited. Amshold Group Limited is 100% owned by Lord Sugar.

The group 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 £nil (2010 £319,483), Amsprop Estates Limited £nil (2010 £40,000).

30. Controlling party

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

31. Contingent liabilities

There were no contingent liabilities at 30 September 2011 (2010 £nil).

At 30 September 2011 the company had a commitment to purchase US Dollars under the terms of foreign exchange contracts to the value of £1,226,692 (2010 £950,047). The fair value of the contracts being £56,840 (2010 £4,698).

32. Post balance sheet event

On 3 October 2011 the company sold an investment property 16 Arlington Street for £5,350,000.