

**AMSTRAD COMPUTERS LIMITED**

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2000

Company No: 942631



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**AMSTRAD COMPUTERS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2000**

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**AMSTRAD COMPUTERS LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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Company registration number: 942631

Registered office: Viglen House  
Alperton Lane  
Alperton  
Middlesex  
HA0 1DX

Directors: A M Sugar (Chairman)  
B Tkachuk

Secretary: M E Ray

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

## **AMSTRAD COMPUTERS LIMITED**

### **REPORT OF THE DIRECTORS**

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The directors present their annual report and the audited financial statements for the year ended 30 June 2000.

#### **Principal activities**

The company's principal activities have been an investment holding company, and to complete prior litigation and closure of remaining former Amstrad activities.

#### **Review of Business**

The litigation against Western Digital continues. The re-trial ended in June 1999 with the case being lost. The company has now lodged its appeal against the jury decision.

#### **Dividends**

A dividend of £57,010,149 was declared and paid on 22 November 1999, a dividend of £1,150,000 was declared on 16 June 2000 and paid on 21 July 2000, and a dividend of £250,000 was declared on 1 August 2000 and paid on 14 August 2000, bringing the total dividend for the year to £58,410,149 (1999:£9,815,000).

#### **Directors and their interests**

The directors' interests in Viglen Technology plc, the ultimate holding company, are disclosed in that company's accounts. Other than the above interests the directors have no interests in this company or any other group company.

#### **Directors' responsibilities for the financial statements**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AMSTRAD COMPUTERS LIMITED**

**REPORT OF THE DIRECTORS**

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**Payment Policy**

Subsidiary companies are responsible for agreeing payment terms and conditions with their suppliers according to local laws and generally accepted trading practices within their businesses and geographic region. It is the group's normal practice to pay suppliers promptly provided that the suppliers meet their obligations. The number of creditor days outstanding at 30 June 2000 was nil (1999: 30 days).

**Auditors**

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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



**M.E. Ray**  
Secretary  
20 December 2000

**AMSTRAD COMPUTERS LIMITED**

**AUDITORS' REPORT**

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**To the members of Amstrad Computers Limited**

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of financial statements which have been prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

**Chartered Accountants and  
Registered Auditors  
Hill House  
1 Little New Street  
London  
EC4A 3TR**

**20 December 2000**

**AMSTRAD COMPUTERS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 JUNE 2000**

	Note	2000 £'000	1999 £'000
Operating costs	2	(165)	(281)
Restructuring and closure costs	3		
Opening provision		650	2,563
Closing provision		<u>(525)</u>	<u>(650)</u>
		<u>125</u>	<u>1,913</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>(40)</b>	<b>1,632</b>
Net interest	5	<u>182</u>	<u>1,439</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	6	<b>142</b>	<b>3,071</b>
Tax credit on profit on ordinary activities	7	<u>1,451</u>	<u>3,852</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>1,593</b>	<b>6,923</b>
Dividends paid and proposed	8	<u>(58,410)</u>	<u>(9,815)</u>
<b>Loss retained for the year</b>		<b><u>(56,817)</u></b>	<b><u>(2,892)</u></b>

There were no recognised gains or losses other than the profit for the financial year.

All amounts relate to continuing activities.

**AMSTRAD COMPUTERS LIMITED**

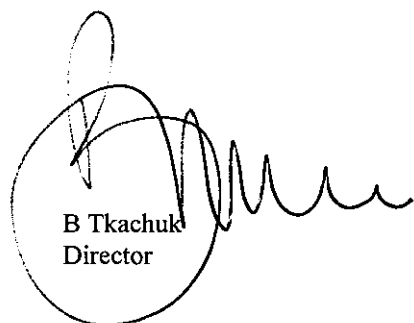
**BALANCE SHEET**

**AS AT 30 JUNE 2000**

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	Note	2000 £'000	1999 £'000
<b>CURRENT ASSETS</b>			
Debtors	9	1,058	72,487
Investments	10	8,147	8,308
Cash at bank and in hand		3,758	2,931
		<u>12,963</u>	<u>83,726</u>
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(12,770)</u>	<u>(26,716)</u>
<b>NET CURRENT ASSETS</b>		<u>193</u>	<u>57,010</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	-	30,490
Share premium account	13	-	26,520
Profit and loss account	14	193	-
<b>Equity shareholders' funds</b>	15	<u>193</u>	<u>57,010</u>

These financial statements were approved by the Board of Directors on 20 December 2000.



B Tkachuk  
Director



**AMSTRAD COMPUTERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2000**

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**1 ACCOUNTING POLICIES**

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

**Accounting convention**

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

**Foreign currencies**

Transactions denominated in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Amounts receivable and payable in foreign currencies at the balance sheet date are translated at the rate ruling at that date, unless they are covered by forward exchange contracts where the rate of the contract is used. Translation differences are dealt with in the profit and loss account.

**Deferred tax**

Deferred tax is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements, to the extent that it is probable that a liability or asset will crystallise in the future.

**Exemption from preparing group accounts**

The financial statements contain information about Amstrad Computers Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 228 of the Companies Act 1985 from the requirements to prepare consolidated financial statements as it is a wholly owned subsidiary of Viglen Technology plc (see note 17).

**AMSTRAD COMPUTERS LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2000

**2 OPERATING COSTS**

	2000 £'000	1999 £'000
Other external charges	(165)	(1,179)
Other operating charges	-	798
Profit on sale of fixed assets	-	100
	<u>(165)</u>	<u>(281)</u>

**3 RESTRUCTURING AND CLOSURE COSTS**

The restructuring and closure costs relate to the closure of the consumer electronic business. It also relates to the winding down of all other operations of Amstrad Computers Limited with the exception of investments and litigation.

**4 DIRECTORS' REMUNERATION**

No directors were paid by the company during the year (1999:£nil). There were no employees during the year (1999:nil).

**5 NET INTEREST**

	2000 £'000	1999 £'000
Interest receivable	617	2,004
Interest payable	(435)	(565)
	<u>182</u>	<u>1,439</u>

As part of the consideration for the purchase of Viglen Limited a total of £8.1m (1999:£8.3m) of loan notes are still in issue. These loan notes are secured by a £8.1m (1999:£8.3m) deposit with Lloyds TSB Bank plc and carry interest at a floating rate calculated with reference to the rate at which Amstrad Computers Limited is able to earn interest on sterling deposits of an equivalent amount, taking into account the cost of the guarantee.

**6 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Profit on ordinary activities before taxation is after charging:

	2000 £'000	1999 £'000
Auditors' remuneration - audit fees	3	7
- non-audit fees	83	51
	<u>86</u>	<u>58</u>

**7 TAX CREDIT ON PROFIT ON ORDINARY ACTIVITIES**

	2000 £'000	1999 £'000
United Kingdom corporation tax at 30.00% (1999:30.75%)	54	450
Adjustment in respect of prior years	(1,505)	(4,302)
	<u>(1,451)</u>	<u>(3,852)</u>

**AMSTRAD COMPUTERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2000**

**8 DIVIDENDS**

A dividend of £57,010,149 was declared and paid on 22 November 1999, a dividend of £1,150,000 was declared on 16 June 2000 and paid on 21 July 2000, and a dividend of £250,000 was declared on 1 August 2000 and paid on 14 August 2000, bringing the total dividend for the year to £58,410,149 (1999:£9,815,000).

**9 DEBTORS**

	2000	1999
	£'000	£'000
Amounts owed by group companies	-	70,043
Corporation Tax recoverable	1,055	-
Other debtors	3	2,444
	<u>1,058</u>	<u>72,487</u>

**10 INVESTMENTS**

The investment is an £8.1million deposit (1999:£8.3million) with Lloyds TSB Bank plc which secures the £8.1million (1999:£8.3million) of loan notes held by the vendors of Viglen Limited which are included in creditors falling due within one year.

**11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2000	1999
	£'000	£'000
Loan notes	8,147	8,308
Trade creditors	-	180
Amounts owed to group companies	115	3,724
Corporation tax	-	750
Other taxation and social security costs	-	359
Dividend	1,400	9,815
Other creditors	2,543	2,655
Accruals and deferred income	40	275
Restructuring provision	525	650
	<u>12,770</u>	<u>26,716</u>

**AMSTRAD COMPUTERS LIMITED**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 1999

**12 CALLED UP SHARE CAPITAL**

	2000		1999	
	Ordinary Shares of 12.5p each number	£	Ordinary Shares of 12.5p each number	£
The authorised share capital comprised:				
Ordinary "A" shares	8	1	144,000,000	18,000
Ordinary "B" shares	8	1	144,000,000	18,000
Of which the following were allotted, issued and fully paid:				
Ordinary "A" shares				
At 1 July 1999	121,962,232	15,245,279	121,962,232	15,245
Cancelled in year	(121,962,224)	(15,245,278)	-	-
At 30 June 2000	8	1	121,962,232	15,245
Ordinary "B" shares				
At 1 July 1999	121,962,232	15,245,279	121,962,232	15,245
Shares issued	(121,962,224)	(15,245,278)	-	-
At 30 June 2000	8	1	121,962,232	15,245

The ordinary "A" shares and ordinary "B" shares have equal rights.

On 17<sup>th</sup> November 1999 the capital structure of the company was reorganised. All but 8 of the issued "A" ordinary shares and all but 8 of the issued "B" ordinary shares were cancelled together with the entirety of the unissued "A" ordinary shares and the entirety of the unissued "B" ordinary shares. The sum of £30,490,556 released by the reduction of capital was transferred to the profit and loss account and added to the £26,519,259 released by the reduction of the share premium account making a total of £57,009,815. A special dividend was then declared to reduce the distributable reserves to £nil.

**13 SHARE PREMIUM ACCOUNT**

	£'000
At 1 July 1999	26,520
Transferred to profit and loss account	(26,520)
At 30 June 2000	-

**14 PROFIT AND LOSS ACCOUNT**

	Profit and loss account £'000
At 1 July 1999	-
Transferred from share capital account	30,490
Transferred from share premium account	26,520
Loss for the year	(56,817)
At 30 June 2000	193

**AMSTRAD COMPUTERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 1999**

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**15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2000	1999
	£'000	£'000
Shareholders' funds at 1 July	57,010	59,902
Profit for the financial year	1,593	6,923
Dividends	(58,410)	(9,815)
Shareholders' funds at 30 June	<u>193</u>	<u>57,010</u>

**16 CONTINGENT LIABILITIES**

Amstrad Computers Limited is subject to various litigation, the financial implications of which are uncertain. On the basis of the information available, the Board of Directors are satisfied that the eventual outcome of this litigation will not have any material adverse effect on the company.

**17 ULTIMATE PARENT COMPANY**

Viglen Technology plc, registered in England and Wales, is the company's parent company. The ultimate parent company is Amshold Group Limited a company registered in England and Wales. Copies of the accounts for both of these companies can be obtained from the Registrar of Companies.

**18 RELATED PARTY TRANSACTIONS**

In accordance with Financial Reporting Standard No. 8 "Related Party Disclosures", transactions with other undertakings within the Viglen Technology plc group have not been disclosed in these financial statements.