



AMSTRAD COMPUTERS LIMITED

FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 SEPTEMBER 2001

Company No: 942631

AMSTRAD COMPUTERS LIMITED
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FOR THE PERIOD ENDED 30 SEPTEMBER 2001

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AMSTRAD COMPUTERS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

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

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

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 £75,000 was paid on 23 March 2001; a dividend of £95,000 was paid on 30 July 2001 bringing the total dividend for the period to £170,000 (2000: £58,410,149).

Directors and their interests

The directors' interests in Learning 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

United Kingdom Company law requires the directors to prepare financial statements for each financial period, which give a true and fair view of the state of the affairs of the company as at the end of the financial period 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

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

11 March 2002

AMSTRAD COMPUTERS LIMITED
AUDITORS' REPORT

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 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 September 2001 and of its profit for the fifteen months 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

13 March 2002

AMSTRAD COMPUTERS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 SEPTEMBER 2001

	Note	15 months ended 30 September 2001		Year ended 30 June 2000	
		£'000	£'000	£'000	£'000
Operating costs	2		(110)		(165)
Restructuring and closure costs	3				
Opening provision		(525)		650	
Closing provision		<u>525</u>		<u>(525)</u>	
			-		125
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST			(110)		(40)
Net interest	5		<u>379</u>		<u>182</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6		269		142
Tax on profit on ordinary activities	7		<u>(62)</u>		<u>1,451</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			207		1,593
Dividends paid and proposed	8		<u>(170)</u>		<u>(58,410)</u>
Profit/(Loss) retained for the year			<u>37</u>		<u>(56,817)</u>

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

All amounts relate to continuing activities.

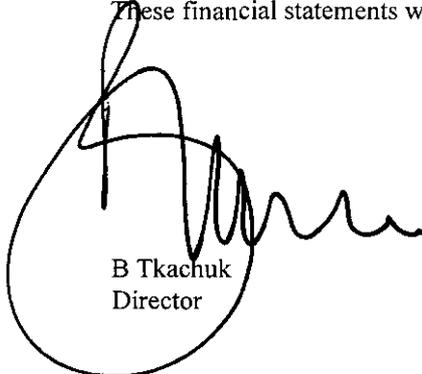
AMSTRAD COMPUTERS LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2001

	Note	30 September 2001 £'000	30 June 2000 £'000
CURRENT ASSETS			
Debtors	9	-	1,058
Investments	10	8,132	8,147
Cash at bank and in hand		3,471	3,758
		<u>11,603</u>	<u>12,963</u>
CREDITORS: amounts falling due within one year	11	<u>(11,373)</u>	<u>(12,770)</u>
NET CURRENT ASSETS		<u>230</u>	<u>193</u>
CAPITAL AND RESERVES			
Called up share capital	12	-	-
Profit and loss account	13	230	193
		<u>230</u>	<u>193</u>
Equity shareholders' funds	14	<u>230</u>	<u>193</u>

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



B Tkachuk
Director

AMSTRAD COMPUTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2001

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 Learning Technology plc (see note 17).

AMSTRAD COMPUTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2001

2 OPERATING COSTS

	15 months ended 30 September 2001 £'000	Year ended 30 June 2000 £'000
Other external charges	<u>(110)</u>	<u>(165)</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 period (2000:£nil). There were no employees during the period (2000:£nil).

5 NET INTEREST

	15 months ended 30 September 2001 £'000	Year Ended 30 June 2000 £'000
Interest receivable	836	617
Interest payable	<u>(457)</u>	<u>(435)</u>
	<u>379</u>	<u>182</u>

As part of the consideration for the purchase of Viglen Limited a total of £8.1m (2000:£8.3m) of loan notes are still in issue. These loan notes are secured by a £8.1m (2000:£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:

	15 months ended 30 September 2001 £'000	Year ended 30 June 2000 £'000
Auditors' remuneration - audit fees	3	3
- non-audit fees	<u>2</u>	<u>83</u>

AMSTRAD COMPUTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2001

7 TAX CREDIT ON PROFIT ON ORDINARY ACTIVITIES

	15 months ended 30 September 2001 £'000	Year ended 30 June 2000 £'000
United Kingdom corporation tax at 30% (2000:30%)	63	54
Adjustment in respect of prior years	(1)	(1,505)
	<u>62</u>	<u>(1,451)</u>

8 DIVIDENDS

A dividend of £75,000 was paid on 23 March 2001, a dividend of £95,000 was paid on 30 July 2001 bringing the total dividend for the period to £170,000 (2000: £58,410,149).

9 DEBTORS

	30 September 2001 £'000	30 June 2000 £'000
Corporation Tax recoverable	-	1,055
Other debtors	-	3
	<u>-</u>	<u>1,058</u>

10 INVESTMENTS

The investment is an £8.1 million deposit (2000:£8.1million) with Lloyds TSB Bank Plc which secures the £8.1 million (2000:£8.1million) 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

	30 September 2001 £'000	30 June 2000 £'000
Loan notes	8,132	8,147
Amounts owed to group companies	100	115
Corporation tax	20	-
Dividend	-	1,400
Other creditors	2,596	2,543
Accruals and deferred income	-	40
Restructuring provision	525	525
	<u>11,373</u>	<u>12,770</u>

AMSTRAD COMPUTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2001

12 CALLED UP SHARE CAPITAL

	30 September 2001		30 June 2000	
	Ordinary Shares of 12.5p each number	£	Ordinary Shares of 12.5p each number	£
The authorised share capital comprised:				
Ordinary "A" shares	8	1	8	1
Ordinary "B" shares	<u>8</u>	<u>1</u>	<u>8</u>	<u>1</u>
Of which the following were allotted, issued and fully paid:				
Ordinary "A" shares				
At 1 July 2000	8	1	121,962,232	15,245,279
Cancelled in year	-	-	(121,962,224)	(15,245,278)
At 30 September 2001	<u>8</u>	<u>1</u>	<u>8</u>	<u>1</u>
Ordinary "B" shares				
At 1 July 2000	8	1	121,962,232	15,245,279
Shares issued	-	-	(121,962,224)	(15,245,278)
At 30 September 2001	<u>8</u>	<u>1</u>	<u>8</u>	<u>1</u>

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

On 17th 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 PROFIT AND LOSS ACCOUNT

	Profit and loss account £'000
At 1 July 2000	193
Profit for the period	37
At 30 September 2001	<u>230</u>

AMSTRAD COMPUTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2001

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001	2000
	£'000	£'000
Shareholders' funds at 1 July	193	57,010
Profit for the financial period	207	1,593
Dividends	(170)	(58,410)
Shareholders' funds at 30 September	230	193

15 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.

16 ULTIMATE PARENT COMPANY

Learning Technology plc, incorporated in Great Britain, is the company's parent company. The ultimate parent company is Amshold Group Limited a company incorporated in Great Britain. Copies of the accounts for both of these companies can be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

17 RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard No. 8 "Related Party Disclosures", transactions with other undertakings