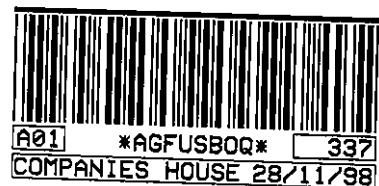


955321

Amstrad[®]

Always Innovating

Amstrad plc (formerly Betacom Plc)
Annual Report & Accounts 1997/98



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Directors and Advisers

Directors	A. M. Sugar DSc	Chairman
	R. J. Watkins	Chief Executive
	M. A. G. Bland BA ACA	Finance & Operations Director
	I. P. Saward BSc	Engineering Director
	S. Sugar	Commercial Director
	J. E. Samson F.Inst.P,C.Phys*	Non-Executive Director
		*Chairman of Remuneration and Audit Committees

Non-Executive Director	Mr. J. E. Samson, aged 70, has many years experience working with Plessey Company plc, Standard Telephones and Cables plc (where he was a main board director) and General Electric Company plc where he was Managing Director of Hotpoint (1983 to 1989), a member of GEC Management Board (1984 to 1989) and Managing Director GEC Consumer Products Group (1985 to 1989). He was Group Managing Director of Yale and Valour plc between 1989 and 1991 and is a non executive director of a number of companies.
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Company secretary and registered office	D. C. Riches ACMA ACIS, Brentwood House, 169 Kings Road, Brentwood, Essex CM14 4EF
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Stockbrokers	Beeson Gregory Limited, The Registry, Royal Mint Court, London EC3N 4EY
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Registered auditors	Deloitte & Touche, Chartered Accountants, Hill House, 1 Little New Street, London EC4A 3TR
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Solicitors	Travers Smith Braithwaite, 10 Snow Hill, London EC1A 2AL
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Bankers	Lloyds Bank Plc, St. Georges House, 6/8 Eastcheap, London EC3M 1LL
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Registrar	Independent Registrars Group plc, Balfour House, 390/398 High Road, Ilford, Essex IG1 1NQ
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Company number	Registered in England and Wales No. 955321
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Chairman's Statement

Financial review

Sales for the financial year ended 30th June, 1998 were £53.3million (1997 £43.1 million) with an operating loss before exceptional costs of £0.2million (1997 £1.8 million profit). A loss before tax of £1.1million compares with a £1.7 million profit before tax last year.

As reported at the interim, exceptional costs of £0.9 million (1997 £nil) arose from the restructuring of the Company which included the relocation of the Company, the closure of the Enfield site and management changes.

The Board of Directors recommend a maintained final dividend of 0.3p (1997 0.3p) per ordinary share to be paid on 4th December 1998 to shareholders on the register on 9th October 1998 which together with an interim dividend of 0.2p (1997 0.2p) per ordinary share paid on 7th April 1998 makes a total distribution of 0.5p (1997 0.5p) per ordinary share in respect of the year ended 30th June 1998.

The balance sheet remains strong with shareholders' funds of £11.9 million including cash of £7.2 million with a £7.0 million cash inflow in the year reflecting good working capital management. Stocks in particular have reduced significantly with stocks of £4.3 million at 30th June 1998 as compared to £13.9 million at 30th June 1997.

Operating Review

The £10.2 million improvement in sales has mainly come from the sale of analogue satellite and cable TV products and strong television sales.

During the year the Telecom product range has been rationalised and the significant stock of older range products sold off at low or negative margins which has had a significant impact on the reported operating loss before exceptional costs for the year but a positive effect on cash flow.

The technical and design team that joined the Company as part of the Amstrad Consumer Electronics business acquisition in June 1997 have concentrated their efforts on developing innovative products in both digital satellite and other product areas. These products will not come to market until the current financial year but the development costs associated with these products have had a major impact on the operating loss before exceptional costs.

As part of the refocusing of the Company towards innovative products and in recognition of the fact that the Amstrad brand is the predominant brand of the Company, the name of the Company was changed from Betacom Plc to Amstrad plc on 25th November 1997.

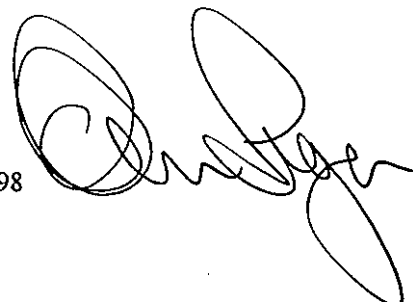
The change in direction and expansion of the Company meant that the Enfield site was no longer adequate and in October 1997 the Company moved to Brentwood where the technical and design team were already based.

Outlook

As stated in the Interim Statement this financial year has been a period of significant change for the Company with a deliberate move away from lower margin products towards the in-house development of new higher margin innovative products. A number of new innovative products are scheduled to come to market in the current financial year, a significant one of which is the digital satellite decoder for which the Company has already been awarded a contract from BSkyB. The Company has also entered an agreement with Cable & Wireless Communications to supply a new range of Telecom products to be sold under the Cable & Wireless brand into the UK retail market. The first sales of these products were made to retailers in August 1998.

Overall, with the refocusing of the business complete, the Company is now well placed to go forward in the current financial year and beyond.

A.M. Sugar
Chairman
29th September, 1998



Corporate Governance

Mr. J. E. Samson was appointed a non-executive director on 21st October 1997. The directors believe that the Company's scale and resources are not sufficient at this time to justify the need for three non-executive directors as required by the code of Best Practice established by the Cadbury Committee.

As the Company has only one non-executive director, it is unable to comply with the recommendations contained within the Cadbury Code of Best Practice concerning the composition of sub-committees of the Board. During the year the Board had two sub-committees, an audit committee and a remuneration committee, both of which were chaired by the non-executive director. The Chief Executive is the other member of the audit committee and the Finance Director is the other member of the remuneration committee.

After making enquiries, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

The directors have overall responsibility for the systems of internal financial control. The Board has reviewed the effectiveness of the systems of internal financial control for the accounting year and the period to the date of approval of the financial statements, although it should be understood that such systems are designed to provide reasonable but not absolute assurance against material misstatement or loss. Key procedures that have been established and are designed to provide effective financial control include:-

- a monthly system of financial reporting, including comparisons against budget;
- appropriate authority limits for all transactions, including Board approval for major transactions;
- segregation of duties wherever practicable;
- arrangements to ensure the security of data on the Company's computer system;
- clear documentation of all financial control procedures in the Company's procedures manual;
- audit committee's review of external audit reports.

Other than the matters referred to above concerning the composition of the Board and its sub-committees, the Company complied with the Code of Best Practice throughout the period.

The Company's auditors, Deloitte & Touche, have confirmed that, in their opinion, with respect to the directors' statements on internal control and going concern, the directors have provided the disclosures required by the Listing Rules of The London Stock Exchange and such statements are not inconsistent with the information of which they are aware from their audit work on the financial statements, and that the directors' other statements above appropriately reflect the Group's compliance with other paragraphs of the Cadbury Code specified for their review by Listing Rule 12.43 (j). They were not required to perform the additional necessary work and they did not express any opinion on the effectiveness of either the Group's system of internal financial control or its corporate governance procedures nor on the ability of the Group to continue in operational existence.

Report of the Directors

The directors have pleasure in presenting their report together with the audited financial statements for the year ended 30th June, 1998.

Change of name

As part of the refocusing of the Company and in recognition of the fact that the Amstrad brand is the predominant brand of the Company, the name of the Company was changed from Betacom Plc to Amstrad plc on 25th November 1997.

Principal activities

The principal activities of the Group are the design, development, marketing and distribution of telecommunication, satellite and other consumer electronic products.

Business review and future developments

A review of the Group's business and future developments is contained within the Chairman's statement on page 2.

Results and dividends

The loss for the year on ordinary activities before tax was £1,136,000 (1997: £1,662,000 profit). Full details are set out in the consolidated profit and loss account on page 10 of these financial statements.

An interim dividend of 0.2p per share was paid to the shareholders on 7th April, 1998 (1997: 0.2p). The directors recommend the payment of a final dividend of 0.3p per share (1997: 0.3p).

Research and development

The Group carries out research and development as part of its day to day activities in relation to its products according to the markets in which it operates. Details of research and development expenditure are set out in note 5 to the financial statements.

Share capital

Details of issued share capital are given in note 18 to the financial statements.

Directors and their interests

The present membership of the Board is set out on page 1. Mr. M. A. G. Bland was appointed on 11th August 1997, Mr. R. J. Watkins was appointed on 2nd October 1997, Mr. J. E. Samson was appointed on 21st October 1997, and Mr. I. P. Saward and Mr. S. Sugar were appointed on 1st May 1998. Mr. A. Sethill was appointed on 22nd September 1997 and resigned on 5th January 1998. Mr. J. Seidman resigned on 11th August 1997. Mr. N. J. Becker resigned on 22nd September 1997 and Mr. P. R. Thorndyke resigned on 31st March 1998. Mr. I.P. Saward and Mr. S. Sugar, who were both appointed after the last Annual General Meeting, and Mr. J.E. Samson who was appointed after the publication of last years notice of meeting but before last year's Annual General Meeting, offer themselves for re-election at the Annual General Meeting. Mr. M.A.G. Bland who retires by rotation, offers himself for re-election at the Annual General Meeting.

Details of related party transactions and directors interests in transactions during the year are included in note 24 to the financial statements. Directors' interests in Amstrad plc shares and share options are disclosed in the remuneration report on pages 6 and 7.

Substantial interests

The directors are not aware of any shareholders beneficially interested in three per cent, or more of the issued share capital of the Company at 30th June, 1998 or at 22nd September, 1998 save as disclosed below:

	30th June, 1998		22nd September, 1998	
	Ordinary	Percentage	Ordinary	Percentage
	shares of	of share	shares of	of share
	10p each	capital	10p each	capital
A. M. Sugar	23,026,313	29.7%	23,026,313	29.7%
Goldman Sachs Equity Securities (UK)	2,602,136	3.4%	2,602,136	3.4%
Goldman Sachs Securities (Nominees) Ltd*	1,143,391	1.5%	1,143,391	1.5%

* the holding shown above for Goldman Sachs Securities (Nominees) Limited is the sum of several holdings held by them as nominee for a number of third party investors

Political and charitable donations

Charitable donations of £10,000 were made during the year (1997: £nil). No political donations were made during the year (1997: £nil).

Supplier payment policy

It is the Group's normal practice to pay suppliers promptly according to the agreed terms and conditions provided that the suppliers meet their obligations. The number of days purchases outstanding at 30th June, 1998 was 12 and reflects the proportion of year end creditors that were payable under documentary credits.

Year 2000

The Company has a programme in place to identify the risks associated with the Year 2000 issue and assess the potential impact on the business. As part of this programme the Company is systematically reviewing all of its computer systems and product range. It is estimated that the costs relating to the Year 2000 programme will not have a material impact on the Company.

Auditors

A resolution to reappoint Deloitte & Touche as auditors and to authorise the directors to agree their remuneration will be proposed at the Annual General Meeting.

By order of the Board



D.C. Riches
Secretary

29th September, 1998

Report of the Remuneration Committee

Except as described below, the Company has complied with Section A of the best practice provisions concerning directors' remuneration annexed to The London Stock Exchange's listing rules.

Composition of the Remuneration Committee

During the year the Remuneration Committee comprised the non-executive director and the Finance Director and was chaired by the non-executive director. The Company is unable to comply with the best practice provisions which require that remuneration committees consist exclusively of non-executive directors.

Remuneration policy

In framing its remuneration policy, the Committee gave full consideration to section B of the best practice provisions annexed to the listing rules. The Committee ensured that the total remuneration packages of the executive directors, which were reviewed annually, were structured to attract, retain and motivate directors of the quality required to ensure the Company is managed successfully for the benefit of shareholders. Consideration was given to pay and employment conditions in other companies.

Performance related bonuses

During the financial year an executive director bonus scheme was in place which was based on personal performance. As from 1st July 1998 a new bonus scheme has been introduced for executive directors and senior management which is based on the achievement of budgeted levels of profitability.

Directors' emoluments

The emoluments of the directors, excluding pension contributions and compensation for loss of office, for the year ended 30th June, 1998 were as follows :-

	Salary/ Fees £'000	Bonus Payments £'000	Benefits in kind £'000	Total for year ended 30th June, 1998 £'000	Total for year ended 30th June, 1997 £000
A.M.Sugar (Chairman)	179	-	34	213	-
R.J. Watkins	128	51	12	191	-
M.A.G. Bland	62	20	7	89	-
I.P. Saward	17	-	1	18	-
S.Sugar	12	-	1	13	-
J.E Samson - non executive director	13	-	-	13	-
N.J.Becker *	29	-	3	32	102
J. Seidman *	10	-	2	12	39
A.I. Sethill *	33	-	5	38	-
P.R. Thorndyke *	51	-	5	56	69
P.L.A. Jacobs *	-	-	-	-	15
	<u>534</u>	<u>71</u>	<u>70</u>	<u>675</u>	<u>225</u>

* Former directors

Compensation for directors' loss of office including benefits in kind amounted to £208,812 (1997: £nil) of which £101,623 related to Mr. N. J. Becker, £92,189 related to Mr. P. R. Thorndyke and £15,000 related to Mr. A. I. Sethill. No compensation for loss of office was payable to Mr. J. Seidman. The Company made no pension contributions to directors in the year (1997: £4,963).

Messrs' R. J. Watkins, M. A. G. Bland, I.P. Saward and S. Sugar have continuous service contracts subject to 12 months' notice. Mr. J. E. Samson was appointed on 21st October 1997 on a fixed term contract of 2 years. As from 1st August, 1997 on his appointment as executive chairman, Mr. A. M. Sugar's services are provided to Amstrad plc by Amshold Limited, a company owned by Mr. A.M. Sugar, and are terminable on 12 months' notice. Other than Mr. A.M. Sugar's interests as disclosed in note 24 to the financial statements, the Company has not been informed of any contract during the period in which any director of the Company had a material interest.

Directors and their shareholdings

The directors of the Company as at 30th June, 1998 had the following interests in the shares of Amstrad plc :

	<i>Ordinary shares of 10p each</i>	
	<i>30th June, 1998</i>	<i>1st July, 1997 (or date of appointment)</i>
A.M. Sugar (see note below)	23,026,313	53,562,160
R.J. Watkins	250,000	-
M.A.G. Bland	-	-
I.P. Saward	-	-
S. Sugar	353,170	353,170
J.E. Samson	3,074	3,074

Mr. A.M. Sugar's interest in the above ordinary shares as at 1st July 1997 were entirely by way of his shareholding of 41,114,630 ordinary shares in Amstrad Computers Ltd (formerly Amstrad plc) which was largely held by Amshold Limited, a company wholly owned by Mr. A.M. Sugar. On 4th August, 1997, under a scheme of arrangement, the entire share capital of Amstrad Computers Ltd (formerly Amstrad plc) was purchased by Viglen Technology plc and the shares in Amstrad plc (formerly Betacom Plc) owned by Amstrad Computers Ltd were distributed pro-rata to Amstrad Computers Ltd shareholders.

Directors' share options

The Company believes that the holding of options by executive directors strengthens the link between their personal interests and those of shareholders.

All employees of the Company, including executive directors, are potential beneficiaries of the 1997 Performance Related Share Option Scheme. The granting of options is limited to a period of six weeks from the dealing day following the announcement by the Company of its annual or half-yearly results. The options are not transferable and no price is paid for the grant of an option.

Full details of the options held by executive directors who served during the year and any movements over the year are as follows :-

	30th June, 1997 or date of appointment	Options granted during year	Options exercised during year	Options lapsed during year	30th June, 1998	Exercise price	Exercise period From To	
R. J. Watkins	-	653,226	-	-	653,226	31.0p	19.12.00	19.12.04
	-	96,774	-	-	96,774	31.0p	19.12.00	19.12.07
M.A.G. Bland	-	403,226	-	-	403,226	31.0p	19.12.00	19.12.04
	-	96,774	-	-	96,774	31.0p	19.12.00	19.12.07
I.P. Saward	-	53,226	-	-	53,226	31.0p	19.12.00	19.12.04
	-	96,774	-	-	96,774	31.0p	19.12.00	19.12.07
S. Sugar	141,177	-	-	-	141,177	51.0p	14.03.00	14.03.04
	58,823	-	-	-	58,823	51.0p	14.03.00	14.03.07
	-	100,000	-	-	100,000	31.0p	19.12.00	19.12.04
N. J. Becker	750,000	-	750,000	-	-	15.0p	23.09.97	22.09.98
	450,000	-	-	450,000	-	11.5p	20.03.99	20.03.06
J. Seidman	141,177	-	-	141,177	-	51.0p	14.03.00	14.03.04
	58,823	-	-	58,823	-	51.0p	14.03.00	14.03.07
A.I. Sethill	-	403,226	-	403,226	-	31.0p	19.12.00	19.12.04
	-	96,774	-	96,774	-	31.0p	19.12.00	19.12.07
P. R. Thorndyke	80,000	-	-	-	80,000	60.0p	26.10.91	26.10.98
	250,000	-	-	-	250,000	15.0p	01.04.98	31.03.99
	250,000	-	-	-	250,000	11.5p	01.04.98	20.09.99

The mid market price of the Company's shares as at 30th June, 1998 was 42p (1997: 68p). The highest mid-market price during the year was 72p and the lowest 28.5p. Mr. N. J. Becker exercised 750,000 share options during the year and the average mid-market price on exercise was 48p.

Statement of Directors' Responsibilities

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 Company and the Group and of the profit or loss of the Company and the Group 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking steps for the prevention and detection of fraud and other irregularities.

**Auditors' Report to the
Members of Amstrad plc (formerly Betacom Plc)**

We have audited the financial statements on pages 10 to 22, which have been prepared under the accounting policies set out on page 14, and the detailed information disclosed in respect of any directors' remuneration, share options and bonus schemes set out in the remuneration report on pages 6 and 7.

Respective responsibilities of directors and auditors

As described on page 8, the Company's directors are responsible for the preparation of financial statements. 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 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 and the Group'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 affairs of the Company and the Group as at 30th June, 1998 and of the loss of the Group 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

29th September, 1998

Consolidated Profit and Loss Account

		Year ended 30th June, 1998		Year ended 30th June, 1997	
	Note	£'000	£'000	£'000	£'000
Turnover	2		53,289		43,075
Cost of sales			(46,010)		(35,842)
Gross profit			7,279		7,233
Distribution costs			(2,690)		(2,642)
Administrative expenses (including exceptional costs of £888,000)			(5,638)		(2,743)
Net operating expenses			(8,328)		(5,385)
Operating (loss)/profit before exceptional items		(161)		1,848	
Exceptional operating costs	3	(888)		-	
Operating (loss)/profit			(1,049)		1,848
Net interest payable	4		(87)		(186)
(Loss)/Profit on ordinary activities before taxation	5		(1,136)		1,662
Tax on (loss)/profit on ordinary activities	8		112		(225)
(Loss)/Profit on ordinary activities after taxation			(1,024)		1,437
Dividends payable	9		(387)		(365)
(Loss)/Profit for the financial year transferred (from)/to reserves			(1,411)		1,072
(Loss)/Earnings per share	11		(1.33p)		2.12p
Equity dividends per share	9		0.5p		0.5p

There are no recognised gains or losses for the current or preceding year other than those included within the profit and loss account. The turnover and operating loss all relate to continuing operations.

Consolidated Balance Sheet

	<i>Note</i>	<i>30th June, 1998 £'000</i>	<i>30th June, 1997 Restated £'000</i>
Fixed assets			
Tangible assets	12	790	830
Current assets			
Stocks	14	4,263	13,851
Debtors	15	4,453	10,564
Cash at bank and in hand		7,182	174
		15,898	24,589
Creditors: amounts falling due within one year	16	(3,934)	(10,334)
Net current assets		11,964	14,255
Total assets less current liabilities		12,754	15,085
Provisions for liabilities and charges	17	(882)	(2,564)
Total net assets		11,872	12,521
Called up share capital	18	7,767	7,687
Share premium account	19	5,718	5,680
Profit and loss account	19	(1,613)	(846)
Equity shareholders' funds	20	11,872	12,521

The financial statements were approved by the Board of Directors on 29th September 1998.

A. M. Sugar

M.A.G. Bland
Directors

M.A.G. Bland

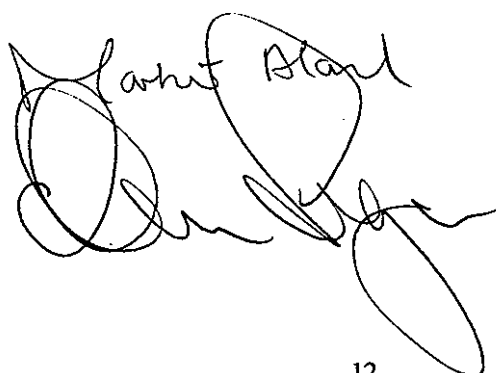

Company Balance Sheet

	Note	30th June, 1998 £'000	30th June, 1997 £'000
Fixed assets			
Tangible assets	12	766	826
Investments	13	6,500	6,570
		<u>7,266</u>	<u>7,396</u>
Current assets			
Stocks	14	2,108	7,970
Debtors	15	7,430	14,753
Cash at bank and in hand		7,179	171
		<u>16,717</u>	<u>22,894</u>
Creditors: amounts falling due within one year	16	(7,280)	(10,179)
Net current assets		<u>9,437</u>	<u>12,715</u>
Total assets less current liabilities		16,703	20,111
Provisions for liabilities and charges	17	(882)	(2,564)
Total net assets		<u><u>15,821</u></u>	<u><u>17,547</u></u>
Called up share capital	18	7,767	7,687
Share premium account	19	5,718	5,680
Special capital reserve	19	1,198	1,198
Profit and loss account	19	1,138	2,982
Equity shareholders' funds		<u><u>15,821</u></u>	<u><u>17,547</u></u>

The financial statements were approved by the Board of Directors on 29th September, 1998.

A.M.Sugar

M.A.G. Bland
Directors



Consolidated Cash Flow Statement

	<i>Note</i>	<i>Year ended 30th June, 1998 £'000</i>	<i>Year ended 30th June, 1997 £'000</i>
Net cash inflow/(outflow) from operating activities	21	7,941	(2,927)
Returns on investments and servicing of finance	22	(87)	(186)
UK corporation tax paid		(99)	(51)
Capital expenditure	22	(481)	(509)
Equity dividends paid		(384)	(135)
		<hr/>	<hr/>
Cash inflow/(outflow) before use of liquid resources and financing		6,890	(3,808)
Financing			
Issue of shares		118	111
		<hr/>	<hr/>
Increase/(Decrease) in cash		<u>7,008</u>	<u>(3,697)</u>
Reconciliation of net cash flow to movement in net cash			
Increase/(Decrease) in cash in the year		7,008	(3,697)
Cash at 1st July		<hr/> 174	<hr/> 3,871
		<hr/>	<hr/>
Cash at 30th June		<u>7,182</u>	<u>174</u>

Notes to the Financial Statements

1. Accounting policies

- (a) The financial statements are prepared in accordance with the historical cost convention and in accordance with applicable accounting standards.

- (b) Turnover comprises invoiced sales and services less returns and VAT.

- (c) (i) Fixed assets are capitalised at cost; and
(ii) Short leasehold premises and improvements are amortised over the period of the lease. Other tangible fixed assets are depreciated over their estimated useful lives as follows

	<i>Rate p.a.</i>	<i>Method</i>
Tooling	50%	Straight line
Fixtures, fittings, office equipment and motor vehicles	25%	Straight line

- (d) Stocks are stated at the lower of cost and net realisable value.
- (e) The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided where it is considered probable that a liability will crystallise.
- (f) The results for the Group comprise the results of the Company and its subsidiary undertakings up to 30th June, 1998. Goodwill arising on consolidation, which is the excess of the fair value of the consideration paid over the fair value of the net assets acquired, is written off directly to reserves. Financial Reporting Standard 10 "Goodwill and intangible assets" has been implemented with regard to the presentation of reserves. This has no effect on total equity shareholders' funds. Assets of companies acquired are incorporated in the consolidated financial statements at their fair value to the Group. It is sometimes necessary to estimate a fair value and where it is judged that a fair value is no longer reasonable an appropriate adjustment is made to goodwill in the following financial year.
- (g) Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction except where a transaction is covered by a related or matching forward contract in which case the rate of exchange specified in the contract is used. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date, or where appropriate the rate of exchange specified in a related or forward contract, and the gains and losses on translation are included in the profit and loss account.
- (h) Development costs, both internal and external, associated with the Company's products, are written off to the profit and loss account as they are incurred.
- (i) Provision is made for costs relating to anticipated sales returns of products within their warranty period.

2. Turnover

All turnover derives from one class of business in the United Kingdom. An analysis of turnover by geographical destination is as follows:

	<i>30th June, 1998</i>	<i>30th June, 1997</i>
	<i>£'000</i>	<i>£'000</i>
United Kingdom	46,546	39,504
Australia	6,472	1,342
Other European Countries	271	2,229
	<u>53,289</u>	<u>43,075</u>

3. Exceptional operating costs

Exceptional costs of £888,000 (1997 £nil) arose from the restructuring of the Company during the year. The restructuring involved the relocation of the Company, the closure of the Enfield site and management changes.

4. Net interest payable

	<i>Year ended 30th June, 1998 £'000</i>	<i>Year ended 30th June, 1997 £'000</i>
Interest receivable	164	196
Interest payable on bank loans and overdrafts	(226)	(92)
Interest payable to group companies	(25)	(290)
	<u>(87)</u>	<u>(186)</u>

5. (Loss)/profit on ordinary activities before taxation

(Loss)/profit on ordinary activities before taxation is stated after charging/(crediting) the following :-

	<i>Year ended 30th June, 1998 £'000</i>	<i>Year ended 30th June, 1997 £'000</i>
Depreciation of tangible fixed assets	468	264
Loss/(Profit) on sale of tangible fixed assets	53	(20)
Research and development expenditure	817	146
Operating leases: land and buildings	198	87
Auditors' remuneration and expenses -audit work	37	30
Auditors' remuneration and expenses - other	24	9
Directors' emoluments excluding pension contributions	675	225
Pension contributions in respect of directors	-	5

6. Emoluments of directors

Details of directors' emoluments and directors' share options are included in the Report of the Remuneration Committee on pages 6 and 7.

7. Staff numbers and costs

The average number of persons employed by the Group (including executive directors) during the year, analysed by category, was as follows :-

	<i>Year ended 30th June, 1998 No.</i>	<i>Year ended 30th June, 1997 No.</i>
Administration	38	27
Sales and marketing	13	14
Warehousing, service and distribution	20	38
Technical and product management	41	20
	<u>112</u>	<u>99</u>

7. Staff numbers and costs continued

The aggregate payroll costs of these persons were as follows :-

	<i>Year ended 30th June, 1998 £'000</i>	<i>Year ended 30th June, 1997 £'000</i>
Wages and salaries, including bonuses	3,034	1,938
Social security costs	284	190
Other pension costs	-	5
	<u>3,318</u>	<u>2,133</u>

8. Tax credit/(charge) on (loss)/profit on ordinary activities

	<i>Year ended 30th June, 1998 £'000</i>	<i>Year ended 30th June, 1997 £'000</i>
Tax based on the (loss)/profit on ordinary activities for the year:		
UK corporation tax at 31% (1997: 32.5%)	-	(225)
Prior year adjustment	114	-
Overseas tax	(2)	-
	<u>112</u>	<u>(225)</u>

9. Dividends

The directors propose a final dividend of 0.3p (1997: 0.3p) per share, which together with the interim dividend of 0.2p (1997: 0.2p) per ordinary share paid on 7th April, 1998 makes a total distribution of 0.5p (1997: 0.5p) per ordinary share in respect of the year ended 30th June, 1998. This is equivalent to 0.625p (1997: 0.625p) per ordinary share with the related tax credit at the current rate of 20/80ths.

10. Loss for the year

In accordance with the exemption allowed by Section 230(4) of the Companies Act 1985, the Company has not presented its own profit and loss account. The parent company's loss after taxation for the financial year amounted to £1.5 million (1997: £1.5 million profit).

11. (Loss)/earnings per share

The loss per share has been based on the loss for the year after taxation and on the average number of shares in issue during the year of 77,118,991 (1997: 67,730,565).

12. Tangible fixed assets

	<i>Short leasehold property and improvements £'000</i>	<i>Motor vehicles £'000</i>	<i>Fixtures fittings tools and equipment £'000</i>	<i>Total £'000</i>
Group				
<i>Cost</i>				
At 1st July, 1997	474	354	2,079	2,907
Additions	-	258	427	685
Disposals	(205)	(199)	(1,714)	(2,118)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30th June, 1998	<u>269</u>	<u>413</u>	<u>792</u>	<u>1,474</u>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1st July, 1997	221	90	1,766	2,077
Charge for the year	141	99	228	468
Disposals	(93)	(54)	(1,714)	(1,861)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30th June, 1998	<u>269</u>	<u>135</u>	<u>280</u>	<u>684</u>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 30th June, 1998	<u>-</u>	<u>278</u>	<u>512</u>	<u>790</u>
	<hr/>	<hr/>	<hr/>	<hr/>
At 30th June, 1997	<u>253</u>	<u>264</u>	<u>313</u>	<u>830</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Company				
<i>Cost</i>				
At 1st July, 1997	474	354	2,075	2,903
Additions	-	258	407	665
Disposals	(205)	(199)	(1,714)	(2,118)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30th June, 1998	<u>269</u>	<u>413</u>	<u>768</u>	<u>1,450</u>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1st July, 1997	221	90	1,766	2,077
Charge for the year	141	99	228	468
Disposals	(93)	(54)	(1,714)	(1,861)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30th June, 1998	<u>269</u>	<u>135</u>	<u>280</u>	<u>684</u>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 30th June, 1998	<u>-</u>	<u>278</u>	<u>488</u>	<u>766</u>
	<hr/>	<hr/>	<hr/>	<hr/>
At 30th June, 1997	<u>253</u>	<u>264</u>	<u>309</u>	<u>826</u>
	<hr/>	<hr/>	<hr/>	<hr/>

13. Investments

Company

Investments of the Company at 30th June, 1998 comprise shares in subsidiary undertakings at cost of £7,112,000 (1997: £7,107,000) less provisions of £612,000 (1997: £537,000). The trade of three subsidiary undertakings, Answercall Limited, Betacom Products Limited and Betacom Consumer Electronics Limited are conducted by Amstrad plc which is the appointed agent of these subsidiary undertakings. The following information relates to the Group's principal undertakings which are all engaged in the Group's principal activity.

Name of Subsidiary	Percentage of allotted equity owned	Country of Incorporation
Answercall Limited	100%	United Kingdom
Betacom Products Limited	100%	United Kingdom
Betacom Consumer Electronics Limited	100%	United Kingdom
Amstrad International Limited (formerly Betacom Far East Limited)	100%	Hong Kong

14. Stocks

	Group		Company	
	30th June, 1998 £'000	30th June, 1997 £'000	30th June, 1998 £'000	30th June, 1997 £'000
Raw materials and consumables	42	301	-	-
Finished goods and goods for resale	4,221	13,550	2,108	7,970
	<u>4,263</u>	<u>13,851</u>	<u>2,108</u>	<u>7,970</u>

15. Debtors

	Group		Company	
	30th June, 1998 £'000	30th June, 1997 £'000	30th June, 1998 £'000	30th June, 1997 £'000
Trade debtors	3,498	9,364	3,498	9,364
Amounts due from subsidiary undertakings	-	-	2,308	4,255
Other debtors	247	634	247	632
Prepayments and accrued income	591	508	587	502
Corporation tax recoverable	117	58	96	-
Group relief receivable	-	-	694	-
	<u>4,453</u>	<u>10,564</u>	<u>7,430</u>	<u>14,753</u>

16. Creditors: amounts falling due within one year

	Group		Company	
	30th June, 1998 £'000	30th June, 1997 £'000	30th June, 1998 £'000	30th June, 1997 £'000
Trade creditors	2,296	5,213	2,296	5,213
Amounts owed to subsidiary undertakings	-	-	3,377	71
Amounts owed to former fellow group undertaking	-	3,293	-	3,293
Corporation tax payable	117	271	96	53
Overseas tax payable	2	-	-	-
Other taxes and social security	89	171	88	171
Accruals and deferred income	1,197	1,156	1,190	1,148
Dividend payable	233	230	233	230
	<u>3,934</u>	<u>10,334</u>	<u>7,280</u>	<u>10,179</u>

17. Provisions for liabilities and charges

Provisions, which are in respect of goods returned under warranty, were as follows for the Group and Company:-

	30th June, 1998 £'000	30th June, 1997 £'000
At 1st July	2,564	233
(Utilised)/provided in the year	(794)	331
Acquired	-	2,000
Goodwill adjustment	(888)	-
	<u>882</u>	<u>2,564</u>

The amount of potential deferred tax not provided is £nil (1997: £nil). The goodwill adjustment above is explained in note 19.

18. Called up share capital

	30th June, 1998		30th June, 1997	
	No.	£'000	No.	£'000
<i>Authorised:</i>				
Ordinary shares of 10p each	88,122,793	8,812	88,122,793	8,812
<i>Allotted issued and fully paid:</i>				
Ordinary shares of 10p each	77,669,659	7,767	76,871,659	7,687

During the year 798,000 shares were issued in respect of share options exercised for a total consideration of £118,000.

The following options to subscribe for shares have been granted and were outstanding at 30th June 1998 under the Company's 1988 Employee Share Option Scheme and the Company's 1997 Performance Related Share Option Scheme:-

18. Called up share capital continued

<i>Date of grant</i>	<i>No. of ordinary Directors</i>	<i>shares Others</i>	<i>Option price</i>	<i>Exercisable from</i>	<i>Exercisable to</i>
26th October, 1988	-	104,000	60.0p	26.10.91	26.10.98
14th March, 1994	-	300,000	15.0p	14.03.97	14.03.04
14th March, 1994	-	250,000	15.0p	14.03.97	31.03.99
20th March, 1996	-	300,000	11.5p	20.03.99	20.03.06
20th March, 1996	-	250,000	11.5p	01.04.98	20.09.99
14th March, 1997	141,177	162,354	51.0p	14.03.00	14.03.04
14th March, 1997	58,823	117,646	51.0p	14.03.00	14.03.07
19th December, 1997	1,209,678	226,452	31.0p	19.12.00	19.12.04
19th December, 1997	290,322	1,083,548	31.0p	19.12.00	19.12.07

Details of directors' share options are disclosed in the Report of the Remuneration Committee on pages 6 and 7.

19 Share premium and reserves

	<i>Share premium account £'000</i>	<i>Special capital reserve £'000</i>	<i>Profit and loss account £'000</i>	<i>Total £'000</i>
Group				
At 1st July, 1997 (as restated)	5,680	-	(846)	4,834
Premium on shares issued during the year	38	-	-	38
Goodwill adjustment	-	-	644	644
Loss retained for the financial year	-	-	(1,411)	(1,411)
	<u>5,718</u>	<u>-</u>	<u>(1,613)</u>	<u>4,105</u>
 At 30th June, 1998				
	<u>5,718</u>	<u>-</u>	<u>(1,613)</u>	<u>4,105</u>
 Accumulated goodwill written off against reserves	-	1,198	4,353	5,551
	<u>-</u>	<u>1,198</u>	<u>4,353</u>	<u>5,551</u>
Company				
At 1st July, 1997	5,680	1,198	2,982	9,860
Premium on shares issued during the year	38	-	-	38
Loss retained for the financial year	-	-	(1,844)	(1,844)
	<u>5,718</u>	<u>1,198</u>	<u>1,138</u>	<u>8,054</u>
 At 30th June, 1998				
	<u>5,718</u>	<u>1,198</u>	<u>1,138</u>	<u>8,054</u>

In the accounts for the year ended 30th June 1997 goodwill of £4,958,000, which arose from the acquisition of the Amstrad Consumer Electronics business, was shown separately on the Balance Sheet as "other reserve - goodwill". Following publication by the Accounting Standards Board of Financial Reporting Standard 10 "Goodwill and intangible assets" the goodwill has been written off against the consolidated profit and loss account reserve and the prior year figures have been restated to reflect this change of presentation.

As part of the acquisition of the Amstrad Consumer Electronics business the Group acquired stock and took over the warranty obligations of that business. The fair values attributed to these items at the date of acquisition have been reviewed at 30th June 1998 and a reduction in goodwill of £644,000 has been recognised, being the net effect of the lower than anticipated cost of meeting warranty obligations offset by losses incurred on the realisation of one product range.

20. Reconciliation of movements in shareholders' funds

	<i>Year ended 30th June, 1998 £'000</i>	<i>Year ended 30th June, 1997 £'000</i>
At 1st July	12,521	9,796
Shares issued during the year	118	6,611
Goodwill arising on acquisition	-	(4,958)
Goodwill adjustment	644	-
(Loss)/profit for the year	(1,024)	1,437
Dividends	(387)	(365)
At 30th June	<u>11,872</u>	<u>12,521</u>

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

	<i>Year ended 30th June, 1998 £'000</i>	<i>Year ended 30th June, 1997 £'000</i>
Operating (loss)/profit	(1,049)	1,848
Depreciation	468	264
Loss/(Profit) on sale of tangible fixed assets	53	(20)
Decrease/(Increase) in stocks	9,344	(6,297)
Decrease/(Increase) in debtors	6,170	(6,851)
(Decrease)/Increase in creditors	(6,251)	7,798
(Decrease)/Increase in provisions	(794)	331
Net cash inflow/(outflow) from operating activities	<u>7,941</u>	<u>(2,927)</u>

22. Analysis of cash flows for headings netted in cash flow statement

	<i>Year ended 30th June, 1998 £'000</i>	<i>Year ended 30th June, 1997 £'000</i>
a. Returns on investments and servicing of finance		
Interest received	164	196
Interest paid	(251)	(382)
Net cash outflow for returns on investments and servicing of finance	<u>(87)</u>	<u>(186)</u>
b. Capital expenditure		
Purchase of tangible fixed assets	(685)	(580)
Sale of tangible fixed assets	204	71
Net cash outflow from capital expenditure	<u>(481)</u>	<u>(509)</u>

23. Financial commitments

(a) Capital commitments

There was no capital expenditure contracted for but not provided in these financial statements (1997: £nil). There were no other contracted commitments, other than those provided in the financial statements (1997: £nil).

(b) Operating lease commitments

At 30th June, 1998 the Group had annual commitments under operating leases relating to land and buildings as follows :-

	<i>Year ended 30th June, 1998 £000</i>	<i>Year ended 30th June, 1997 £000</i>
Expiring between one and two years inclusive	136	9
Expiring between two and five years inclusive	-	45
Expiring in over five years	-	74
	<u>136</u>	<u>128</u>

(c) Guarantees

At 30th June, 1998 the Company has granted a guarantee and indemnity to Zurich GSG Limited for a total of £1,000,000 in respect of the deferment of duty and VAT payments to HM Customs and Excise on the importation of products into the UK.

24. Related party transactions

Amstrad plc rents office space in Brentwood from Amsprop Trading Limited, a company controlled by Mr A. M. Sugar. The annual rental is £136,000 per annum and the rental agreements expire on 3rd June, 2000. Up until December 1997 this office space was rented from Viglen Technology plc in which Mr A. M. Sugar has a 33.7% interest.

During the year the Company charged Viglen Technology plc £102,000 for the services of Amstrad plc staff and were charged £33,000 for services provided by Viglen Technology plc staff. During the year the Company purchased from Viglen Technology plc computer equipment and other assets with a total value of £42,000.

By virtue of Mr. Sugar's interest of 40.5% of the ordinary shares in Tottenham Hotspur plc ("Tottenham") he has an interest in a three year contract dated 18th June, 1996 between Tottenham and Amstrad plc for the purchase from Tottenham of advertising. In the year to 30th June 1998 £22,000 was paid and the obligation for the 1998/99 Football Season is £22,000.

Financial record

	<i>Year ended 30th June, 1998 £'000</i>	<i>Year ended 30th June, 1997 £'000</i>	<i>Year ended 30th June, 1996 £'000</i>	<i>Year ended 30th June, 1995 £'000</i>	<i>Year ended 30th June, 1994 £'000</i>
Turnover	<u>53,289</u>	<u>43,075</u>	<u>16,025</u>	<u>16,334</u>	<u>13,524</u>
Gross profit	7,279	7,233	2,689	2,652	2,168
Net operating expenses	<u>(7,440)</u>	<u>(5,385)</u>	<u>(2,285)</u>	<u>(2,415)</u>	<u>(2,030)</u>
Operating (loss)/profit before exceptional items	(161)	1,848	404	237	138
Exceptional (costs)/income	<u>(888)</u>	<u>-</u>	<u>-</u>	<u>64</u>	<u>(55)</u>
Operating (loss)/profit	(1,049)	1,848	404	301	83
Net interest (payable)/receivable	<u>(87)</u>	<u>(186)</u>	<u>202</u>	<u>132</u>	<u>120</u>
(Loss)/profit before taxation	(1,136)	1,662	606	433	203
Taxation	<u>112</u>	<u>(225)</u>	<u>(31)</u>	<u>(35)</u>	<u>-</u>
(Loss)/profit after taxation	(1,024)	1,437	575	398	203
Dividends	<u>(387)</u>	<u>(365)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Retained (loss)/profit for the year	<u>(1,411)</u>	<u>1,072</u>	<u>575</u>	<u>398</u>	<u>203</u>
(Loss)/Earnings per share	<u>(1.33p)</u>	<u>2.12p</u>	<u>0.86p</u>	<u>0.60p</u>	<u>0.30p</u>
Dividends per share	<u>0.5p</u>	<u>0.5p</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital employed					
Fixed assets	790	830	549	847	1,042
Net operating assets	<u>11,082</u>	<u>11,691</u>	<u>9,247</u>	<u>8,374</u>	<u>7,781</u>
Net assets	<u>11,872</u>	<u>12,521</u>	<u>9,796</u>	<u>9,221</u>	<u>8,823</u>
Financed by					
Share capital	7,767	7,687	6,660	6,660	6,660
Reserves and share premium	<u>4,105</u>	<u>4,834</u>	<u>3,136</u>	<u>2,561</u>	<u>2,163</u>
Equity shareholders' funds	<u>11,872</u>	<u>12,521</u>	<u>9,796</u>	<u>9,221</u>	<u>8,823</u>

Notice of meeting

NOTICE IS HEREBY GIVEN that the tenth Annual General Meeting of the Company will be held at the Marygreen Manor Hotel, London Road, Brentwood, Essex CM14 4NR on 25th November, 1998 at 11.00 a.m. for the transaction of the following business :

Ordinary business

1. To receive and adopt the financial statements of the Company for the year ended 30th June, 1998 and the reports of the directors and auditors thereon.
2. To declare a dividend.
3. That Mr .S. Sugar who has been appointed to the Board since the last Annual General Meeting be re-elected.
4. That Mr .I.P. Saward, who has been appointed to the Board since the last Annual General Meeting be re-elected.
5. That Mr. J.E. Samson, who has been appointed to the Board and has attained the age of 70 years be re-elected.
6. That Mr. M.A.G. Bland who retires by rotation, be re-elected.
7. To re-appoint Deloitte & Touche as auditors of the Company and to authorise the directors to agree their remuneration.

Special business

To consider and, if thought fit, pass the following resolutions of which resolution number 8 will be proposed as an ordinary resolution and resolution number 9 which will be proposed as a special resolution:

8. That the directors be and hereby generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 to exercise the power of the Company to allot relevant securities (within the meaning of section 80 of the Companies Act 1985) up to an aggregate nominal amount of £1,045,313 to such persons and at such times and on and subject to such terms as the directors shall determine provided that this authority shall unless renewed expire on the conclusion of the next Annual General Meeting of the Company after passing of this resolution, save that the Company may before such expiry make any offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.
9. That the directors be and they are hereby further empowered pursuant to section 95 of the Companies Act 1985 to allot equity securities (within the meaning of section 94 of the Act) pursuant to the authority referred to in resolution 8 of the notice of this Meeting as if section 89(1) of the Companies Act 1985 did not apply to such allotment provided that this power shall be limited;
 - (a) to the allotment of equity securities in connection with an invitation or offering by way of rights in favour of holders of equity securities and any other persons entitled to participate in such issue or offering where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as maybe) to the respective numbers of equity securities held by or deemed to be held by them on the record date of such allotment subject only to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of, or requirements of any recognised regulatory body in, in any territory; and
 - (b) to the allotment (otherwise than pursuant to sub-paragraph (a) above of equity securities (as aforesaid) up to an aggregate nominal value not exceeding £388,348.

provided that the authority hereby conferred shall unless renewed expire on the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require equity securities (as aforesaid) to be allotted after such expiry and the directors may allot equity securities (as aforesaid) in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

Notes:

1. Any member entitled to attend and vote at the Meeting convened by the above Notice may appoint one or more proxies to attend and vote instead of him/her. The proxy need not be a member of the

Company. A form of proxy is enclosed and to be valid, it must be lodged at the offices of the Company's registrars, Independent Registrars Group plc, Balfour House, 390-398 High Road, Ilford, Essex IG1 1NQ together with the power of attorney or written authority, if any, under which it is signed (or a notarially certified or office copy of such power or written authority) not less than 48 hours before the time fixed for the Meeting. The appointment of a proxy does not preclude a member from attending and voting at the Meeting.

2. Pursuant to Regulation 34 of the Uncertificated Securities Regulations 1995, the Company specifies that only those members registered in the register of members of the Company as at 11.00 a.m. on 23rd November, 1998 shall be entitled to attend or vote at the Meeting in respect of the number of shares registered in their name at the time. Changes to entries on the relevant register of securities after 11.00 a.m. on 23rd November, 1998 will be disregarded in determining the rights of any person to attend or vote at the Meeting.
3. A statement of the share transactions, if any, of each director up to and including 29th September 1998 and copies of their contract of services, where applicable, are available for inspection at the registered office of the Company on any weekday (Saturday excepted) until the date of the Meeting and shall also be available at the place of the Meeting for at least 15 minutes prior to the Meeting and until the conclusion of that Meeting.

Dated 29th September 1998

By order of the Board

D.C. Riches
Secretary



Registered office:
Brentwood House
169 Kings Road
Brentwood
Essex
CM14 4EF

Amstrad plc

FORM OF PROXY

I/We

.....
 being (a) member(s) of Amstrad plc hereby appoint the Chairman of the Meeting (see note 1) or

.....
 as my /our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, 25th November, 1998 and at any adjournment thereof. This proxy is to be used as follows:-

RESOLUTIONS	FOR	AGAINST
1. To receive and adopt the financial statements for the year ended 30th June, 1998 and the directors' and auditors' reports thereon	<input type="checkbox"/>	<input type="checkbox"/>
2. To declare a final dividend of 0.3p per ordinary share	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Mr. S. Sugar as a director	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect Mr. I. P. Saward as a director	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-elect Mr. J. E. Samson as a director	<input type="checkbox"/>	<input type="checkbox"/>
6. To re-elect Mr. M. A. G. Bland as a director	<input type="checkbox"/>	<input type="checkbox"/>
7. To re-appoint Deloitte & Touche as auditors of the Company and to authorise the directors to fix their remuneration	<input type="checkbox"/>	<input type="checkbox"/>
8. To give the directors authority to allot shares	<input type="checkbox"/>	<input type="checkbox"/>
9. To disapply pre-emption rights (special resolution)	<input type="checkbox"/>	<input type="checkbox"/>

Signature Date

Notes:

1. If you wish to appoint some other person, please insert his/her name and address, initial the insertion and strike out the words "the Chairman of the Meeting".
2. Please indicate with an X how you wish your vote to be cast. Unless otherwise instructed, the proxy will vote or abstain as he/she thinks fit.
3. A corporation proxy must be executed as a deed or under the hand of a duly appointed officer or attorney.
4. To be valid, this proxy must be lodged with the Registrar not less than 48 hours before the time fixed for the Meeting.
5. In the case of joint holders, the signature of any one holder will be sufficient but the names of all joint holders should be stated.
6. Completion and return of the form of proxy will not preclude ordinary shareholders attending and voting at the Meeting should they subsequently decide to do so.