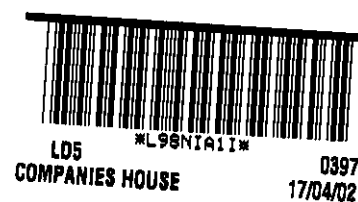


AMSGAL PROPERTIES LIMITED

Report and Financial Statements

30 June 2001

**Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR**



REPORT AND FINANCIAL STATEMENTS 2001

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DIRECTORS' REPORT

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

ACTIVITIES AND FUTURE PROSPECTS

The company did not trade during the year. It acts as a nominee for the joint property interests of its shareholders, Amsprop Trading Limited and Icelake Limited. There are no planned changes to these arrangements.

The directors do not recommend the payment of a dividend (2000 – £nil)

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

Sir Alan Sugar

I Yawetz

Lady Sugar

L Baron (née Sugar)

C T Sandy

A Cohen

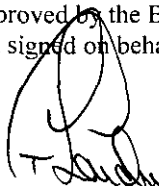
D P Sugar (appointed 17 December 2000)

The directors had no interests in the capital of the company.

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



C T SANDY
Director

/s/ April 2002

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 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;*
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on a 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMSGAL PROPERTIES LIMITED

We have audited the financial statements of Amsgal Properties Ltd for the year ended 30 June 2001 which comprise the balance sheet and the related notes 1 to 5. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

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 2001 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and Registered Auditors

/o April 2002

BALANCE SHEET
30 June 2001

	Note	2001 £	2000 £
CURRENT ASSETS			
Cash at bank and in hand		<u>2</u>	<u>2</u>
NET ASSETS		<u>2</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital	3	<u>2</u>	<u>2</u>
EQUITY SHAREHOLDERS' FUNDS		<u>2</u>	<u>2</u>

These financial statements were approved by the Board of Directors on 10 April 2002.

Signed on behalf of the Board of Directors



C T SANDY
Director

NOTES TO THE ACCOUNTS
Year ended 30 June 2001**1. ACCOUNTING POLICY**

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

Accounting convention

The financial statements are prepared under the historical cost convention.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors did not receive any remuneration during the year (2000 – £nil). No employees have been employed by the company during the year (2000 – none). Auditors' remuneration for the year is to be borne by the shareholders.

3. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised:		
1,000 ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
Called up, allotted and fully paid:		
2 ordinary shares of £1 each	2	2
	<u> </u>	<u> </u>

At the 30 June 2001 the company's shares were held equally by Amsprop Trading Limited and Icelake Limited.

4. PROFIT AND LOSS ACCOUNT

The company has not traded during the year and has made neither a profit nor loss nor any other recognised gain or loss for the financial year or the preceding financial year.

5. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The share capital of the company is owned equally by Icelake Limited and Amsprop Trading Limited. As a result, in the directors' opinion, both of these companies are defined as related parties under Financial Reporting Standard 8 and there is no ultimate controlling party.