

AMSTRAD SATELLITE PRODUCTS LIMITED
(formerly Betacom Consumer Electronics Limited)

ANNUAL REPORT & ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2000

Company Number: 3341215



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COMPANIES HOUSE 19/12/00

CONTENTS

	<u>Page</u>
REPORT OF THE DIRECTORS	2
STATEMENT OF DIRECTORS' RESPONSIBILITIES	3
AUDITORS' REPORT	4
PROFIT AND LOSS ACCOUNT	5
BALANCE SHEET	6
NOTES TO THE FINANCIAL STATEMENTS	7

The directors have pleasure in presenting their report together with the audited financial statements for the year ended 30 June 2000.

Principal activities

The principal activities of the Company are the design, development, marketing and distribution of satellite products.

Review of Business

The Company reported a profit on ordinary activities before taxation of £17.6m (1999 £9.2m) having benefited from the very strong demand for BSkyB's digital TV service. The Company is well placed to go forward in the current financial year and beyond.

On 14 February 2000 the Company changed its name from Betacom Consumer Electronics Limited to Amstrad Satellite Products Limited.

Dividends

The directors recommend the payment of a dividend of £10,000,000 (1999: £2,000,000).

Research and development

The Company 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 3 to the financial statements.

Directors and their interests

The following directors held office during the year:-

Sir Alan Sugar
Mr. M. A. G. Bland
Mr. R. J. Watkins

The directors had no interest in the share capital of the Company or its fellow subsidiaries of Amstrad plc at any time during the year. The Company is not required to disclose details of the interests as at 30 June 2000 of Sir Alan Sugar, Mr. R. J. Watkins and Mr. M. A. G. Bland in shares and share options of the parent company, Amstrad plc, as they were directors of that Company as at 30 June 2000 and their shareholdings are disclosed in the accounts of Amstrad plc.

Year 2000

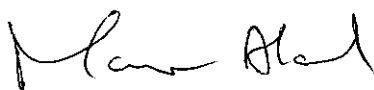
Amstrad Satellite Products is a wholly owned subsidiary of Amstrad plc and as such uses Amstrad plc's systems.

No significant problems have arisen from the Year 2000 issue and the costs of the Year 2000 compliance programme were borne by Amstrad plc.

Auditors

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

By order of the Board



M.A.G. Bland
Secretary
12 December 2000

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, 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 Company 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 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 steps for the prevention and detection of fraud and other irregularities.

We have audited the financial statements on pages 5 to 9, which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including as described on page 3 the preparation of the financial statements which are required to be prepared in accordance with the 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 audit 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 circumstances of the Company, 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 as at 30 June 2000 and of the profit of the Company 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
Hill House
1 Little New Street
London EC4A 3TR

13 December 2000

Profit and loss account
Year Ended 30 June 2000

Amstrad Satellite Products Limited

		<i>Year ended 30 June 2000 £'000</i>	<i>Year ended 30 June 1999 £'000</i>
	<i>Notes</i>		
Turnover	2	111,636	53,393
Cost of sales		(91,593)	(42,642)
		<hr/>	<hr/>
Gross profit		20,043	10,751
Distribution costs		(128)	(92)
Administrative expenses		(2,322)	(1,458)
Net operating expenses		(2,450)	(1,550)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3	17,593	9,201
Tax on profit on ordinary activities	6	(5,281)	(2,830)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		12,312	6,371
Dividends payable		(10,000)	(2,000)
		<hr/>	<hr/>
Retained profit for the financial year	11	2,312	4,371
		<hr/> <hr/>	<hr/> <hr/>

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

Balance Sheet
As at 30 June 2000

Amstrad Satellite Products Limited

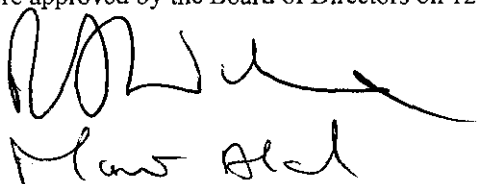
	<i>Note</i>	<i>30 June 2000 £'000</i>	<i>30 June 1999 £'000</i>
Current assets			
Stocks	7	67	232
Debtors	8	23,372	11,782
		<u>23,439</u>	<u>12,014</u>
Creditors: amounts falling due within one year	9	(13,943)	(4,830)
Net current assets		<u>9,496</u>	<u>7,184</u>
Total assets less current liabilities		<u>9,496</u>	<u>7,184</u>
Capital and reserves			
Called up share capital	10	-	-
Share premium account	11	6,500	6,500
Profit and loss account	11	2,996	684
Equity shareholders' funds	12	<u>9,496</u>	<u>7,184</u>

The financial statements were approved by the Board of Directors on 12 December 2000.

R. J. Watkins

M.A.G. Bland

Directors



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) Stocks are stated at the lower of cost and net realisable value.
- (d) 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.

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>Year ended 30 June 2000 £'000</i>	<i>Year ended 30 June 1999 £'000</i>
United Kingdom	105,946	48,607
Australia	5,690	4,786
	<u>111,636</u>	<u>53,393</u>

3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging the following :-

	<i>Year ended 30 June 2000 £'000</i>	<i>Year ended 30 June 1999 £'000</i>
Auditors' remuneration and expenses - audit work	2	2
Auditors' remuneration and expenses - other	2	2
Research and development expenditure	174	229
	<u>178</u>	<u>233</u>

4. Emoluments of directors

The directors received no emoluments for their services to the Company in this year or the prior year.

5. Staff numbers and costs

The Company employed no staff in this year or the prior year. Services are provided and charged to the Company by Amstrad plc, the Company's parent company.

6. Tax on profit on ordinary activities

	<i>Year ended 30 June 2000 £'000</i>	<i>Year ended 30 June 1999 £'000</i>
UK Corporation tax at 30.0% (1999: 30.75%)	5,281	2,830
	<u>5,281</u>	<u>2,830</u>

7. Stocks

	<i>30 June 2000 £'000</i>	<i>30 June 1999 £'000</i>
Raw materials and consumables	<u>67</u>	<u>232</u>

8. Debtors

	<i>30 June 2000 £'000</i>	<i>30 June 1999 £'000</i>
Amounts due from parent company	<u>23,372</u>	<u>11,782</u>

9 Creditors: amounts falling due within one year

	<i>30 June 2000 £'000</i>	<i>30 June 1999 £'000</i>
Dividend payable	10,000	2,000
Corporation tax payable	2,711	2,830
Group relief payable	1,232	-
	<u>13,943</u>	<u>4,830</u>

10. Called up share capital

	<i>30 June 2000</i>		<i>30 June 1999</i>	
	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
<i>Authorised:</i>				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
<i>Allotted issued and fully paid:</i>				
Ordinary shares of £1 each	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>

11 Share premium and reserves

	<i>Share premium account £'000</i>	<i>Profit and loss account £'000</i>
At 1 July 1999	6,500	684
Profit for the financial year	-	2,312
	<u>6,500</u>	<u>2,996</u>
At 30 June 2000	<u>6,500</u>	<u>2,996</u>

The goodwill arising on the acquisition of an unincorporated business of £4,309,000 was written off directly to the profit and loss account in the period ended 30 June 1998, although it does not constitute a realised loss. For the purposes of calculating the Company's distributable reserves the goodwill is being realised over a period of twenty years. Accordingly, the Company's profit and loss account reserve includes £3,646,000 (1999: £3,861,000) of unrealised goodwill.

12. Reconciliation of movements in shareholders' funds

	<i>Year ended 30 June 2000 £'000</i>	<i>Year ended 30 June 1999 £'000</i>
At 1 July 1999	7,184	2,813
Profit for the period	12,312	6,371
Dividends	(10,000)	(2,000)
At 30 June 2000	<u>9,496</u>	<u>7,184</u>

13. Ultimate parent company and controlling entity

As at 30 June 2000, the Company was a subsidiary undertaking of Amstrad plc which is registered in England and Wales. Copies of Amstrad plc's consolidated accounts are available to the public from Capita IRG Plc, Balfour House, 390/398 High Road, Ilford, Essex, IG1 1NQ.