



VIGLEN LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2003

Company No: 1208441

VIGLEN LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003

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VIGLEN LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

FOR THE YEAR ENDED 30 SEPTEMBER 2003

Company registration number:

1208441

Registered office:

Viglen House
Alperton Lane
Alperton
Middlesex
HA0 1DX

Directors:

Sir Alan Sugar DSc
Bordan Tkachuk
Michael Ray BSc ACA

Secretary:

Michael Ray

Bankers:

Lloyds TSB Bank Plc
72 Lombard Street
London EC3P 3BT

Auditors:

Deloitte & Touche LLP
Chartered Accountants
London

VIGLEN LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report and the audited financial statements for the year ended 30 September 2003.

Principal activities

The supply of IT solutions to the educational markets, the public sector and corporate markets. The solutions supplied incorporate the latest PC Technology, networking, software and services.

Business review and future prospects

The company continues to focus its growth on the educational markets. The award of four major contracts in Northern Ireland together with our managed service solutions in Scotland to Dumfries and Galloway have shown that our strategy is working.

During the coming year we will install the balance to the outstanding schools in Northern Ireland and look to focus on selling solutions and services as well as keeping our cost base under tight control.

Results and dividends

The results for the year are set out on page 6. The profit for the period after taxation amounted to £4,428,609 (2002: £752,076). On 9 December 2002 a dividend of £7,426,848 (2002:£nil) was declared and paid, this represented a dividend of £742.6848 per share (2002:£nil).

Directors and directors' interests

The current membership of the Board is set out on page 1. Sir Alan Sugar was appointed as a director on 27 November 2002. Armand Abramian resigned on 12 December 2002 and Razmik Babaian resigned on 31 January 2003. Other than these changes all directors served throughout the year. No director has or had, during the period, any interests in the shares of the company. The interests held by Sir Alan Sugar, Bordan Tkachuk and Michael Ray in the shares of the parent company are disclosed in the financial statements of Viglen Technology Limited.

Directors' responsibilities for the financial statements

United Kingdom 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 year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable accounting standards have been followed;
- 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 the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

VIGLEN LIMITED
REPORT OF THE DIRECTORS

Payment policy

It is the company's normal practice to pay its suppliers within agreed terms provided that the suppliers meet their obligations. Trade creditors at the period end amounted to 45 days (2002:80 days) of average supplies for the period.

Political and charitable donations

Charitable donations of £50,000 (2002:£nil) were made in the period. No political donations were made during the period.

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 market in which it operates.

Employee involvement

The company has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the company.

This is achieved through the notice boards and announcement of daily sales performance against targets.

Employment of disabled persons

It is the policy of the company to give full and fair consideration to applications for employment from disabled persons, to continue wherever possible the employment of members of staff who may become disabled and to ensure that suitable training, career development and promotion is afforded to such persons.

Auditors

On 1 August 2003, Deloitte & Touche, the Company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed by order of the Board



M E Ray
Secretary

5 December 2003

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VIGLEN LIMITED

We have audited the financial statements of Viglen Limited for the year ended 30 September 2003, which comprise the profit and loss account, the balance sheet, cash flow statement, the statement of Principal Accounting Policies, and the related notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 period and consider the implications for our report if we become aware of any apparent misstatements.

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 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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP
Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

VIGLEN LIMITED

PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and under the historical cost convention except that certain freehold properties are shown at their revalued amounts. The principal accounting policies set out below have remained unchanged from the previous year.

Turnover

Turnover comprises the invoiced value of goods sold and services supplied by the company, excluding value added tax and trade discounts.

Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The rates generally applicable are:

Leasehold improvements	- over life of lease
Motor vehicles	- 25% on cost
Fixtures and fittings	- 10% - 20% on cost

Equipment held at third parties as part of a managed service are depreciated over the life of the contract.

Managed Services

Assets used in providing managed services are capitalised at cost. These assets are then depreciated over the life of the contract. Revenue from these contracts is recognised over the life of the contract in line with the services provided.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

Research and development

Expenditure on research and development is charged against profits in the period in which it is incurred.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded, as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Warranty

Warranty revenues are recognised as profit in the year of sale. Provision is made in the same period for the expected future cost of providing the warranty.

Exemption from preparing group accounts

The financial statements contain information about Viglen 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 requirement to prepare consolidated financial statements as it is a wholly owned subsidiary of Viglen Technology Limited (see note 24).

Leased assets

All current leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

VIGLEN LIMITED**PROFIT AND LOSS ACCOUNT**

FOR THE YEAR ENDED 30 SEPTEMBER 2003

		Year ended 30 September 2003	Year ended 30 September 2002
	Note	£	£
Turnover	1	77,611,373	70,647,493
Operating costs	2	<u>(71,618,996)</u>	<u>(69,644,273)</u>
Operating profit		5,992,377	1,003,220
Net interest	4	<u>353,788</u>	<u>602,723</u>
Profit on ordinary activities before taxation	5	6,346,165	1,605,943
Tax on profit on ordinary activities	6	<u>(1,917,556)</u>	<u>(853,867)</u>
Profit on ordinary activities after taxation		4,428,609	752,076
Equity dividends	7	<u>(7,426,848)</u>	<u>-</u>
Retained (loss)/profit for the period transferred to reserves	16	<u><u>(2,998,239)</u></u>	<u><u>752,076</u></u>

All results are derived from continuing operations.

No statement of Recognised Gain and Losses has been prepared because there have been no recognised gains or losses other than the profit or loss for current and prior year.

VIGLEN LIMITED
BALANCE SHEET AT 30 SEPTEMBER 2003

	Note	As at 30 September 2003	As at 30 September 2002
		£	£
Fixed assets			
Tangible assets	8	11,277,357	13,837,307
Current assets			
Stocks	9	4,576,189	6,965,486
Debtors	10	14,883,752	18,179,102
Cash at bank and in hand		5,007,498	24,458,366
		<u>24,467,439</u>	<u>49,602,954</u>
Creditors: amounts falling due within one year	11	<u>(23,145,316)</u>	<u>(41,201,486)</u>
Net current assets		<u>1,322,123</u>	<u>8,401,468</u>
Total assets less current liabilities		<u>12,599,480</u>	<u>22,238,775</u>
Creditors: amounts falling due after more than one year	12	(3,538,354)	(11,675,344)
Provisions for liabilities and charges	13	<u>(4,622,450)</u>	<u>(3,126,516)</u>
		<u>4,438,676</u>	<u>7,436,915</u>
Capital and reserves			
Called up share capital	15	10,067	10,067
Profit and loss account	16	<u>4,428,609</u>	<u>7,426,848</u>
Shareholders' funds		<u>4,438,676</u>	<u>7,436,915</u>
Equity shareholders' funds		4,428,676	7,426,915
Non equity shareholders' funds		<u>10,000</u>	<u>10,000</u>
		<u>4,438,676</u>	<u>7,436,915</u>

The financial statements were approved by the Board of Directors on 5 December 2003.


M E Ray
Director

VIGLEN LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2003

	Note	Year ended 30 September 2003	Year ended 30 September 2002
		£	£
Net cash (outflow)/inflow from operating activities	18	(7,900,296)	28,915,358
Return on investments and servicing of finance			
Interest received	355,872	605,241	
Interest paid	(2,084)	(2,518)	
Net cash inflow from returns on investments and servicing of finance		353,788	602,723
Taxation			
Corporation tax paid		(880,371)	(588,243)
Capital expenditure and financial investment			
Purchase of tangible fixed assets	(3,627,261)	(13,728,336)	
Sale of tangible fixed assets	30,120	46,599	
Net cash outflow from capital expenditure and financial investment		(3,597,141)	(13,681,737)
Equity dividends paid		(7,426,848)	-
Increase in cash in the period	19	(19,450,868)	15,248,101

VIGLEN LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 SEPTEMBER 2003

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover and profit on ordinary activities before taxation are attributable to the manufacturing and marketing of computers, peripherals and software. The company operates in one class of business activity. Turnover and operations arise predominantly in the UK.

2 OPERATING COSTS

	Year ended 30 September 2003	Year ended 30 September 2002
	£	£
Other operating income	(10,537)	(7,865)
Changes in work in progress and finished goods	2,202,654	(2,070,807)
Raw material and consumables	49,962,158	52,792,868
Other external charges	5,072,221	5,158,358
Staff costs	7,915,093	8,852,737
Depreciation	6,173,489	2,053,558
Profit on sale of fixed assets	(16,398)	(11,428)
Other operating charges	320,316	2,876,852
	<u>71,618,996</u>	<u>69,644,273</u>

3 STAFF COSTS

Staff costs during the year were as follows:

	Year ended 30 September 2003	Year ended 30 September 2002
	£	£
Wages and salaries	7,171,385	8,067,837
Social security costs	743,708	784,900
	<u>7,915,093</u>	<u>8,852,737</u>

The average number of employees of the company during the year was 246 (2002:291).

VIGLEN LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 SEPTEMBER 2003

3 STAFF COSTS (continued)

Remuneration in respect of directors was as follows:

	Year ended 30 September 2003	Year ended 30 September 2002
	£	£
Management remuneration	733,847	861,386
Pension contributions	-	-
	<u>733,847</u>	<u>861,386</u>

The amounts set out above include remuneration in respect of the highest paid director as follows:

	Year ended 30 September 2003	Year ended 30 September 2002
	£	£
Highest paid director	<u>223,272</u>	<u>369,607</u>

4 NET INTEREST

	Year ended 30 September 2003	Year ended 30 September 2002
	£	£
Interest receivable	355,872	605,241
Interest payable on bank overdrafts	<u>(2,084)</u>	<u>(2,518)</u>
	<u>353,788</u>	<u>602,723</u>

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is after charging:

	Year ended 30 September 2003	Year ended 30 September 2002
	£	£
Auditors' remuneration:		
- Audit services	25,000	31,000
- Non audit services	14,090	23,600
Operating lease payments - land and buildings	915,000	849,000
Provision against non-recoverable group balance	-	1,244,973
Depreciation on owned assets	<u>6,173,489</u>	<u>2,053,558</u>

VIGLEN LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003****6 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	Year ended 30 September 2003 £	Year ended 30 September 2002 £
Current taxation		
United Kingdom corporation tax:		
Current tax on income for the year at 30% (2002 - 30%)	2,553,920	225,522
Adjustment in respect of prior years' tax provisions	-	(207,444)
Total current taxation	2,553,920	18,078
Deferred taxation		
Movement in short term timing difference	(636,364)	646,288
Prior year adjustments	-	189,501
Tax on profit on ordinary activities.	1,917,556	853,867

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 30%.
The actual tax charge of the current and the previous year differs from the standard rate for the reasons set out in the following reconciliation:

	Year ended 30 September 2003 £	Year ended 30 September 2002 £
Profit on ordinary activities before tax	6,346,165	1,605,943
Tax on profit on ordinary activities before tax at standard rate	(1,903,850)	(481,783)
Factors affecting charge for the year:		
Expenses not deductible for tax purposes	(13,706)	(390,027)
Capital allowances in excess of depreciation	(641,794)	623,679
Movement in short term differences	5,430	22,609
Prior period adjustments	-	207,444
Current tax charge for the year	(2,553,920)	(18,078)

VIGLEN LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 SEPTEMBER 2003

7 DIVIDENDS

On 9 December 2002 a dividend of £7,426,848 was declared and paid (2002:£nil). This represented a dividend of £742.6848 per share (2002:£nil).

8 TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures, fittings and equipment £	Managed Service Assets £	Motor vehicles £	Total £
Cost or valuation					
At 1 October 2002	796,602	5,722,194	14,263,876	592,973	21,375,645
Additions	14,700	78,758	3,533,803	-	3,627,261
Disposals	-	(2,500,761)	(18,877)	(170,973)	(2,690,611)
At 30 September 2003	<u>811,302</u>	<u>3,300,191</u>	<u>17,778,802</u>	<u>422,000</u>	<u>22,312,295</u>
Depreciation					
At 1 October 2002	747,373	4,978,846	1,379,296	432,823	7,538,338
Disposals	-	(2,500,761)	(18,877)	(157,251)	(2,676,889)
Charged in the year	28,366	380,014	5,673,495	91,614	6,173,489
At 30 September 2003	<u>775,739</u>	<u>2,858,099</u>	<u>7,033,914</u>	<u>367,186</u>	<u>11,034,938</u>
Net book amount					
At 30 September 2003	<u>35,563</u>	<u>442,092</u>	<u>10,744,888</u>	<u>54,814</u>	<u>11,277,357</u>
Net book amount					
At 30 September 2002	<u>49,229</u>	<u>743,348</u>	<u>12,884,580</u>	<u>160,150</u>	<u>13,837,307</u>

During the year £13,895,027 of revenue (2002:£3,200,338) was recognised in respect of managed service assets.

9 STOCKS

	30 September 2003 £	30 September 2002 £
Raw materials, consumables and bought in products	3,253,111	3,439,754
Work in progress and finished goods	<u>1,323,078</u>	<u>3,525,732</u>
	<u>4,576,189</u>	<u>6,965,486</u>

VIGLEN LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003****10 DEBTORS**

	30 September 2003	30 September 2002
	£	£
Trade debtors	13,405,505	17,050,938
Amounts owed by group undertakings	613,713	260,000
Other debtors	950	457,377
Corporation tax	259,992	179,624
Deferred tax asset (see note 14)	269,270	-
Prepayments and accrued income	334,322	231,163
	<u>14,883,752</u>	<u>18,179,102</u>

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 September 2003	30 September 2002
	£	£
Trade creditors	6,019,437	11,774,008
Amounts owed to group undertakings	249,855	12,632,653
Corporation tax	1,753,917	-
Deferred tax liability	-	367,094
Other taxes and social security costs	1,471,376	1,788,663
Accruals	795,819	1,161,210
Deferred Income	12,854,912	13,477,858
	<u>23,145,316</u>	<u>41,201,486</u>

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30 September 2003	30 September 2002
	£	£
Deferred Income		
Falling due between 1 and 2 years	2,661,394	9,771,833
Falling due between 2 and 5 years	876,960	1,903,511
	<u>3,538,354</u>	<u>11,675,344</u>

VIGLEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2003

13 PROVISIONS FOR LIABILITIES AND CHARGES

	£
At 1 October 2002	3,126,516
Utilised during the year	(2,078,893)
Provided during the year	3,544,827
At 30 September 2003	<u>4,622,450</u>

These provisions relate to the expected future cost of providing warranty support.

14 DEFERRED TAXATION

	30 September 2003 £	30 September 2002 £
Movement on deferred taxation balance in year		
Opening balance – provision/(asset)	367,094	(468,695)
(Credit)/charge to profit and loss amount	<u>(636,364)</u>	<u>835,789</u>
	<u>(269,270)</u>	<u>367,094</u>
	30 September 2003 £	30 September 2002 £
Capital allowances in excess of depreciation	(250,809)	390,985
Short term timing differences	<u>(18,461)</u>	<u>(23,891)</u>
Deferred tax liability/(asset)	<u>(269,270)</u>	<u>367,094</u>

15 CALLED UP SHARE CAPITAL

	30 September 2003 £	30 September 2002 £
Authorised, allotted, called up and fully paid		
10,000 deferred shares of £1 each	10,000	10,000
10,000 ordinary shares of \$0.01 each	<u>67</u>	<u>67</u>
	<u>10,067</u>	<u>10,067</u>

The deferred shares do not have voting rights attached to them and are not entitled to receive a dividend.

16 PROFIT AND LOSS ACCOUNT

	30 September 2003 £	30 September 2002 £
At 1 October	7,426,848	6,674,772
Retained (loss)/profit for the period	<u>(2,998,239)</u>	<u>752,076</u>
At 30 September	<u>4,428,609</u>	<u>7,426,848</u>

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 September 2003 £	30 September 2002 £
Profit for the financial period	4,428,609	752,076
Dividends	<u>(7,426,848)</u>	<u>-</u>
Net (decrease)/increase in shareholders' funds	<u>(2,998,239)</u>	<u>752,076</u>
Shareholders' funds at 1 October	7,436,915	6,684,839
Shareholders' funds at 30 September	<u>4,438,676</u>	<u>7,436,915</u>

VIGLEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2003

18 NET CASH INFLOW FROM OPERATING ACTIVITIES

	30 September 2003	30 September 2002
	£	£
Operating profit	5,992,377	1,003,220
Depreciation	6,173,489	2,053,558
Profit on sale of fixed assets	(16,398)	(11,428)
Decrease/(Increase) in stocks	2,389,297	(2,754,809)
Decrease/(Increase) in debtors	3,644,988	(366,147)
(Decrease)/Increase in creditors	(18,820,047)	17,298,791
(Decrease)/Increase in deferred income	(8,759,936)	10,885,116
Increase in provisions	1,495,934	807,057
Net cash inflow from continuing operating activities	<u>(7,900,296)</u>	<u>28,915,358</u>

19 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2003	2002
	£	£
At 1 October	24,458,366	9,210,265
Change in net funds resulting from cash flows	(19,450,868)	15,248,101
At 30 September	<u>5,007,498</u>	<u>24,458,366</u>

20 ANALYSIS OF CHANGES IN NET FUNDS

	30 September 2003	Cash flow	30 September 2002
	£	£	£
Cash in bank and in hand	<u>5,007,498</u>	<u>(19,450,868)</u>	<u>24,458,366</u>

21 CONTINGENT LIABILITIES

There were no contingent liabilities at 30 September 2003 (2002:£nil).

22 LEASING COMMITMENTS

At 30 September 2003 the company had an annual operating lease commitment of £ 915,000 (2002:£849,000). The operating leases to which these amounts relate expire as follows:

	30 September 2003	30 September 2002
	Land and buildings	Land and buildings
	£	£
In one year or less	-	-
Between one and five years	465,000	849,000
Over five years	450,000	-
	<u>915,000</u>	<u>849,000</u>

VIGLEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2003

23 RELATED PARTY TRANSACTION

The company's headquarters, Viglen House, is owned by Amsprop Estates Limited a company wholly owned by Sir Alan Sugar. On 1 December 2002 the company signed a fifteen year lease agreement on Viglen House with Amshold Securities Limited for an annual rent of £450,000. The building was subsequently sold by Amshold Securities to Amsprop Investments Limited.

24 PARENT COMPANY AND CONTROLLING PARTY

Viglen Technology Limited, incorporated in Great Britain, is the company's parent company. The ultimate parent company is Amsprop London Limited, a company incorporated in Great Britain. Consolidated accounts are prepared by Amsprop London Limited. Copies of the accounts for both of these companies can be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff CF14 3UZ. The ultimate controlling party is Sir Alan Sugar.

The company has taken advantage of the exemptions conferred by Financial Reporting Standard Number 8 "Related Party Disclosures", in respect of transactions with group undertakings.