

BUSINESS COMPUTER SYSTEMS PLC

REGISTERED NUMBER: 887467

REPORT AND ACCOUNTS JAMES HOUSE
COMM

1991

06 APR 1992

23

I N D E X

<u>Page</u>	
1/2	Directors' report
3	Report of the auditors
4/5	Accounting policies
6	Consolidated profit and loss account
7	Consolidated balance sheet
8	Company balance sheet
9	Consolidated statement of source and application of funds
10/16	Notes to the accounts

BUSINESS COMPUTER SYSTEMS PLC

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements of the group for the year ended 30 September 1991.

Principal activity

The principal activity of the group was formerly the marketing of computer systems and software and the maintenance of computer systems and other related engineering work. On 1 October 1990 the Electronic Data Processing PLC group restructured its organisation. The trading activities, other than the completion of orders on hand at 30 September 1990, of Business Computer Systems PLC and Business Computer Services Limited, together with the associated assets and liabilities, were transferred to Electronic Data Processing PLC.

Electronic Data Processing PLC

The results for the period and the financial position of the group are shown in the annexed financial statements. The directors recommend a dividend of £503,000 (1990 - EN11), payable on 3 April 1992.

Company status

The company is not a close company as defined by the Income and Corporation Taxes Act 1988.

Tangible fixed assets

Movements in tangible fixed assets are shown in note 8 to the financial statements.

Research and development

Group policy is to invest in product innovation and improvement at a level designed to enable it to retain and enhance its market position.

Directors

The directors who served during the year were as follows:

R J Jowitt	- Chairman
P B Lindley	
B R Wigley	- Resigned 13 August 1991
H Peters	

Mr P B Lindley retires by rotation and, being eligible, offers himself for re-election.

BUSINESS COMPUTER SYSTEMS PLC

DIRECTORS' REPORT
(continued)

Interests in shares

None of the directors had any interest in the shares of the company at 30 September 1991 or at 30 September 1990.

Mr R J Jowitt and Mr P B Lindley are also directors of Electronic Data Processing PLC, the ultimate holding company. Their interests in the shares of Electronic Data Processing PLC are shown in the statements of that company.

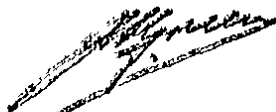
None of the directors during the period had a beneficial interest in any significant contract to which the company was a party.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The proposed resolution will also give authority to the directors to determine the remuneration of the auditors.

By order of the Board



J H GREEN

Secretary

16 December 1991

REPORT OF THE AUDITORS, KPMG PEAT MARWICK, TO THE MEMBERS OF
BUSINESS COMPUTER SYSTEMS PLC

We have audited the financial statements on pages 4 to 16 in accordance with auditing standards.

In our opinion the financial statements give a true and fair view of the state of the affairs of the Company and the Group at 30 September 1991 and of the loss and source and application of funds of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

Chartered Accountants

Registered Auditor

Sheffield
16 December 1991

BUSINESS COMPUTER SYSTEMS PLC AND SUBSIDIARY COMPANIES

ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance both with applicable accounting standards and with s227 of and Schedule 4A to the Companies Act 1985.

The effects of events relating to the year ended 30 September 1991 which occurred before 16 December 1991, the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 30 September 1991 and of the results for the year ended on that date.

Basis of consolidation

The consolidated financial statements incorporate the accounts of Business Computer Systems PLC and all its subsidiaries; such accounts are all made up to 30 September 1991. In accordance with s230 of the Companies Act 1985, a separate profit and loss account of Business Computer Systems PLC is not presented.

Turnover

Turnover represents the sales of goods and services at invoiced value excluding both value added tax and transactions between Group companies.

Depreciation

Depreciation is provided so as to write off the cost of each fixed asset in equal instalments over its estimated life from the time it becomes operational at the following rates:

Computer equipment	25%
Other plant and equipment	25%
Motor vehicles	25%
Furniture and fittings	15%

Foreign currency

Amounts receivable and payable in foreign currency have been translated at the closing rate of exchange. All exchange differences are taken to the profit and loss account.

Deferred taxation

Provision is made for deferred taxation to take into account timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a liability will crystallise.

BUSINESS COMPUTER SYSTEMS PLC AND SUBSIDIARY COMPANIES

ACCOUNTING POLICIES
(continued)

Research and development:

Research costs and development expenditure relating to software products are written off in the year in which they are incurred. Development expenditure relating to specific hardware products and related operating systems is written off over the expected life of the product or three years, whichever is the shorter period.

Leasing transactions

Rentals received under operating lease agreements are credited to profit and loss account on a straight line basis over the period of the lease. Rentals paid under operating lease agreements are debited to profit and loss account on the same basis.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Deferred income

Deferred income represents that portion of maintenance contracts taken out by customers but relating to a future period.

Pension costs

The assets of the Electronic Data Processing PLC Group's two pension schemes are administered by trustees and are kept separate from those of the Group. Independent actuaries prepare valuations of these schemes at least every three years and in accordance with their recommendations, contributions are made which are charged to profits on a systematic and rational basis over the expected remaining working life of the employees. Any differences between the actuarial valuation and the value of assets in a scheme are similarly charged or credited to profit before tax over the expected remaining working life of employees in the scheme. Pension liabilities due but unpaid at the year end are shown as other liabilities and charges in the financial statements.

BUSINESS COMPUTER SYSTEMS PLC AND SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 1991

	<u>Notes</u>	<u>1991</u> <u>£000</u>	<u>1990</u> <u>£000</u>
Turnover	1	222	7,503
Cost of sales		(190)	(3,163)
Gross profit		32	4,340
Distribution and marketing costs		(1)	(2,244)
Administration expenses		(69)	(1,174)
Trading (loss)/profit	2-4	(38)	922
Interest receivable	5	7	-
Interest payable	6	-	(34)
(Loss)/profit on ordinary activities before taxation		(31)	888
Taxation	7	27	(205)
(Loss)/profit on ordinary activities after taxation		(4)	683
Dividend proposed		(503)	-
Retained (loss)/profit for the year	8	(507)	683
		===	===
Amount (deducted from)/set aside to reserves:			
The Company		(310)	613
Subsidiaries		(197)	70
		(507)	683
		===	===

The notes on pages 10 to 16 form part
of these financial statements

BUSINESS COMPUTER SYSTEMS PLC AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 1991

	<u>Notes</u>	<u>1991</u>	<u>1990</u>
		£000	£000
FIXED ASSETS			
Tangible assets	8	-	15
CURRENT ASSETS			
Stocks	10	-	263
Debtors	11	901	2,306
Cash at bank and in hand		<u>-</u>	<u>126</u>
		901	2,695
CREDITORS: Amounts falling due within one year	12	<u>(265)</u>	<u>(913)</u>
NET CURRENT ASSETS		<u>636</u>	<u>1,782</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		636	1,797
PROVISION FOR OTHER LIABILITIES AND CHARGES	13	-	(70)
DEFERRED INCOME	14	<u>-</u>	<u>(584)</u>
		<u>636</u>	<u>1,143</u>
CAPITAL AND RESERVES			
Called up share capital	15	611	611
Share premium		25	25
Profit and loss account	16	<u>-</u>	<u>507</u>
		<u>636</u>	<u>1,143</u>

Approved by the board of directors on 16 December 1991

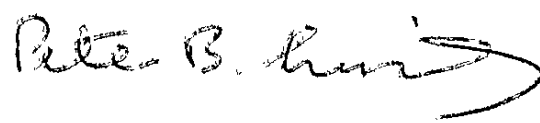
R J JOWITT

Director



P B LINDLEY

Director



The notes on pages 10 to 16 form part of these financial statements

BUSINESS COMPUTER SYSTEMS PLC

COMPANY BALANCE SHEET AS AT 30 SEPTEMBER 1991

	<u>Notes</u>	<u>1991</u>		<u>1990</u>	
		£000	£000	£000	£000
FIXED ASSETS					
Tangible assets	8		-		15
Investments	9		-		<u>1</u>
			-		16
CURRENT ASSETS					
Stocks	10	-		111	
Debtors	11	872		1,846	
Cash at bank and in hand		<u>-</u>		<u>126</u>	
		872		2,083	
CREDITORS: Amounts falling due within one year	12	<u>(236)</u>		<u>(873)</u>	
NET CURRENT ASSETS			<u>636</u>		<u>1,210</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			636		1,226
PROVISION FOR OTHER LIABILITIES AND CHARGES	13		-		(70)
DEFERRED INCOME	14		<u>-</u>		<u>(210)</u>
			636		946
CAPITAL AND RESERVES					
Called up share capital	15		611		611
Share premium			25		25
Profit and loss account	16		<u>-</u>		<u>310</u>
			636		946

Approved by the board of directors on 16 December 1991

R J JOWITT

Director

P B LINDLEY

Director

[Handwritten signatures]
 Peter B. Lindley

The notes on pages 10 to 16 form part of these financial statements

BUSINESS COMPUTER SYSTEMS PLC AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 30 SEPTEMBER 1991

	<u>1991</u> <u>£000</u>	<u>1990</u> <u>£000</u>
SOURCE OF FUNDS		
(Loss)/profit on ordinary activities before taxation	(31)	888
Adjustments for items not involving the movement of funds:		
Depreciation and other amounts written off tangible fixed assets	8	9
Provision for pension liability	<u>(70)</u>	<u>17</u>
FUNDS GENERATED BY OPERATIONS	(93)	914
FUNDS FROM OTHER SOURCES		
Transfer of tangible fixed assets to parent undertaking	7	-
APPLICATION OF FUNDS		
Purchase of tangible fixed assets	-	(8)
Corporation tax paid	<u>(40)</u>	<u>-</u>
	<u>(126)</u>	<u>906</u>
(DECREASE)/INCREASE IN WORKING CAPITAL		
Stocks	(263)	(302)
Debtors	(1,468)	236
Creditors	<u>1,731</u>	<u>294</u>
	-	228
MOVEMENT IN NET LIQUID FUNDS		
Decrease in bank borrowings	-	554
(Decrease)/increase in cash at bank and in hand	<u>(126)</u>	<u>124</u>
	<u>(126)</u>	<u>906</u>

BUSINESS COMPUTER SYSTEMS PLC AND SUBSIDIARY COMPANIES

NOTES
(forming part of the financial statements)

1 **TURNOVER**

The Group's turnover is derived wholly from within the United Kingdom from the principal trading activity.

2 **TRADING PROFIT**

Trading profit is stated after charging:

	<u>1991</u>	<u>1990</u>
	£000	£000
Depreciation of fixed tangible assets	-	9
Loss on disposal of fixed tangible assets	8	-
Research and development in the current year	-	97
Auditors' remuneration	-	22
Rentals payable under operating leases	-	508
Exceptional costs relating to High Court action	-	83
	===	===

3 **EMPLOYEES**

Staff costs during the year were:

	<u>1991</u>	<u>1990</u>
	£000	£000
Wages and salaries	-	2,206
Social security costs	-	178
Other pension costs	-	63
	-	2,447
	===	=====

The average number of persons employed by the Group during the year was nil (1990 - 119).

4 **DIRECTORS' REMUNERATION**

	<u>1991</u>	<u>1990</u>
	£000	£000
Directors' emoluments (including pension contributions)	-	106
	===	===

The emoluments of the Chairman amounted to ENil (1990 - ENil) and those of the highest paid director amounted to ENil (1990 - £67,104).

BUSINESS COMPUTER SYSTEMS PLC AND SUBSIDIARY COMPANIES

NOTES
(continued)

4 DIRECTORS' REMUNERATION (continued)

The number of directors whose emoluments, excluding pension contributions, fell in each £5,000 bracket were as follows:

	<u>1991</u> <u>Number</u>	<u>1990</u> <u>Number</u>
£0 - £5,000	4	2
£35,001 - £40,000	-	1
£65,001 - £70,000	-	1
	===	===

5 INTEREST RECEIVABLE

	<u>1991</u> <u>£000</u>	<u>1990</u> <u>£000</u>
Bank interest	7	-
	==	==

6 INTEREST PAYABLE

	<u>1991</u> <u>£000</u>	<u>1990</u> <u>£000</u>
Bank interest	-	34
	==	==

7 TAXATION

	<u>1991</u> <u>£000</u>	<u>1990</u> <u>£000</u>
United Kingdom corporation tax at 33.5% (1990 - 34.5%) on the profit for the year	-	205
Adjustment in respect of prior years' corporation tax	(27)	-
	(27)	205
	==	==

The tax charge for the year ended 30 September 1990 was reduced by £160,000 as a result of tax losses. At 30 September 1991 there were no tax losses available for carry forward (1990 - EN11).

BUSINESS COMPUTER SYSTEMS PLC AND SUBSIDIARY COMPANIES

NOTES
(continued)

7 TAXATION (continued)

Deferred taxation

The Group has a potential deferred tax asset made up as follows:

	<u>1991</u> £000	<u>1990</u> £000
At 35% (1990 - 35%)		
Accelerated capital allowances	-	(10)
Other timing differences	-	(25)
	-	(35)
	---	==

No provision has been made.

8 FIXED ASSETS - TANGIBLE ASSETS

<u>Group and company</u>	<u>Computer</u> <u>equipment</u> £000	<u>Other plant</u> <u>and equipment</u> £000	<u>Total</u> £000
Cost:			
At 1 October 1990	98	238	326
Transfers to group undertakings	-	(95)	(95)
Disposals	<u>(88)</u>	<u>(143)</u>	<u>(231)</u>
At 30 September 1991	-	-	-
	---	---	---
Accumulated depreciation:			
At 1 October 1990	88	223	311
Charge for the year	-	-	-
Transfers to group undertakings	-	(88)	(88)
Disposals	<u>(88)</u>	<u>(135)</u>	<u>(223)</u>
At 30 September 1991	-	-	-
	---	---	---
Net book value:			
At 30 September 1991	-	-	-
	---	---	---
At 30 September 1990	-	15	15
	---	---	---

Neither the company nor the Group had any capital commitments at 30 September 1991 or at 30 September 1990.

BUSINESS COMPUTER SYSTEMS PLC AND SUBSIDIARY COMPANIES

NOTES
(continued)

9	FIXED ASSETS - INVESTMENTS	<u>1991</u> £	<u>1990</u> £
	Shares in subsidiaries at cost	200	200
	Less provision	(100)	-
		<u>100</u>	<u>200</u>

The company owns the whole of the called up share capital of the following subsidiaries, both of which are incorporated in Great Britain and have not traded during the year ended 30 September 1991:

Business Computer Services Limited
Business Computers Limited

10	STOCKS	<u>Group</u>		<u>Company</u>	
		<u>1991</u>	<u>1990</u>	<u>1991</u>	<u>1990</u>
		£000	£000	£000	£000
	Finished goods and computer equipment	-	260	-	108
	Consumables	-	3	-	3
		-	263	-	111
		<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>

The replacement cost of stocks does not differ materially from the balance sheet valuation.

11	DEBTORS	<u>Group</u>		<u>Company</u>	
		<u>1991</u>	<u>1990</u>	<u>1991</u>	<u>1990</u>
		£000	£000	£000	£000
	Amounts falling due within one year:				
	Trade debtors	32	1,762	32	1,226
	Amount owed by parent undertaking	805	457	805	457
	Amount owed by subsidiary undertaking	-	-	-	76
	Other debtors	54	4	35	4
	Prepayments and accrued income	-	83	-	83
		<u>901</u>	<u>2,306</u>	<u>872</u>	<u>1,846</u>
		<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>

BUSINESS COMPUTER SYSTEMS PLC AND SUBSIDIARY COMPANIES

NOTES
(continued)

12 CREDITORS

	<u>Group</u>		<u>Company</u>	
	<u>1991</u>	<u>1990</u>	<u>1991</u>	<u>1990</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Amounts falling due within one year:				
Amounts due to subsidiary undertaking	-	-	35	-
Trade creditors	59	399	59	399
Corporation tax	188	192	124	152
Other taxes and social security	-	99	-	99
Other creditors	<u>18</u>	<u>223</u>	<u>18</u>	<u>223</u>
	<u>265</u>	<u>913</u>	<u>236</u>	<u>873</u>

13 PROVISION FOR OTHER LIABILITIES AND CHARGES

	<u>Group</u>		<u>Company</u>	
	<u>1991</u>	<u>1990</u>	<u>1991</u>	<u>1990</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Pension commitments	-	70	-	70

The company participates in the two funded defined benefits pension schemes operated by the Electronic Data Processing Group. The level of contributions has been assessed in accordance with the advice of qualified actuaries, based on the pension costs across the group as a whole. Particulars of the latest actuarial valuations of the two schemes, which took place as at 1 August 1989 and 1 June 1990 respectively, are contained in the accounts of Electronic Data Processing PLC.

14 DEFERRED INCOME

	<u>Group</u>		<u>Company</u>	
	<u>1991</u>	<u>1990</u>	<u>1991</u>	<u>1990</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Due within one year	-	584	-	210

This represents that portion of maintenance contracts taken out by customers but relating to a future period.

BUSINESS COMPUTER SYSTEMS PLC AND SUBSIDIARY COMPANIES

NOTES
(continued)

15	CALLED UP SHARE CAPITAL				
	Authorised:		<u>1991</u>		<u>1990</u>
	10,000,000 ordinary shares of 10p each		£000		£000
			1,000		1,000
			=====		=====
	Allotted, called up and fully paid		611		611
			=====		=====
16	PROFIT AND LOSS ACCOUNT		<u>Group</u>		<u>Company</u>
			£000		£000
	At 30 September 1990		507		310
	Loss for the year		<u>(507)</u>		<u>(310)</u>
	At 30 September 1991		-		-
			---		---
17	LEASING COMMITMENTS				
	The commitment to payments within the next twelve months under operating leases is:				
		<u>1991</u>		<u>1990</u>	
		<u>Vehicles</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Buildings</u>
		£000	£000	£000	£000
	Contracts expiring:				
	<u>Group</u>				
	Within one year	-	-	48	-
	Between 2 and 5 years	-	-	15	-
	After more than 5 years	-	-	-	213
		---	---	---	---
		---	---	63	213
		---	---	---	---
	<u>Company</u>				
	Within one year	-	-	6	-
	Between 2 and 5 years	-	-	15	-
	After more than 5 years	-	-	-	213
		---	---	---	---
		---	---	21	213
		---	---	---	---

BUSINESS COMPUTER SYSTEMS PLC AND SUBSIDIARY COMPANIES

NOTES
(continued)

18 HOLDING COMPANY

The company is a wholly owned subsidiary of Electronic Data Processing PLC which is incorporated in Great Britain and registered in England. Copies of the financial statements of Electronic Data Processing PLC, which is also the ultimate holding company, may be obtained from No 1 Tapton Park Road, Sheffield, S10 3FG.

19 CONTINGENT LIABILITIES

There were no contingent liabilities at 30 September 1991 or at 30 September 1990.