

# **Electronic Data Systems Limited**

## **Directors' report and financial statements**

31 December 1995

Registered number 53419



# Electronic Data Systems Limited

## Directors' report and financial statements

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# Electronic Data Systems Limited

## Directors' report

The directors have pleasure in presenting their report and the audited financial statements for the year ended 31 December 1995.

### Principal activities

The company continues to provide a wide range of information technology based services, to customers in both the private and public sectors.

### Review of business and future developments

It was another very good year for the UK operations, with revenues growing by 48% and profit on ordinary activities before taxation by 21%. This growth was due mainly to sales contracts signed late in 1994. The company continues to win contracts based upon the Government's private finance initiatives, where the strength of the UK and parent company balance sheets enables cost effective bids to customers. During 1994 the concept of outsourcing was developed further in the UK and resulted in significant sales which will produce revenue in future years.

### Results

The results for the year are set out in the profit and loss account on page 6. The directors do not recommend the payment of a dividend. The profit for the year retained in the company is £14,948,000 (1994: £11,547,000).

### Changes in fixed assets

The movements in fixed assets during the year are set out in notes 9, 10 and 11 to the financial statements.

### Directors

The directors who held office during the year, together with those subsequently appointed, were as follows:

JA Bateman	(resigned 31 October 1995)
TM Butler	(resigned 31 October 1995)
RT Shelton	
DA Thorpe	(appointed 1 July 1995)
JV Burke	(resigned 31 October 1995)
AC Stevens	(appointed 11 September 1996)

# Electronic Data Systems Limited

## Directors' report *(continued)*

### **Directors' interests**

According to the register of directors' interests, no director in office at 31 December 1995 had any interest notifiable to the company in the share or loan capital of group companies at the beginning or at the end of the year.

### **Employment of disabled persons**

The company recognises its responsibility to employ disabled persons in suitable employment, and gives full and fair consideration to applications for employment made by such persons, having regard for their particular aptitudes and abilities.

Any employee who becomes disabled is encouraged to remain in the company's employment, in the same job if this is practicable. If a change of job is necessary, such an employee is considered for any suitable alternative work which is available, and any necessary training is arranged.

Disabled employees are treated equally with all other employees in respect of their eligibility for training, career development and promotion.

### **Employee involvement**

The company is a service organisation with a highly trained and qualified team of personnel. Due to the complex technical nature of its business, the most valuable assets are its employees. People are the key to success in the computer services industry and every endeavour is made to ensure they are well prepared to take advantage of the opportunities offered by the company and individual effort is rewarded on that basis.

The company offers excellent opportunities for employee development and training. As an example, the systems engineering development programme encompasses formal classroom training together with practical experience.

Communication is enhanced by the in-house publications to which all employees are encouraged to contribute.

### **Political and charitable contributions**

The company made no political contributions during the year (1994: *£nil*). Donations to UK charities amounted to £26,000 (1994: *£17,000*).

# Electronic Data Systems Limited

## Directors' report *(continued)*

### **Directors' and officers' liability**

Directors' and officers' liability insurance has been recharged to the company by its parent company, Electronic Data Systems Corporation, a company incorporated in the United States of America.

### **Auditors**

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG will therefore continue in office.

By order of the board



**DM Roy**  
*Deputy Secretary*

4 Roundwood Avenue  
Stockley Park  
Uxbridge  
Middlesex  
UB11 1BQ

29 October 1996

# Electronic Data Systems Limited

## 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 and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



PO Box 695  
8 Salisbury Square  
London  
EC4Y 8BB

## Auditors' report to the members of Electronic Data Systems Limited

We have audited the financial statements on pages 6 to 25.

### *Respective responsibilities of directors and auditors*

As described on page 4 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 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 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants  
Registered Auditors

29 October 1996

# Electronic Data Systems Limited

## Profit and loss account

for the year ended 31 December 1995

	<i>Note</i>	<b>1995</b> <b>£000</b>	<b>1994</b> <b>£000</b>
<b>Turnover</b>	<b>2</b>	<b>515,218</b>	347,896
Cost of sales		<b>(447,296)</b>	(286,548)
<b>Gross profit</b>		<b>67,922</b>	61,348
Administrative expenses		<b>(36,504)</b>	(34,693)
<b>Operating profit</b>		<b>31,418</b>	26,655
Interest receivable and similar income	<i>5</i>	<b>508</b>	388
Amounts written off investments	<i>11</i>	<b>(1,559)</b>	(1,157)
Interest payable and similar charges	<i>6</i>	<b>(10,212)</b>	(9,273)
<b>Profit on ordinary activities before taxation</b>	<i>7</i>	<b>20,155</b>	16,613
Taxation	<i>8</i>	<b>(5,207)</b>	(5,066)
<b>Profit on ordinary activities for the financial year</b>		<b>14,948</b>	11,547
Retained profit brought forward		<b>23,317</b>	11,770
Retained profit carried forward		<b>38,265</b>	23,317

The results for this and the prior year are all derived from continuing activities.

The company has no recognised gains or losses other than those reported in the profit and loss account. Accordingly a statement of total recognised gains and losses has not been prepared.

The results for this and the prior year disclosed in the profit and loss account are on a historical cost basis.



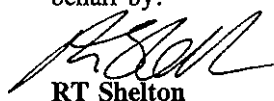
# Electronic Data Systems Limited

## Balance sheet

at 31 December 1995

	Note	1995 £000	1994 £000
<b>Fixed assets</b>			
Intangible assets	9	77,387	75,836
Tangible assets	10	185,842	107,787
Investments	11	20,355	10,097
		<u>283,584</u>	<u>193,720</u>
<b>Current assets</b>			
Stocks	12	1,645	313
Debtors - amounts due within one year	13	237,054	134,222
Debtors - amounts due after more than one year	13	11,367	10,867
		<u>248,421</u>	<u>145,089</u>
Total debtors			2,581
Cash at bank and in hand		-	
		<u>250,066</u>	<u>147,983</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(328,402)</u>	<u>(143,015)</u>
<b>Net current (liabilities)/assets</b>		<u>(78,336)</u>	<u>4,968</u>
<b>Total assets less current liabilities</b>		<u>205,248</u>	<u>198,688</u>
<b>Creditors: amounts falling due after more than one year</b>	15	<u>(53,566)</u>	<u>(58,781)</u>
<b>Provisions for liabilities and charges</b>	16	<u>(26,837)</u>	<u>(30,010)</u>
<b>Net assets</b>		<u>124,845</u>	<u>109,897</u>
<b>Capital and reserves</b>			
Called up share capital	17	86,580	86,580
Profit and loss account	18	38,265	23,317
<b>Total equity shareholders' funds</b>	18	<u>124,845</u>	<u>109,897</u>

These financial statements were approved by the board of directors on 29 October 1996 and were signed on its behalf by:

  
RT Shelton

# Electronic Data Systems Limited

*Director*

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. As the company is a wholly owned subsidiary of another company incorporated in England and Wales it is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts and to deliver them to the Registrar of Companies. These financial statements present information about the company as an individual undertaking and not about its group.

#### *Cash flow statement*

The company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is a wholly owned subsidiary of EDS International Limited, and its cashflows are included within the consolidated cash flow statement of that company.

#### *Tangible and intangible fixed assets*

Tangible and intangible fixed assets are stated at cost.

Depreciation is calculated on a straight line basis to write the assets down to their estimated net realisable values over their estimated useful lives.

The rates of depreciation generally used are as follows:-

Leasehold improvements	-	shorter of 5 years or life of lease
Plant and machinery	-	1.5 to 5 years or over the life of any lease or specific contract
Intangibles (software licences)	-	5 years

#### *Goodwill*

Goodwill arising on the purchase of businesses is capitalised and amortised over its estimated useful economic life. The following rates are used:-

EDS Defence Limited (formerly SD Scicon UK Ltd)	- 30 years
DVOIT Limited	- 5 years

# Electronic Data Systems Limited

## Notes *(continued)*

### 1 Accounting policies *(continued)*

#### *Stocks*

Stocks are valued at the lower of cost and estimated net realisable value after making due allowance for any obsolete or slow moving items.

#### *Long term contracts*

The amount of profit attributable to the state of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at cost appropriate to their stage of completion plus attributable profits less amounts recognised in previous years. Provision is made for any loss which is foreseen.

Contract work in progress is stated at costs incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of amounts invoiced.

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

#### *Foreign currencies*

Transactions denominated in foreign currencies are translated into sterling and recorded at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling on the balance sheet date and gains or losses arising on translation are included in the profit and loss account.

#### *Pensions*

The company operates a number of defined benefit and defined contribution pension schemes. Contributions to the defined benefit pension schemes are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. Contributions to the defined contribution schemes are charged to the profit and loss account in the year in which they are incurred.

# Electronic Data Systems Limited

## Notes (*continued*)

### 1      **Accounting policies** (*continued*)

#### ***Leases***

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

#### ***Government grants***

Government grants are recognised in the profit and loss account so as to match them with the expenditure towards which they are intended to contribute. Any unrecognised amounts are capitalised in the balance sheet as deferred revenue.

### 2      **Turnover**

Turnover represents amounts (excluding value added tax) invoiced and accrued by the company in respect of services supplied during the year. Turnover relates to a single class of business and arises solely in Western Europe.

# Electronic Data Systems Limited

## Notes (continued)

### 3 Directors' emoluments

Emoluments of the directors, including benefits in kind and pension contributions, amounted to £1,237,785 (1994: £938,738). Total pension contributions amounted to £49,026 (1994: £42,155). Benefits in kind relate to medical insurance, car benefits and stock incentives.

The chairman, who was also the highest paid director, received emoluments, excluding pension contributions, of £622,168 (1994: £544,827).

The emoluments, excluding pension contributions of the directors who served during the year (including the chairman and highest paid director) were within the following ranges:

	1995	1994
£0 - £ 5,000	1	2
£50,001 - £55,000	1	-
£115,001 - £120,000	-	1
£125,001 - £130,000	1	-
£235,001 - £240,000	-	1
£385,001 - £390,000	1	-
£540,001 - £545,000	-	1
£620,001 - £625,000	1	-

The emoluments in 1994 have been restated to account for stock incentives.

### 4 Staff numbers and costs

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

	Number of employees	
	1995	1994
Data processing	6,526	4,458
Marketing, selling and distribution	186	185
Administration	321	336
	<hr/>	<hr/>
	7,033	4,979
	<hr/>	<hr/>

# Electronic Data Systems Limited

## Notes (continued)

### 4 Staff numbers and costs (continued)

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

	1995 £000	1994 £000
Wages and salaries	159,345	107,391
Social security costs	12,197	8,865
Other pension costs (see note 22)	17,386	8,534
	<u>188,928</u>	<u>124,790</u>

The above figures exclude certain persons employed by fellow subsidiary companies who are also engaged in the activities of the company and the employment costs of whom are borne by the company. The average number of such persons during the period was 211 (1994: 219) and the related aggregate payroll costs were £11,072,480 (1994: £10,452,322).

### 5 Interest receivable and similar income

	1995 £000	1994 £000
Foreign exchange gains	176	226
Other	332	162
	<u>508</u>	<u>388</u>

No interest receivable has been netted off against interest payable on loans to the same group company (1994: £1,331,000).

# Electronic Data Systems Limited

## Notes (continued)

6	Interest payable and similar charges	1995 £000	1994 £000
	Amounts payable to group undertakings	8,786	9,066
	Amounts payable to third parties	150	63
	Finance charges payable in respect of finance leases	1,276	144
		<u>10,212</u>	<u>9,273</u>

7	Profit on ordinary activities before taxation	1995 £000	1994 £000
	<i>Profit on ordinary activities before taxation is stated after charging:</i>		
	Auditors' remuneration:		
	Audit	192	190
	Other services	112	89
	Depreciation of tangible fixed assets:		
	owned assets	33,363	18,578
	leased assets	2,172	216
	Rentals under operating leases:		
	hire of plant and machinery	11,348	6,005
	hire of other assets	13,268	20,367
	Amortisation of intangible fixed assets	4,285	3,632

The total amount charged to revenue for the hire of plant and machinery amounted to £14,796,000 (1994: £6,365,000). This comprises rentals payable under operating leases as well as depreciation on plant and machinery held under finance leases together with the related finance charges.

8	Taxation on profit on ordinary activities	1995 £000	1994 £000
	United Kingdom corporation tax at 33% (1994: 33%) based on taxable profit for the year	4,329	3,576
	Adjustment relating to an earlier year	878	1,490
		<u>5,207</u>	<u>5,066</u>

The corporation tax charge for the year has been reduced by losses brought forward relating to the business of SD Scicon UK Limited.

# Electronic Data Systems Limited

## Notes (continued)

### 9 Intangible fixed assets

	Goodwill	Software licences	Total
	£000	£000	£000
<b>Cost:</b>			
At beginning of year	80,704	4,979	85,683
Additions	-	5,836	5,836
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At end of year	80,704	10,815	91,519
	<hr/>	<hr/>	<hr/>
<b>Amortisation:</b>			
At beginning of year	6,414	3,433	9,847
Charge for the year	3,170	1,115	4,285
On disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At end of year	9,584	4,548	14,132
	<hr/>	<hr/>	<hr/>
<b>Net book value:</b>			
At 31 December 1995	<u>71,120</u>	<u>6,267</u>	<u>77,387</u>
At 31 December 1994	<u>74,290</u>	<u>1,546</u>	<u>75,836</u>

Goodwill arose from the purchase of the business of a fellow subsidiary, EDS Defence Limited (formerly SD Scicon UK Limited) on 1 October 1993. This goodwill is being amortised over its useful economic life of 30 years.

Goodwill also arose on the purchase of the net assets of DVOIT Limited on 1 January 1994 for the consideration of £5,500,000. This goodwill is being amortised over its useful economic life of 5 years.



# Electronic Data Systems Limited

## Notes (continued)

### 10 Tangible fixed assets

	Freehold land and buildings £000	Leasehold improvements £000	Plant & machinery £000	Total £000
<b>Cost:</b>				
At beginning of year	800	27,914	144,635	173,349
Additions	44	7,396	142,170	149,610
Disposals	-	(5)	(37,324)	(37,329)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	844	35,305	249,481	285,630
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation:</b>				
At beginning of year	-	6,933	58,629	65,562
Charge in the year	-	2,420	33,435	35,855
Disposals	-	(5)	(1,624)	(1,629)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	-	9,348	90,440	99,788
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value:</b>				
At 31 December 1995	<u>844</u>	<u>25,957</u>	<u>159,041</u>	<u>185,842</u>
At 31 December 1994	<u>800</u>	<u>20,981</u>	<u>86,006</u>	<u>107,787</u>

Assets under freehold land and buildings are not depreciated.

# Electronic Data Systems Limited

## Notes *(continued)*

### 10 Tangible fixed assets *(continued)*

Included in the tangible fixed assets are items held under finance leases. These are as follows:

	Plant & machinery £000
<i>Cost:</i>	
At beginning of year	2,111
Additions	60,826
	<hr/>
At end of year	62,937
	<hr/>
<i>Depreciation</i>	
At beginning of year	2,111
Charge in the year	2,172
	<hr/>
At end of year	4,283
	<hr/>
<i>Net book value:</i>	
At 31 December 1995	58,654
	<hr/>
At 31 December 1994	-
	<hr/>

# Electronic Data Systems Limited

## Notes (continued)

### 11 Fixed asset investments

	Shares in group undertakings £000	Shares in non-group undertakings £000	Total £000
<b>Cost:</b>			
At beginning of year	5,526	5,728	11,254
Additions	-	11,817	11,817
	<hr/>	<hr/>	<hr/>
At end of year	5,526	17,545	23,071
	<hr/>	<hr/>	<hr/>
<b>Provisions:</b>			
At beginning of year	-	1,157	1,157
Charge for year	-	1,559	1,559
	<hr/>	<hr/>	<hr/>
At end of year	-	2,716	2,716
	<hr/>	<hr/>	<hr/>
<b>Net book value:</b>			
At 31 December 1995	5,526	14,829	20,355
	<hr/>	<hr/>	<hr/>
At 31 December 1994	5,526	4,571	10,097
	<hr/>	<hr/>	<hr/>

The additions during the year relate to the acquisition of a 42.8% share in EDS Africa Limited.

In the opinion of the directors the aggregate value of the assets of the subsidiary undertakings are not less than the aggregate of the amounts at which those assets are included in the company's balance sheets.

# Electronic Data Systems Limited

## Notes *(continued)*

### 11 Fixed asset investments *(continued)*

The companies in which the company's interest is more than 10% are as follows:

Name of undertaking	Country of incorporation	Principal activity	Class and percentage of shares held
DVOIT Limited	England and Wales	Technology and information services	£1 ordinary shares 100%
Interbank On-Line System Limited	England and Wales	Technology and information services	£1 ordinary shares 24.1%
IBOS Limited (100% subsidiary of Interbank On-Line System Limited)	England and Wales	Technology and information services	£1 ordinary shares 24.1%
EDS Africa Limited	South Africa	Technology and information services	Ordinary shares 42.8%

The nominal value of each ordinary share in EDS Africa Limited is one cent of a South African Rand.

In November 1995, the group interest in Interbank On-Line System Limited was diluted from 31.6% to 24.1% as a result of a subscription by a third party shareholder for new shares.

### 12 Stocks

Stocks comprise consumables.

# Electronic Data Systems Limited

## Notes (continued)

### 13 Debtors

	1995 £000	1994 £000
<i>Due within 1 year:</i>		
Trade debtors	68,308	32,909
Amounts owed by parent and subsidiary undertakings	43,997	30,436
Amounts recoverable on contracts	84,748	38,135
Current amounts due in respect of sales type leases	305	312
Other debtors	5,434	4,738
Prepayments and accrued income	34,262	27,692
	<u>237,054</u>	<u>134,222</u>
<i>Due after more than 1 year:</i>		
Amounts recoverable on contracts	10,749	9,614
Non-current amounts due in respect of sales type leases	77	472
Prepayments and accrued income	541	781
	<u>11,367</u>	<u>10,867</u>

### 14 Creditors: amounts falling due within one year

	1995 £000	1994 £000
Bank overdraft	882	-
Payments on account	17,570	19,872
Trade creditors	15,026	5,617
Amounts owed to group undertakings	176,280	45,804
Obligations under finance leases	7,757	272
Other creditors including taxation and social security	29,636	11,543
Accruals and deferred income	81,251	59,907
	<u>328,402</u>	<u>143,015</u>

# Electronic Data Systems Limited

## Notes *(continued)*

### 14 Creditors: amounts falling due within one year *(continued)*

Other creditors including taxation and social security:

	1995 £000	1994 £000
Mainstream corporation tax	5,077	3,576
PAYE	1,573	2,546
Social security	2,566	1,936
VAT	20,022	3,381
Other	398	104
	<u>29,636</u>	<u>11,543</u>

The amounts owed to group undertakings comprise:

	1995 £000	1994 £000
Parent and fellow subsidiary undertakings	170,780	40,304
Subsidiary undertakings	5,500	5,500
	<u>176,280</u>	<u>45,804</u>

# Electronic Data Systems Limited

## Notes (continued)

### 15 Creditors: amounts falling due after more than one year

	1995 £000	1994 £000
Amounts owed to parent and fellow subsidiary undertakings	-	57,994
Obligations under finance leases	53,566	-
Accruals and deferred income	-	787
	<u>53,566</u>	<u>58,781</u>
Obligations under finance leases:		
Amounts falling due:		
within 1 year	7,757	272
between 2 and 5 years	32,994	-
after 5 years	20,572	-
	<u>61,323</u>	<u>272</u>

### 16 Provisions for liabilities and charges

	Contract related £000	Other £000	Pension related £000	Total £000
At beginning of year	14,595	7,809	7,606	30,010
Charge for year	1,874	8,136	8,548	18,558
Utilisation in year	(3,470)	(7,282)	(10,979)	(21,731)
At end of year	<u>12,999</u>	<u>8,663</u>	<u>5,175</u>	<u>26,837</u>

Other provisions includes costs related to refurbishment of leased properties, certain relocation costs and employee health care.

# Electronic Data Systems Limited

## Notes (continued)

### 17 Called up share capital

	1995 £000	1994 £000
<i>Authorised:</i>		
87,000,000 ordinary shares of £1 each	<u>87,000</u>	<u>87,000</u>
<i>Allotted, called up and fully paid:</i>		
86,580,000 ordinary shares of £1 each	<u>86,580</u>	<u>86,580</u>

### 18 Reconciliation of movements in shareholders' funds

	Share capital £000	Profit and loss account £000	1995 Total £000	1994 Total £000
Profit for the financial year	-	14,948	<b>14,948</b>	11,547
New share capital subscribed	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,000</u>
Net addition to shareholders' funds	-	14,948	<b>14,948</b>	91,547
Opening shareholders' funds	<u>86,580</u>	<u>23,317</u>	<u><b>109,897</b></u>	<u>18,350</u>
Closing shareholders' funds	<u>86,580</u>	<u>38,265</u>	<u><b>124,845</b></u>	<u>109,897</u>



# Electronic Data Systems Limited

## Notes (continued)

### 19 Operating lease commitments

At 31 December 1995 the company had annual commitments under non-cancellable operating leases as set out below:

	1995		1994	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire:				
within one year	1,286	1,740	267	2,382
in the second to fifth years inclusive	5,014	13,060	2,346	7,795
over five years	9,935	-	11,109	-
	<u>16,235</u>	<u>14,800</u>	<u>13,722</u>	<u>10,177</u>

### 20 Government grants

The company has received the following government grants in the year:

	1995 £000	1994 £000
Cash received in year	<u>206</u>	<u>594</u>
Accrued at the year end and reflected in the profit for the year	<u>259</u>	<u>606</u>

### 21 Contingent liabilities

At 31 December 1995 the company had contingent liabilities relating to employee stock grants of £10,418,690 (1994: £8,009,234).

# Electronic Data Systems Limited

## Notes *(continued)*

### 22 Pension costs

The company operates a number of pension schemes, the details of which are as follows:

#### (a) *Defined benefit schemes*

- (i) Electronic Data Systems 1994 Pension Scheme
- (ii) Electronic Data Systems Retirement Plan
- (iii) Electronic Data Systems UK Pension Plan  
and Life Assurance Scheme
- (iv) SD - Scicon Pension Plan

For all of the above schemes the following details apply:

- the schemes are funded;
- pension cost and provision is assessed in accordance with a qualified independent actuary's advice;
- provisions resulting from the difference between the pension cost amounts recognised as cost and the amounts paid directly to the pension fund are disclosed in note 16;
- the charge for the period is included within pension costs for the year (see note 4);
- particulars of the actuarial valuation of the pension scheme are available in the accounts of the holding company, EDS International Limited.

#### (b) *Defined contribution schemes*

- (i) Electronic Data Systems Investment Plan
  - (ii) SD - Scicon Money Purchase Scheme
- the charge for the period is included within pension costs for the year (see note 4).

# Electronic Data Systems Limited

## Notes *(continued)*

### 23 Immediate holding company

The immediate holding company and parent undertaking which heads the smallest group of undertakings in which the results of the company are consolidated is EDS International Limited, a company registered in England and Wales. The accounts may be obtained from the following address:

EDS International Limited  
4 Roundwood Avenue  
Stockley Park  
Uxbridge  
Middlesex  
UB11 1BQ

### 24 Ultimate holding company

The ultimate holding company at 31 December 1995 was General Motors Corporation, a company incorporated in the United States of America. The consolidated accounts may be obtained from the following address:

General Motors Corporation  
Rooms 11-128  
General Motors Building  
3044 West Grand Blvd  
Detroit  
Michigan 48202  
USA.

On 7 June 1996 the ultimate holding company became Electronic Data Systems Corporation, a company incorporated in the United States of America and quoted on the New York and London Stock Exchanges, following a split-off from General Motors Corporation.