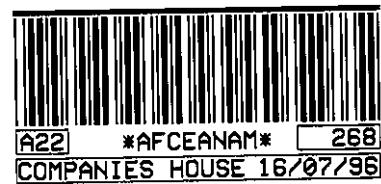


THE DECISION SHOP LIMITED

FINANCIAL STATEMENTS

31ST DECEMBER 1995



Registered number - 615225

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31st December 1995 which were approved by the board on 10th July 1996.

ACTIVITIES AND RESULTS

The principal activity of the company continues to be the provision of computer and computer research facilities.

The profit for the year amounted to £130,790 (1994 : £367,992) which has been transferred to reserves.

FIXED ASSETS

The movement in fixed assets is set out in note 8.

DIRECTORS

The directors during the year and subsequent changes were as follows:

B. Walsh	(Chairman)
M. Bungey	
A. Chapman	
P.G. Howell	(Appointed 1st March 1996)
A.M. Jans	(Appointed 1st March 1996, resigned 28th June 1996)

No director had interests in the shares of the company.

M. Bungey and A. Chapman are directors of the company's parent company, Ted Bates Holdings Limited, and their interests in shares of other group companies are disclosed in the financial statements of that company.

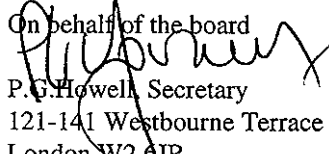
No other director who held office at the end of the year had an interest in the shares of other group companies.

The company has purchased and maintains various insurances for directors as are permitted by Section 310 (3)(a) of the Companies Act 1985.

ELECTIVE RESOLUTIONS

The company has passed resolutions under sections 252, 366A and 386 of the Companies Act 1985 dispensing with the requirements to lay accounts and reports before the company in general meeting, hold annual general meetings and reappoint auditors each year.

On behalf of the board



P.G. Howell, Secretary
121-141 Westbourne Terrace
London W2 6JR
10th July 1996

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

- * select suitable accounting policies and then apply them with consistency;
- * 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; 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 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 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.

AUDITORS' REPORT

AUDITORS' REPORT TO THE MEMBERS OF THE DECISION SHOP LIMITED

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of directors and auditors

As described on page 2 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 31st December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG
Chartered Accountants
Registered Auditors
London
10th July 1996

PROFIT AND LOSS ACCOUNT**For the year ended 31st December**

	Note	1995 £	1994 £
TURNOVER	2	1,602,568	2,134,682
Cost of sales		(506,078)	(796,554)
GROSS PROFIT		<u>1,096,490</u>	<u>1,338,128</u>
Net operating expenses		(965,227)	(970,013)
OPERATING PROFIT		<u>131,263</u>	<u>368,115</u>
Interest payable	4	(473)	(123)
PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION AND RETAINED PROFIT FOR THE FINANCIAL YEAR	3	<u>130,790</u>	<u>367,992</u>
Retained profit brought forward		816,674	448,682
RETAINED PROFIT CARRIED FORWARD		<u><u>947,464</u></u>	<u><u>816,674</u></u>

All the above results arise from continuing operations.

There were no recognised gains or losses other than those shown above.

BALANCE SHEET**As at 31st December**

	Notes	1995 £	1994 £
FIXED ASSETS			
Tangible assets	8	20,006	24,077
CURRENT ASSETS			
Work in progress		51,786	7,978
Debtors	9	481,434	462,377
Cash at bank and in hand		<u>766,017</u>	<u>1,195,922</u>
		1,299,237	1,666,277
CREDITORS: amounts falling due within one year	10	<u>(371,678)</u>	<u>(873,579)</u>
NET CURRENT ASSETS		927,559	792,698
NET ASSETS		<u>947,565</u>	<u>816,775</u>
CAPITAL AND RESERVES			
Called up share capital	11	101	101
Profit and loss account		<u>947,464</u>	<u>816,674</u>
EQUITY SHAREHOLDERS' FUNDS	12	<u>947,565</u>	<u>816,775</u>

These financial statements were approved by the board of directors on 10th July 1996 and were signed on its behalf by :



A. Chapman
Director

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES**(a) Accounting convention**

These financial statements have been prepared under the historical cost accounting rules and in accordance with applicable accounting standards.

The company's ultimate holding company publishes a consolidated cash flow statement in compliance with Financial Reporting Standard 1, in which the cashflows of the company are consolidated, and the company is therefore not required to publish a separate cash flow statement.

(b) Income recognition

Income is recognised when billed.

(c) Deferred taxation

Deferred taxation is provided on all timing differences between accounting profits and taxable profits to the extent that it is probable that a liability will crystallise in the foreseeable future.

(d) Tangible assets

Tangible fixed assets are stated at historical cost less accumulated depreciation. The cost of tangible fixed assets is written down to the estimated residual value by equal annual instalments over the expected useful lives as follows:

Furniture and equipment - 6 years

(e) Leasing commitments

Assets obtained under finance leases are capitalised and depreciated over the shorter of the useful life of the asset and the term of the lease. The interest element of the payments is charged to the profit and loss account over the period of the agreement, so as to produce a constant periodic rate of charge on the remaining balance of the obligation. Rentals paid under operating leases are charged to the profit and loss account as incurred.

(f) Pension contributions

The company's share of contributions to defined contribution schemes is charged against profits for the year in which they become payable. The cost of providing defined benefits is charged against profits, based on recommendations by independent actuaries, in such a way as to provide for the liabilities evenly over the remaining service lives of the employees.

(g) Work in progress

Work in progress is valued at the lower of cost and net realisable value and comprises mainly outlays incurred on behalf of clients which still have to be recharged.

2. TURNOVER

The turnover and profit before taxation are attributable to the provision of computer and computer research facilities, excluding V.A.T. All billings are made in the UK.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1995	1994
	£	£
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible assets	9,559	11,012
Auditors' remuneration (including expenses)	5,250	5,000
Operating lease payments - land and buildings	<u>44,670</u>	<u>13,844</u>

4. INTEREST PAYABLE

	1995	1994
	£	£
Short term interest	<u>473</u>	<u>123</u>

NOTES TO THE FINANCIAL STATEMENTS

5. EMPLOYEES

	1995 No.	1994 No.
Average number of employees (including directors)	<u>8</u>	<u>10</u>
Employee costs (including directors)	£	£
Wages and salaries	469,852	547,074
Social security costs	45,121	54,714
Pension contributions	<u>23,008</u>	<u>19,006</u>
	<u>537,981</u>	<u>620,794</u>

6. DIRECTORS' EMOLUMENTS

	1995 £	1994 £
Emoluments as executives	160,369	216,746
Contributions to pension schemes	<u>9,435</u>	<u>9,435</u>
	<u>169,804</u>	<u>226,181</u>

The chairman who was also the highest paid director received emoluments for the year, excluding pension contributions, of £160,369 (1994: £216,746). No other director received any emoluments for the period (1994: £nil). The number of UK directors whose emoluments, excluding pension contributions, fell in each £ 5,000 bracket was as follows:

	1995 No.	1994 No.
£ 0 - £ 5,000	2	2
£ 160,000 - £ 165,000	1	-
£ 215,000 - £ 220,000	<u>-</u>	<u>1</u>

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The charge to taxation on the profit for this year and the previous year has been eliminated by the utilisation of losses surrendered by other group companies for which no payment was made or will be made.

8. TANGIBLE FIXED ASSETS

	Furniture and equipment £
Cost:	
At 1st January 1995	128,024
Additions	5,488
At 31st December 1995	<u>133,512</u>
Depreciation:	
At 1st January 1995	(103,947)
Charge for period	(9,559)
At 31st December 1995	<u>(113,506)</u>
Net Book Value:	
At 31st December 1995	<u>20,006</u>
At 31st December 1994	<u>24,077</u>

NOTES TO THE FINANCIAL STATEMENTS

9. DEBTORS

	1995 £	1994 £
Trade debtors	133,799	384,802
Amounts owed by holding company and fellow subsidiary undertakings	322,650	47,587
Other debtors	3,808	5,997
Prepayments and accrued income	21,177	23,991
	<u>481,434</u>	<u>462,377</u>

10. CREDITORS: amounts falling due within one year

	1995 £	1994 £
Trade creditors	118,402	161,715
Amounts owed to holding company and fellow subsidiary undertakings	1,454	205,303
Taxes and social security	27,017	45,334
Other creditors	14,956	246
Accruals and deferred income	209,849	460,981
	<u>371,678</u>	<u>873,579</u>

11. SHARE CAPITAL

	1995 £	1994 £
Authorised, allotted, called up and fully paid:		
100 Ordinary shares of 1p each	1	1
100 Deferred ordinary shares of £1 each	<u>100</u>	<u>100</u>
	<u>101</u>	<u>101</u>

The deferred ordinary shares entitle the holders thereof to a fixed cumulative dividend at the rate of 5% per annum for any financial year in which net distributable profits exceed £20 million.

On a winding up, the holders of the deferred ordinary shares are entitled to a return of the capital paid up on these shares, after a total of £2 million has been distributed in respect of each of the ordinary shares of the company.

The deferred ordinary shares do not entitle the holders to attend or vote at any general meeting.

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1995 £	1994 £
Profit for the year	130,790	367,992
Opening shareholders' funds	816,775	448,783
Closing shareholders' funds	<u>947,565</u>	<u>816,775</u>

NOTES TO THE FINANCIAL STATEMENTS

13. OPERATING LEASES

At 31st December 1995 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	1995	1994
	£	£
Operating leases which expire after five years	<u>45,900</u>	<u>44,400</u>

14. PENSION COSTS

The company is a member of the Cordiant Group Pension Scheme, a defined benefit scheme, and the Cordiant Group Money Purchase Plan.

The Cordiant Group Pension Scheme is a fully funded defined benefit scheme. The assets of the scheme are held in a separate trustee administered fund.

The Cordiant Group Pension Scheme was revalued at 1st April 1995 using the Attained Age Method and showed assets with a market value at that date of £24.9 million which represents a funding level of 110%. The principal assumptions used in the valuation were an investment return of 9% and salary increases of 7%.

The pension costs during the period in respect of the above schemes amounted to £23,008 (1994: £19,006).

15. CONTINGENT LIABILITIES

The company is grouped for VAT purposes with other group companies. Consequently the company is contingently liable for the VAT of those companies.

16. ULTIMATE HOLDING COMPANY

The ultimate holding company is Cordiant plc, which is registered in England and Wales.

These financial statements are consolidated into those of Cordiant plc, copies of which can be obtained from the Secretary at 83/89 Whitfield Street, London W1A 4XA.