

CCN SYSTEMS LIMITED

(Registration No. London 653331)

REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 1992



DIRECTORS REPORT

The directors present their report and the audited accounts for the year ended 31 March 1992.

DIRECTORS

The directors holding office during the year were as follows:-

Mr E M Barnes - Chairman
Mr D Stonehouse (Resigned 6 December 1991)
Mr J Peace
Mr D S Bird
Mr L Foster (Resigned 31 May 1991)
Mr J N Saunders
Mr R M Aubrook

Mr R Webber, Mr JY Coffman and Mrs JL Barber were appointed as Directors of the Company on 30 April 1992.

ACTIVITIES

The company provides bureau and information services for consumer credit control, business information, direct marketing and credit card management.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Both the level of business and the year end financial position were satisfactory and the directors expect that the level of activity will again be increased during the present year.

RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 4.
No interim dividend was paid during the year (1991: £NIL). The directors propose a final dividend of £2,496,000 (1991: £2,116,000).

FIXED ASSETS

Details of changes in the fixed assets of the company are shown in note 11 to the accounts.

CHARITABLE DONATIONS

During the year the company made donations to United Kingdom charitable organisations amounting to £1,223 (1991: £1,918).

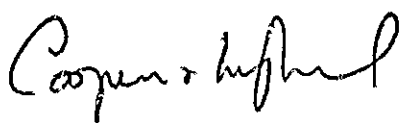
EMPLOYMENT OF DISABLED PERSONS

The company's policy and practice is to encourage and assist the employment of disabled people, their recruitment, training and promotion and the retention of employees who become disabled, having regard to the requirements and demands of employment opportunities which are available.

REPORT OF THE AUDITOR TO THE MEMBERS OF CCN SYSTEMS LIMITED

We have audited the accounts set out on pages 4 to 14 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 March 1992 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand
Chartered Accountants and Registered Auditor

Nottingham
10th August, 1992

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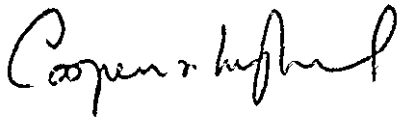
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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1992

	Notes	1992 £'000	1991 £'000
TURNOVER	2	53,343	48,180
Cost of sales		<u>(37,521)</u>	<u>(34,179)</u>
GROSS PROFIT		15,822	14,001
Distribution costs		(2,447)	(3,096)
Administrative expenses		<u>(4,175)</u>	<u>(3,662)</u>
OPERATING PROFIT		9,200	7,243
Other income	3	752	1,013
Interest payable	4	<u>(2,154)</u>	<u>(1,459)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	7,798	6,797
Taxation	8	<u>(2,806)</u>	<u>(2,431)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION BEFORE EXTRAORDINARY ITEM		4,992	4,366
Extraordinary item	9	<u>-</u>	<u>(134)</u>
PROFIT FOR THE FINANCIAL YEAR		4,992	4,232
Dividend	10	<u>(2,496)</u>	<u>(2,116)</u>
RETAINED PROFIT FOR YEAR		2,496	2,116
Retained profit brought forward		16,787	14,672
Capitalisation issue of shares		<u>-</u>	<u>(1)</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>19,283</u></u>	<u><u>16,787</u></u>

CCN SYSTEMS LIMITED

BALANCE SHEET AS AT 31 MARCH 1992

	Notes	1992 £'000	1991 £'000
FIXED ASSETS			
Tangible fixed assets	11	11,043	15,162
Investments	12	<u>396</u>	<u>379</u>
		<u>11,439</u>	<u>15,541</u>
CURRENT ASSETS			
Stocks	13	66	70
Debtors	14	27,950	23,925
Cash at bank and in hand		<u>2,883</u>	<u>2,239</u>
		30,899	26,234
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	15	(18,078)	(17,696)
NET CURRENT ASSETS		<u>12,821</u>	<u>8,538</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		24,260	24,079
Creditors: amounts falling due after more than one year	16	(4,487)	(6,802)
Provision for liabilities and charges	17	<u>-</u>	<u>-</u>
NET ASSETS		<u>19,773</u>	<u>17,277</u>
CAPITAL AND RESERVES			
Called up share capital	18	490	490
Profit and loss account		<u>19,283</u>	<u>16,787</u>
		<u>19,773</u>	<u>17,277</u>

The financial statements on pages 4 to 14 were approved by the Board of Directors on 10th August, 1992 and were signed on its behalf by:-

J Peace



Director

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1992

- 1 The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the principal accounting policies, which have been applied consistently, is set out below.

a) Basis of Accounting

The accounts have been prepared under the historical cost basis of accounting. As permitted by Section 228(1) of the Companies Act 1985, group accounts have not been included in these financial statements.

b) Cash Flow Statement

The company is a wholly owned subsidiary of The Great Universal Stores Plc and the cash flows of the company are included in the consolidated cash flow statement of The Great Universal Stores Plc, consequently the company is exempt under the terms of Financial Reporting Standard Number 1 from publishing a cash flow statement.

c) Tangible Fixed Assets

Fixed assets are shown at cost.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Plant and machinery	- 20% per annum
Fixtures and fittings	- 10% to 20% per annum
Leased assets (Computer equipment)	- over the period of the lease

d) Investments

Investments in group companies are valued at cost less any provisions necessary for permanent diminution in value.

e) Stocks

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

f) Deferred Taxation

Provision is made for deferred taxation on timing differences except where such differences are expected, with reasonable probability, to continue for the foreseeable future.

g) Leased Assets

Fixed assets held under finance leases are capitalised. The finance charges are allocated using the actuarial method over the primary period of the lease at a constant rate of interest on the capital element outstanding.

h) Turnover

Turnover comprises the value of services (excluding value added tax) performed in the normal course of business.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1992 (continued)

i) Pension Costs

The company provides pension benefits to eligible employees through membership of a pension plan operated by its parent company. The plan has rules which specify the benefits to be paid and is financed accordingly with assets being held in independently administered funds. The cost of providing retirement benefits, which is based on pension costs across the group as a whole, is charged to profit and loss account over the expected period of employment in accordance with recommendations made by qualified actuaries.

j) Foreign Currency Translation

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the year end. Profits and losses on exchange arising in the normal course of trading and exchange differences arising on the translation of foreign currency balances are dealt with in the profit and loss account.

2 TURNOVER

An analysis of turnover by geographical market and the analysis of turnover and profit before taxation by class of business has not been given.

3 OTHER INCOME

	1992 £'000	1991 £'000
Other income comprises:		
Interest receivable	749	1,003
Other	<u>3</u>	<u>10</u>
	<u>752</u>	<u>1,013</u>

4 INTEREST PAYABLE

	1992 £'000	1991 £'000
On finance leases	2,151	1,459
Other	<u>3</u>	<u>-</u>
	<u>2,154</u>	<u>1,459</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1992 (continued)

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1992 £'000	1991 £'000
Profit on ordinary activities before taxation is stated after charging:		
Depreciation charge for the year		
- tangible owned fixed assets	387	421
- tangible fixed assets held under finance lease	6148	5,023
Auditors' remuneration	31	45
Staff costs (see note 6)	19,031	18,453
Operating leases:		
- property	535	567
- plant & equipment	912	902
	<u> </u>	<u> </u>

6 STAFF COSTS AND EMPLOYEES

Particulars of employees (including executive directors) are as shown below:

Staff costs during the year:

	1992 Full time £'000	1992 Part time £'000	1991 Full time £'000	1991 Part time £'000
Wages and salaries	16,824	124	16,163	168
Social security costs	1,535	11	1,543	15
Other pension costs	<u>537</u>	<u>-</u>	<u>564</u>	<u>-</u>
	<u>18,896</u>	<u>135</u>	<u>18,270</u>	<u>183</u>

The average weekly number of persons employed by the company during the year was as follows:

	1992 Number employed		1991 Number employed	
	Full time	Part time	Full time	Part time
Production	978	34	1,072	48
Distribution/sales	58	-	69	-
Administrative	<u>21</u>	<u>-</u>	<u>23</u>	<u>-</u>
	<u>1,057</u>	<u>34</u>	<u>1,164</u>	<u>48</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1992(continued)

7 DIRECTORS REMUNERATION

	1992 £'000	1991 £'000
Aggregate emoluments (excluding pension contributions) of the company's directors were:		
Management remuneration	<u>515</u>	<u>484</u>
Emoluments (excluding pension contributions) of the Chairman	<u>44</u>	<u>35</u>
Emoluments (excluding pension contributions) of the highest paid director	<u>99</u>	<u>89</u>

Directors' emoluments (excluding pension contributions) fell within the following ranges:

	1992 Number	1991 Number
£35,001 - £40,000	-	1
£40,001 - £45,000	1	-
£50,001 - £55,000	1	-
£55,001 - £60,000	-	1
£65,001 - £70,000	-	1
£70,001 - £75,000	2	1
£80,001 - £85,000	-	2
£85,001 - £90,000	1	1
£90,001 - £95,000	1	-
£95,001 - £100,000	<u>1</u>	<u>-</u>

8 TAXATION

	1992 £'000	1991 £'000
UK Corporation tax at 33% (1991: 34%)		
Current	2,737	2,532
Deferred	-	(98)
Under/(Over) provision in prior years:		
Current	69	-
Deferred	<u>-</u>	<u>(3)</u>
	<u>2,806</u>	<u>2,431</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1992 (continued)

9 EXTRAORDINARY ITEM

	1992 £'000	1991 £'000
Closure of Amsterdam office	-	202
Taxation credit	-	(68)
	<u>-</u>	<u>134</u>

10 DIVIDEND

	1992 £'000	1991 £'000
Ordinary:		
Final - proposed	<u>2,496</u>	<u>2,116</u>

11 TANGIBLE FIXED ASSETS

	Plant and machinery £'000	Fixtures and fittings £'000	Leased assets £'000	Total £'000
COST				
At 1 April 1991	32	5,175	25,285	30,492
Additions	10	222	2,283	2,515
Disposals	(7)	(1,524)	-	(1,531)
Transfer between assets	10	(10)	-	-
Exchange adjustments	-	(45)	-	(45)
At 31 March 1992	<u>45</u>	<u>3,818</u>	<u>27,568</u>	<u>31,431</u>
DEPRECIATION				
At 1 April 1991	21	3,009	12,300	15,330
Charge for the year	-	387	6,148	6,535
Disposals	(7)	(1,454)	-	(1,461)
Exchange adjustments	-	(16)	-	(16)
At 31 March 1992	<u>14</u>	<u>1,926</u>	<u>18,448</u>	<u>20,388</u>
NET BOOK VALUE				
At 31 March 1992	<u>31</u>	<u>1,892</u>	<u>9,120</u>	<u>11,043</u>
At 31 March 1991	<u>11</u>	<u>2,166</u>	<u>12,985</u>	<u>15,162</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1992 (continued)

12 FIXED ASSET INVESTMENTS

	Subsidiary undertakings £'000	Associated undertakings £'000	Total £'000
Shares at cost:			
At 1 April 1991	379	-	379
Reclassifications	(8)	8	-
Additions	<u>17</u>	<u>-</u>	<u>17</u>
At 31 March 1992	<u>388</u>	<u>8</u>	<u>396</u>

The principal subsidiary undertakings, whose activities are the same as the company, are as follows:

CCN Systems Australia Pty incorporated and registered in Australia, 100% owned.

CCN Datacom BV incorporated and registered in the Netherlands, 100% owned.

IS Nederland BV incorporated and registered in the Netherlands, 100% owned. The shares in IS Nederland BV were sold by its immediate holding company, CCN Systems Nederland BV to a third party on 30 April 1992. The consideration and profit or loss arising on the sale is not considered to be material to the company.

CCN Marketing Systemen BV incorporated and registered in the Netherlands, 100% owned.

The principle associated undertaking is as follows:

CCN Verwaltungs GmbH incorporated and registered in Germany, 50% owned.

13 STOCKS

	1992 £'000	1991 £'000
Raw materials and consumables	<u>66</u>	<u>70</u>

14 DEBTORS

	1992 £'000	1991 £'000
Amounts falling due within one year:		
Trade debtors	10,330	10,562
Due from ultimate parent undertaking	8,075	3,826
Due from subsidiary undertakings	1,745	1,560
Due from fellow subsidiary undertakings	351	464
Due from associated undertaking	261	-
Other debtors	532	323
Prepayments and accrued income	6,656	7,190
	<u>27,950</u>	<u>23,925</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1992 (continued)

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1992 £'000	1991 £'000
Trade creditors	2,526	1,724
Due to fellow subsidiary undertakings	147	491
Due to subsidiary undertakings	362	-
Due to associated undertaking	299	-
Corporation tax	2,838	2,557
Other taxation and social security	1,772	2,011
Proposed dividend	2,496	2,116
Accruals and deferred income	3,146	2,510
Obligations under finance leases	4,492	6,287
	<u>18,078</u>	<u>17,696</u>

16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1992 £'000	1991 £'000
Obligations under finance leases	<u>4,487</u>	<u>6,802</u>

17 PROVISIONS FOR LIABILITIES AND CHARGES

The provision for deferred taxation and the full potential liability/(asset) are analysed as follows:

	1992 Full potential liability /(asset) £'000	1992 Provision made £'000	1991 Full potential liability /(asset) £'000	1991 Provision made £'000
Accelerated capital allowances	203	203	277	277
Other	<u>(481)</u>	<u>(203)</u>	<u>(338)</u>	<u>(277)</u>
	<u>(278)</u>	<u>-</u>	<u>(61)</u>	<u>-</u>

18 CALLED UP SHARE CAPITAL

	1992	1991
Authorised 505,000 ordinary shares of £1 each	<u>£505,000</u>	<u>£505,000</u>
Allotted, called up and fully paid 489,850 ordinary shares of £1 each	<u>£489,850</u>	<u>£489,850</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1992 (continued)

19 DIRECTORS' INTERESTS

The interests of the directors in the shares of the company at the beginning and end of the year were as set out below.

Director:	Shares under option:	
	31st March 1992	31st March 1991
Mr D Stonehouse	NIL	3,190
Mr J Peace	3,190	3,190
Mr R M Aubrook	797	797
Mr J N Saunders	797	797

The subscription price per share is £68 and options are exercisable between 1 January 1994 and 31 March 1994. The options to subscribe for 3,190 shares in respect of Mr D Stonehouse lapsed on cessation of employment on 6 December 1991.

Other than stated above, no director was interested in the shares of the company or any of its fellow subsidiary undertakings or, except for Mr E M Barnes, its ultimate parent undertaking. The interest of Mr Barnes in the shares of the ultimate parent undertaking is disclosed in that company's directors report.

20 CONTINGENT LIABILITIES

	1992 £'000	1991 £'000
Contingent liabilities	140	252

The company has guaranteed certain leases and bank loans on behalf of other group undertakings.

21 FINANCIAL COMMITMENTS

	1992 £'000	1991 £'000
a) Capital commitments		
Contracted but not provided for	206	75

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1992 (continued)

21 FINANCIAL COMMITMENTS (continued)

b) Lease commitments

	1992 Land & Buildings £'000	1992 Plant & Equipment £'000	1991 Land & Buildings £'000	1991 Plant & Equipment £'000
The company had annual commitments under non cancellable operating leases as follows:				
Expiring within one year	564	1,100	529	962
Expiring within two to five years inclusive	-	-	-	-
Expiring in over five years	-	-	-	-
	564	1,100	529	962
	==	==	==	==

c) Pension commitments

The company provides pension benefits to eligible employees through membership of a pension plan operated by its ultimate parent undertaking The Great Universal Stores Plc. The plan has rules which specify the benefits to be paid and is financed accordingly with assets being held in independently administered funds.

The total pension cost was £537,000 (1991: £564,000) and this is based on pension costs across the group as a whole. The pension cost is assessed in accordance with the advice of a qualified actuary and the results of the latest valuation are reported in the accounts of The Great Universal Stores Plc.

22 ULTIMATE HOLDING COMPANY

The company's ultimate parent undertaking is The Great Universal Stores Plc, which is registered in England and Wales. Copies of that company's consolidated financial statements may be obtained from the Secretary, The Great Universal Stores Plc, Universal House, Devonshire Street, Manchester, M60 1XA.