

SEMA UK LIMITED
(formerly Sema Group UK Limited)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2000

REGISTERED NUMBER 1245534



SEMA UK LIMITED
YEAR ENDED 31 DECEMBER 2000

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2000.

Principal Activities, Review of the Business and Future Developments

The principal activities of the Company during the year have been the provision of information technology and consultancy services, the provision of computer facilities management services, as well as the continued provision of management services to the other group undertakings of Sema plc.

The Company operates branches in Taiwan and Hungary.

The Company changed its name, effective 9 January 2001, by the removal of the word "Group". The change was implemented so that all subsidiaries' names remain consistent with Sema plc, the ultimate parent undertaking.

The Board believes the Company will continue its principal activities of information technology and consultancy services.

Results and Dividends

The results of the Company are shown on page 4.

The results show an operating profit for the financial year of £30,153,000 (1999: £18,808,000).

An interim dividend of £11,000,000 (1999: nil) was paid in June 2000. The directors do not recommend the payment of a final dividend (1999: £23,000,000). Transfers to reserves are disclosed in Note 15 to the financial statements.

Directors

The names of the present directors of the Company and details of changes during the year are as follows:

P S E Bonelli (Chairman)
W Bitan
F S Jones

Directors' Interests

No director held a beneficial interest in the shares of the Company during the year.

The beneficial and immediate family interests of P S E Bonelli, W Bitan and F S Jones in the shares of the ultimate parent undertaking, Sema plc, and its subsidiary undertakings are disclosed in the financial statements of that company.

Post Balance Sheet Event

On 6 April 2001 following acceptance by a majority of the shareholders of Sema plc of an offer by Schlumberger Investments for the entire share capital of Sema plc, Schlumberger Limited became the Company's ultimate parent undertaking. This offer became unconditional on 6 April 2001.

Research and Development

The Company undertakes a number of research and development (R&D) projects as part of an overall R&D programme for the Sema Group. These projects are mainly devoted to application packages, methods and tools, particularly in the telecoms, banking and transport fields. The total expenditure on R&D in the year that was internally funded was £18,156,000 (1999: £17,970,000).

Environment Report

As an information technology service provider, the Company's operations in themselves have minimal direct impact on the environment. However, the Board recognises that even office-based working structures can have a negative impact on the environment and have adopted an environmental policy which has the following main features:

- To meet the statutory requirements which are placed on the Company in its various countries of operation;
- To recycle as much of the Company's waste products as is economically possible, recognising that office based environments produce quantities of waste paper;
- To dispose of any hazardous resources employed by the Company in an environmentally friendly manner;
- To apply good environmental practice in outsourcing and managed services businesses both to the level and beyond that required by contractual obligations;
- To encourage staff to adopt environmentally friendly practices in their employment with the Company.

SEMA UK LIMITED
YEAR ENDED 31 DECEMBER 2000

DIRECTORS' REPORT (CONTINUED)

Disabled Employees

The policy of the Company is to offer the same opportunity to disabled people as to all others in respect of recruitment and career advancement provided their disability does not prevent them from carrying out their required duties. Employees who become disabled will, wherever possible, be retained, rehabilitated and retrained.

Policy on Payment to Creditors

The Company does not operate a discriminatory policy with regard to suppliers, with the major supply contracts being subject to regular review by management and some long-term contracts being subject to a tender process. It is the Company's policy to settle the terms of payment with suppliers when agreeing the terms of each transaction, to ensure that both parties are aware of the payment terms and abide by them. The average creditor days for 2000 were 60 (1999: 84).

Political and Charitable Contributions

During the year the Company made no political contributions. Various charitable contributions totalled £500 (1999: £6,000).

Pension Schemes

Employees of the Company are offered membership of the Sema Group Pension Scheme, which is a defined benefit scheme. Certain staff who transfer from UK Government and Local Government employment under outsourcing agreements are also offered membership of the Sema Group CS Pension scheme which is also a defined benefit scheme, designed to maintain the pension benefits of these staff. Former staff of BR Business Systems Ltd who transferred to the employment of the Company on 31 December 1998 are entitled to membership of the Sema UK Ltd shared cost section of the Railway Pension Scheme, a defined benefit scheme. All schemes are contracted out of the State Earnings Related Pension Scheme.

Employee Involvement

The Company organises staff communication both centrally and locally. The media used for centrally organised communication include the Company's intranet, technical newsletters, information circulars and copies of press releases. At a local level, regular staff meetings are held and divisions publish notices containing information about matters of interest. The staff are represented on the Board of Trustees of the Sema pension schemes in the United Kingdom.

Statements of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those financial statements the directors are required to:

- Select suitable accounting policies and then 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 the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution proposing the re-appointment of PricewaterhouseCoopers as auditors to the Company will be put to the forthcoming Annual General Meeting.

By order of the Board

P O'Dwyer
Company Secretary
Registered Office
233 High Holborn
London
WC1V 7DJ



Date: 11 April 2001

SEMA UK LIMITED
YEAR ENDED 31 DECEMBER 2000

AUDITORS' REPORT

Auditors' report to the members of Sema UK Limited

We have audited the financial statements on pages 4 to 15 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

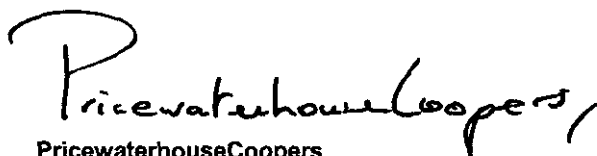
Basis of Audit Opinion

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 at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors

Date: 11 April 2001

West London Office
Harman House
1 George Street
Uxbridge
Middlesex
UB8 1QQ

SEMA UK LIMITED
YEAR ENDED 31 DECEMBER 2000

PROFIT AND LOSS ACCOUNT

	Notes	2000 £000	1999 £000
Turnover			
Continuing operations	2	564,477	499,776
Operating costs		<u>(534,324)</u>	<u>(480,968)</u>
Operating profit			
Continuing operations		30,153	18,808
Income from shares in group undertakings		5,000	-
Exceptional restructuring costs	4	(7,246)	(2,800)
Amounts written off investments	4	<u>(4,400)</u>	<u>-</u>
Profit before interest and taxation		23,507	16,008
Net interest receivable (payable)	3	<u>348</u>	<u>1,054</u>
Profit before taxation	4	23,855	17,062
Taxation	6	<u>(9,876)</u>	<u>(5,300)</u>
Profit on ordinary activities after taxation	15	13,979	11,762
Dividend	7, 15	<u>(11,000)</u>	<u>(23,000)</u>
Amount transferred to reserves		<u>2,979</u>	<u>(11,238)</u>

STATEMENT OF TOTAL GAINS AND LOSSES

	2000 £000	1999 £000
Profit for the financial year	13,979	11,762
Currency translation differences on loans to group companies (note 15)	128	(5,193)
Tax effect of currency translation differences (note 15)	(39)	1,570
Total recognised gains and losses relating to the year	<u>14,068</u>	<u>8,139</u>

The currency translation differences relate to a long term loan to an overseas fellow group company to finance foreign equity investments. Consequently, these gains and losses are considered to be part of a global group financing strategy and not reflective of the activities of the Company.

The cumulative effect of these net currency translation losses amounts to £14,300,000 at 31 December 2000 (1999: £14,428,000).

The notes on pages 6 to 15 form part of these financial statements.

**SEMA UK LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2000**

	Notes	2000 £000	1999 £000 (restated – refer note 8)
Fixed assets			
Intangible Assets	8	13,505	5,533
Tangible Assets	8	27,249	33,179
Investments	9	69,419	63,815
		<u>110,173</u>	<u>102,527</u>
Current assets			
Debtors:			
Due within one year	10	166,273	151,328
Due after one year	10	79,959	67,786
Cash at bank and in hand		61,277	5,316
		<u>307,509</u>	<u>224,430</u>
Creditors: amounts falling due within one year	11	<u>(138,131)</u>	<u>(138,322)</u>
Net current assets		<u>169,378</u>	<u>86,108</u>
Total assets less current liabilities		<u>279,551</u>	<u>188,635</u>
Creditors: amounts falling due after more than one year	12	(241,613)	(153,790)
Provisions for liabilities and charges	13	(1,918)	(1,893)
		<u>36,020</u>	<u>32,952</u>
Capital and reserves			
Called up share capital	14,15	12,750	12,750
Profit and loss account	15	23,270	20,202
Equity shareholders' funds	15	<u>36,020</u>	<u>32,952</u>

The notes on pages 6 to 15 form part of these financial statements.

Approved by the board of directors and signed on its behalf by:



F S Jones
Director

Date: 11 April 2001.

SEMA UK LIMITED
YEAR ENDED 31 DECEMBER 2000

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting Policies

The following is a summary of the main accounting policies adopted by the Company:

a) Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Group financial statements of the Company and its group undertakings have not been prepared as the Company has taken advantage, as a wholly owned group undertaking of Sema plc, of the dispensation available under the United Kingdom Companies Act 1985.

b) Turnover

Turnover consists of amounts chargeable to customers and other group undertakings for services provided and is exclusive of Value Added Tax and other sales taxes.

Systems integration turnover is recognised on a percentage of completion basis for fixed price contracts and as the services are delivered for time and materials contracts. All turnover is recorded on a gross basis. Losses on fixed price contracts are recognised in the first period as they are incurred or foreseen.

Outsourcing turnover is recognised as services are delivered.

The Company's product turnover is derived from the sales of licences for its software, maintenance and related services, which include installation, consulting and training services.

If services are essential to the functionality of the software, turnover derived from the contract is recognised based on the percentage of completion of the services provided during the period compared to the the total estimated services provided over the entire contract.

Payments received in advance of turnover recognition are recorded as deferred revenue. Turnover from annual maintenance and support are deferred and recognised rateable over the term of the contract. Turnover from consulting and training are deferred and recognised when the services are performed and collectibility is deemed probable.

c) Amounts recoverable on contracts

Work is undertaken for customers either on the basis that time and materials are billed as incurred or according to the terms of fixed price or limited price contracts (which are substantially long term). With respect to the former, turnover and profits are recognised according to time worked. With respect to fixed or limited price contracts, turnover is recognised according to the percentage of the estimated total contract value completed and a prudent proportion of profit is also recognised as the contract progresses. All losses are recognised as soon as incurred or foreseen.

d) Fixed Assets

Intangible assets, representing purchased software licences for provision of customer services are capitalised at cost. Software licence costs are amortised over the period of the licence or the term of the sales contract, whichever is shorter. Amortisation is charged from the commencement of the licence's deployment.

Depreciation is provided to write off the cost of tangible fixed assets, using the straight line method at the following rates per annum:

Leasehold improvements:	over the period of the lease
Computer equipment:	33.3%
Office furniture, cars and equipment:	between 15% and 33.3%

SEMA UK LIMITED
YEAR ENDED 31 DECEMBER 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Accounting Policies (continued)

e) *Deferred taxation*

Deferred taxation is provided in respect of timing differences between the recognition of income and expenditure for accounting and tax purposes, to the extent that any related reduction in the tax charge cannot be expected with reasonable probability to continue for the foreseeable future.

f) *Investments*

Investments are stated at cost less provision for any impairment in value.

g) *Foreign currencies*

Assets and liabilities denominated in foreign currencies are translated into sterling at the rate ruling at the balance sheet date. Transactions are recorded at the rate prevailing at the date of the transaction. Exchange differences arising are dealt with through the profit and loss account, except where they relate to the foreign equity investments where gains and losses are taken directly to reserves together with their related tax effect.

h) *Pension contributions*

The expected cost of providing pension benefits to employees is charged to the profit and loss account over the period benefiting from the employees' services.

i) *Leases*

The cost of assets held under finance leases is included under tangible assets and depreciation is provided in accordance with the Company's accounting policy for the class of asset concerned. The interest cost is charged evenly over the term of the lease in accordance with applicable accounting standards and the capital element of future lease payments is included in creditors. The cost of operating leases is charged as incurred.

j) *Cash flow statement*

No cash flow statement has been prepared, as the Company is a wholly owned subsidiary of Sema plc. The cash flows of the Company are incorporated in the consolidated cash flow statement shown in the financial statements of Sema plc.

k) *Research and development*

Expenditure on research and development is charged against the income of the period in which it is incurred, except to the extent that such expenditure is recoverable from third parties.

SEMA UK LIMITED
YEAR ENDED 31 DECEMBER 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Turnover

	2000	1999
	£000	£000
Turnover is derived by destination from the following geographical regions:		
United Kingdom	489,769	419,803
Rest of Europe	45,083	49,534
Asia	2,405	2,344
The Americas	9,344	8,925
Rest of the world	9,195	10,420
	<u>555,796</u>	<u>491,026</u>
Intragroup turnover	8,681	8,750
	<u>564,477</u>	<u>499,776</u>

Turnover is derived by class of business as follows:

	2000	1999
	£000	£000
Outsourcing	383,371	301,933
Systems Integration	94,454	110,765
Products	77,971	78,328
	<u>555,796</u>	<u>491,026</u>
Intragroup turnover	8,681	8,750
	<u>564,477</u>	<u>499,776</u>

3 Net Interest Receivable (Payable)

	2000	1999
	£000	£000
Interest payable and similar charges in respect of:		
Bank loans and overdrafts wholly repayable within 5 years	(1,745)	(391)
Other	(14)	-
	<u>(1,759)</u>	<u>(391)</u>
Finance lease charges	(339)	(554)
	<u>(2,098)</u>	<u>(945)</u>
Interest receivable		
- Intragroup	1,656	1,301
- Other	790	698
	<u>348</u>	<u>1,054</u>

SEMA UK LIMITED
YEAR ENDED 31 DECEMBER 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 Profit Before Taxation

	2000 £000	1999 £000
Profit before taxation is stated after charging the following:		
Staff costs (note 5)	204,211	212,809
Research and development	18,156	17,970
Depreciation of tangible fixed assets and amortisation of intangibles (note 8)	21,855	14,291
Auditors' remuneration – audit services	240	200
Operating leases:		
- land and buildings	8,747	9,824
- plant and machinery	10,057	8,992

Fees paid to the auditors, in respect of services other than audit services to the Company and its fellow group undertakings, amount to £329,000 (1999: £81,000).

Exceptional items and amounts written off investments

	2000 £000	1999 £000
Recognised below operating profit:		
Restructuring costs	(7,246)	(2,800)
Amounts written off investments (Note 9)	(4,400)	-

The exceptional restructuring costs of £7,246,000 paid in the year (1999: £2,800,000) related to the restructuring of the Group's outsourcing activities, as part of an ultimate parent undertaking Group restructuring, intended to improve the Group's competitive position in this market.

The results for the year include an exceptional write down of £4,400,000 in the value of the Company's investment portfolio following a Directors' valuation at 31 December 2000. This item had no cash effect in the year.

The net tax effect of the exceptional items and amounts written off investments is a credit of £2,174,000 (1999: credit of £847,000).

5 Staff Costs

In addition to the provision of information technology, consultancy services, and computer facilities management services, the Company acts as the administration and management company to the operations of Sema plc within the United Kingdom. Costs relating to the activities of the Company are as follows:

	2000 £000	1999 £000
Staff (including directors):		
Wages and salaries	175,558	186,199
Social security costs	15,184	15,681
Other pension costs	13,469	10,929
	204,211	212,809

	2000 Number	1999 Number
The average number of employees during the year was:	5,631	5,982

SEMA UK LIMITED
YEAR ENDED 31 DECEMBER 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Staff Costs (continued)

<i>Directors' Remuneration</i>	2000 £000	1999 £000
Emoluments excluding pension contributions:	274	264
	<u>274</u>	<u>264</u>

During the year, the chairman received remuneration excluding pension contributions of £51,239 (1999: £51,099). The highest paid director received remuneration in 2000 of £196,450 (1999: £186,450), excluding pension contributions.

Retirement benefits are accruing to one director (1999: one) under the defined benefit scheme referred to below. During the year, two directors exercised share options in Sema plc (1999:nil).

Directors' interest in contracts

No director had any material interest in any contract of significance to the business of the Company or Group during or at the end of the year to 31 December 2000.

Pension arrangements

The Company is a member of the Sema Group Pension Scheme and the Sema Group CS Pension Scheme, both being defined benefit pension schemes which provide pensions and other related benefits for those employees of Sema plc's UK subsidiaries who elect to become members. Staff from the former BR Business Systems Ltd, who transferred on 31 December 1998 are entitled to be members of the Sema UK Ltd shared cost section of the Railways Pension Scheme, a defined benefit pension scheme.

The financial effects of Sema plc's pension arrangements, including the Sema Group Pension Scheme, Sema Group CS Pension Scheme and Sema UK Ltd shared cost section of the Railways Pension Scheme, are disclosed in the consolidated financial statements of Sema plc. In these financial statements the charge in the profit and loss account for the year was £13,469,000 (1999: £10,929,000).

6 Taxation

	2000 £000	1999 £000
The charge for the year is made up as follows:		
On Ordinary Activities		
United Kingdom tax at 30% (1999:30.25%):		
Current	12,071	8,024
Over-provision in prior years	(21)	(1,877)
	<u>12,050</u>	<u>6,147</u>
On exceptional items:		
Restructuring costs:	(2,174)	(847)
	<u>9,876</u>	<u>5,300</u>

7 Dividends

	2000 £000	1999 £000
Interim - paid	11,000	-
Final - paid/proposed	-	23,000
	<u>11,000</u>	<u>23,000</u>

SEMA UK LIMITED
YEAR ENDED 31 DECEMBER 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Intangible and Tangible Assets

	INTANGIBLE ASSETS	TANGIBLE ASSETS			
	Software Licences	Leasehold Improvements	Computer equipment	Office Furniture, Cars and Equipment	Total
	£000	£000	£000	£000	£000
Cost:					
At 1 January 2000 (as previously reported)	7,792	4,020	76,369	14,950	95,339
Reclassification (refer below)	(165)	620	165	-	785
At 1 January 2000 (restated)	7,627	4,640	76,534	14,950	96,124
Additions	14,652	1,445	6,651	1,504	9,600
Disposals	-	-	(825)	-	(825)
At 31 December 2000	<u>22,279</u>	<u>6,085</u>	<u>82,360</u>	<u>16,454</u>	<u>104,899</u>
Depreciation:					
At 1 January 2000 (as previously reported)	2,109	-	53,112	9,818	62,930
Reclassification (refer below)	15	-	15	-	15
At 1 January 2000 (restated)	2,094	-	53,127	9,818	62,945
Charge for year	6,680	1,272	12,176	1,727	15,175
Disposals	-	-	(470)	-	(470)
At 31 December 2000	<u>8,774</u>	<u>1,272</u>	<u>64,833</u>	<u>11,545</u>	<u>77,650</u>
Net Book Amount:					
At 31 December 2000	<u>13,505</u>	<u>4,813</u>	<u>17,527</u>	<u>4,909</u>	<u>27,249</u>
At 31 December 1999 (restated)	<u>5,533</u>	<u>4,640</u>	<u>23,407</u>	<u>5,132</u>	<u>33,179</u>

Capitalised software licence costs previously classified as tangible fixed assets were re-classified as intangible assets. The comparative cost and accumulated amortisation for the year ended 31 December 1999 has been reclassified accordingly. During the year, leasehold improvements previously classified as prepayments with a net book value of £620,000 were reclassified as tangible fixed assets. The opening balances have been amended accordingly. The restatements above had no impact on the results of either 1999 or 2000.

The net book amount of computer equipment held under finance leases was £751,000 (1999: £4,984,000). The depreciation charge for the year includes amounts in respect of computer equipment held under finance leases of £3,371,000 (1999: £2,068,000)

The net book amount of office furniture, motor vehicles and equipment held under finance leases was £63,000 (1999: £371,000). The depreciation charge for the year includes amounts in respect of these assets of £308,000 (1999: £55,000).

At 31 December 2000, the Company has contracted for capital expenditure for which no provision has been made in the financial statements of £1,089,208 (1999: £1,004,950).

SEMA UK LIMITED
YEAR ENDED 31 DECEMBER 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Investments

	Investments £000	Group Undertakings £000	Total £000
Cost			
At 1 January 2000	4,137	59,678	63,815
Additions	10,002	2	10,004
At 31 December 2000	<u>14,139</u>	<u>59,680</u>	<u>73,819</u>
Amounts provided			
At 1 January 2000	-	-	-
Amounts provided in the year	4,400	-	4,400
At 31 December 2000	<u>4,400</u>	<u>-</u>	<u>4,400</u>
Net Book Amount 31 December 2000	<u>9,739</u>	<u>59,680</u>	<u>69,419</u>
Net book amount 31 December 1999	<u>4,137</u>	<u>59,678</u>	<u>63,815</u>

Investments

The current years' investment of £10 million relates to the Company's 10% investment in Mirror Image Communications Limited, a UK company which intends to develop a business to business supply chain integration hotel booking system.

Amounts provided during the year represents an exceptional write down of £4,400,000 (1999: £nil) in the value of the Company's investment portfolio following a directors' valuation at 31 December 2000.

Group Undertakings

During the year, two indirect Group undertakings, being Sema Global Recovery Services Limited and BR Business Systems Limited, were transferred to SG International Limited at the carrying value recorded in the books of the Sema UK Limited's subsidiaries.

The principal Group undertakings at 31 December 2000, all of which were engaged in the provision of information technology services, were as follows (all holdings were in ordinary shares):

	Voting rights & proportion held	Country of registration & operation
<i>Principal direct subsidiary undertakings</i>		
Sema Group Barbados Limited	100%	England and Barbados
Data Recovery Limited	100%	England
Barabas Limited	100%	England
Sema Group Limited	100%	Hong Kong

SEMA UK LIMITED
YEAR ENDED 31 DECEMBER 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 Debtors

	2000	1999
	£000	£000
Trade debtors	58,562	64,497
Amounts recoverable on contracts	30,015	11,489
Amounts owed by group undertakings	99,836	96,435
Other debtors	5,192	8,364
Prepayments and accrued income	52,627	38,329
	<u>246,232</u>	<u>219,114</u>

Amounts falling due after more than one year and included above as amounts owed by group undertakings total £79,959,000 (1999: £67,786,000)

11 Creditors: amounts falling due within one year

	2000	1999
	£000	£000
Trade creditors	47,723	50,367
Payments on account	-	51
Amounts owed to group undertakings	19,386	44,676
Corporation tax	12,440	4,642
Other taxation and social security	14,177	10,698
Hire purchase and finance lease commitments	1,667	1,910
Other creditors	2,885	4,884
Accruals	39,853	21,094
	<u>138,131</u>	<u>138,322</u>

12 Creditors: amounts falling due after more than one year

	2000	1999
	£000	£000
Amounts owed to parent undertaking	235,593	147,553
Amounts owed to group undertakings	4,322	2,629
Hire purchase and finance lease commitments falling due:		
- Between 1 and 2 years	1,059	1,910
- Between 2 and 5 years	639	1,698
	<u>241,613</u>	<u>153,790</u>

The amounts owed to parent and group undertakings are non-interest bearing and have no fixed repayment date but are not due for repayment within the following year.

SEMA UK LIMITED
YEAR ENDED 31 DECEMBER 2000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 Provisions for Liabilities and Charges

	2000 £000	1999 £000
At 1 January – for property dilapidations	1,893	611
Provisions on contracts charged/(utilised) during the year	513	(611)
Provision for property dilapidations (released)/created during the year	(488)	1,893
At 31 December	<u>1,918</u>	<u>1,893</u>

The provision for property dilapidations relates to the obligation to reinstate certain properties to their former condition at the end of the lease period or other potential exit and are expected to be incurred between 2001 and 2005. The provision on contracts relates to foreseeable losses and is expected to be incurred during 2001.

14 Share Capital

	2000 £000	1999 £000
<i>Authorised:</i>		
15,000,000 ordinary shares of £1 each (1999:15,000,000)	<u>15,000</u>	<u>15,000</u>
<i>Allotted, called-up and fully-paid:</i>		
12,750,000 ordinary shares of £1 each (1999:12,750,000)	<u>12,750</u>	<u>12,750</u>

15 Reconciliation of Movement in Shareholders' Funds

	Share Capital £000	Profit & Loss Account £000	Total Shareholders' Funds 2000 £000	1999 £000
Profit for the year	-	13,979	13,979	11,762
Dividends paid or proposed	-	(11,000)	(11,000)	(23,000)
Other gains and losses:				
foreign exchange gains/(losses) (see below)	-	128	128	(5,193)
tax effect of foreign exchange gains	-	(39)	(39)	1,570
Net increase/(reduction) in shareholders funds	<u>-</u>	<u>3,068</u>	<u>3,068</u>	<u>(14,861)</u>
At 1 January	<u>12,750</u>	<u>20,202</u>	<u>32,952</u>	<u>47,813</u>
At 31 December	<u>12,750</u>	<u>23,270</u>	<u>36,020</u>	<u>32,952</u>

Foreign exchange gains (losses) relate to exchange gains (losses) on long term loans to an overseas fellow group company to finance foreign equity investments.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Guarantees and Other Financial Commitments

The Company had commitments under non-cancellable operating leases to pay the following amounts during the ensuing year:

	2000 £000	1999 £000
In respect of land and buildings:		
Commitments expiring:		
- within one year	509	368
- between one and five years	2,649	2,294
- after five years	5,723	5,744
	<u>8,881</u>	<u>8,406</u>
In respect of plant and machinery		
Commitments expiring:		
- within one year	1,119	1,078
- between one and five years	5,598	6,703
	<u>6,717</u>	<u>7,781</u>

17 Ultimate Parent Undertaking

The ultimate parent undertaking is Sema plc which is registered in England and which prepares the sole financial statements of the Group of which the Company is a member. Copies of the Sema plc financial statements may be obtained from the company secretary, 233 High Holborn, London WC1V 7DJ, England.

18 Related Party Transactions

The Company is a wholly owned subsidiary of Sema plc (formerly Sema Group plc), whose financial statements are available from the above address, (see note 17). Accordingly the Company has taken advantage of the exemptions, set out in Financial Reporting Standard 8, from the requirement to disclose related party transactions with other group members of Sema plc.

19 Post Balance Sheet Event

On 6 April 2001 following acceptance by a majority of the shareholders of Sema plc of an offer by Schlumberger Investments for the entire share capital of Sema plc, Schlumberger Limited became the Company's ultimate parent undertaking. This offer became unconditional on 6 April 2001.