

**SEMA GROUP UK LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 1995**  
**REGISTERED NUMBER 1245534**



**SEMA GROUP UK LIMITED**  
**DIRECTORS' REPORT**  
**YEAR ENDED 31 DECEMBER 1995**

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 1995.

**Review of the Business, Principal Activities and Future Developments**

The principal activity of the company during the period has been the provision of information technology and consultancy services as well as the continued provision of management services to the other United Kingdom group undertakings of Sema Group plc.

Pursuant to agreements approved by the board, Sema Group Systems Limited and Sema Group Consulting Limited had transferred their assets and businesses as going concerns at book value subject to their liabilities into the company, with effect from 31 December 1994. The results of these companies for the year ended 31 December 1994 were not consolidated in the comparatives of these financial statements.

**Results and Dividends**

The results of the company are shown on page 5. The directors recommend the payment of a dividend of £5,000,000 (1994:£Nil). Transfers (from) / 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:

PSE Bonelli	Chairman
AM Dorrian	
FS Jones	
W Bitan	
DC Brearley	(appointed 5 February 1996)

During the year the company maintained directors' and officers' liability insurance in respect of all its directors and certain officers as permitted by the Companies Act 1985.

**Directors' Interests**

No director held a beneficial interest in the shares of the company.

The beneficial and immediate family interests of PSE Bonelli in the shares of Sema Group plc and its subsidiary undertakings are disclosed in the financial statements of that company.

# SEMA GROUP UK LIMITED

## DIRECTORS' REPORT (CONTINUED) YEAR ENDED 31 DECEMBER 1995

### Directors' Interests (Continued)

The beneficial and immediate family interests of the other directors in the shares of Sema Group plc and its subsidiary undertakings are as follows:

	Ordinary Shares of 10p each	
	31 December 1995	31 December 1994
AM Dorrian	261	261
FS Jones	934	934

### Contingent rights to the allotment of shares

The directors hold options to subscribe for Sema Group plc ordinary shares of 10p each as follows:

**Executive share option scheme (31 December 1995 and 1 January 1995 except as noted below)**

The share options exercisable between 5 March 1999 and 4 March 2006 at £5.84 were granted on 5 March 1996.

	Exercisable between 28/4/97 & 27/4/04 at £4.09 per share	Exercisable between 27/4/97 & 26/4/04 at £4.08 per share	Exercisable between 5/3/99 4/3/06 at £5.84 per share
AM Dorrian	30,000	-	40,000
FS Jones	50,000	-	60,000
W Bitan	-	35,000	40,000

W Bitan exercised an option over 40,000 shares on 15 September 1995 at a price £2.23 and these shares were subsequently sold.

A M Dorrian exercised options over 6,000 and 24,000 shares on 13 November 1995 at a price of £3.01 and £3.22 respectively. These shares were subsequently sold.

FS Jones exercised his option over 4,000 and 20,000 shares on 18 September 1995 at a price of £3.22 and on 7 March 1996 at a price of £2.47 respectively. These shares were subsequently sold.

## **SEMA GROUP UK LIMITED**

### **DIRECTORS' REPORT (CONTINUED) YEAR ENDED 31 DECEMBER 1995**

#### **Fixed Assets**

Movements in tangible fixed assets during the year are summarised in note 8 to the financial statements.

#### **Employee Involvement**

The company organises staff communication both centrally and locally. The media used for centrally organised communication include technical newsletters, information circulars and copies of press releases. At 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 both the Sema Group pension schemes in the United Kingdom.

#### **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.

#### **Pension Schemes**

Employees of the company are offered a choice of membership of either the Sema Group Pension Scheme, which is a final salary scheme, or the Sema Group Personal Pension Plan which is a money purchase scheme. Both schemes are contracted out of the State Earnings related Pension Scheme.

#### **Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the re-appointment of Price Waterhouse as auditors of the company will be put to the annual general meeting.

By order of the Board



GKH Mason  
Company Secretary

6 June 1996

Registered Office

233 High Holborn  
London  
WC1V 7DJ

# SEMA GROUP UK LIMITED

## PROFIT AND LOSS ACCOUNT YEAR ENDED 31 DECEMBER 1995

	Notes	1995 £000	1994 £000
<b>Turnover</b>			
Continuing operations	2	76,749	1,057
Operating costs		(74,150)	(3,042)
		<hr/>	<hr/>
<b>Operating profit / (loss)</b>			
Continuing operations		2,599	(1,985)
Income from shares in group undertakings		-	4,485
		<hr/>	<hr/>
<b>Profit on ordinary activities before interest and taxation</b>	3	2,599	2,500
Net interest receivable	5	259	35
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		2,858	2,535
Tax on profit on ordinary activities	6	(929)	575
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>		1,929	3,110
Dividend	7	(5,000)	-
		<hr/>	<hr/>
<b>Amounts transferred (from) / to reserves</b>	15	(3,071)	3,110
		=====	=====

A statement of total recognised gains or losses has not been prepared as the only recognised gain or loss in 1995 and 1994 was the profit for the period.


The notes on pages 7 to 16 form part of these financial statements.

**SEMA GROUP UK LIMITED**  
**BALANCE SHEET**  
**YEAR ENDED 31 DECEMBER 1995**

	Notes	1995 £000	1994 £000
<b>Fixed assets</b>			
Tangible Assets	8	4,486	6,211
Investments	9	18,876	4,719
		<u>23,362</u>	<u>10,930</u>
<b>Current assets</b>			
Debtors:			
Due within one year	10	30,456	24,146
Due after one year	10	14,485	14,449
Cash at bank and in hand		102	466
		<u>45,043</u>	<u>39,061</u>
Creditors: amounts falling due within one year	11	(40,789)	(22,855)
		<u>4,254</u>	<u>16,206</u>
<b>Net current assets</b>			
Total assets less current liabilities		<u>27,616</u>	<u>27,136</u>
Creditors: amounts falling due after more than one year	12	(8,056)	(17,250)
Provisions for liabilities and charges	13	-	-
		<u>19,560</u>	<u>9,886</u>
<b>Capital and reserves</b>			
Called up share capital	14, 15	12,750	5
Profit and loss account	15	6,810	9,881
		<u>19,560</u>	<u>9,886</u>
<b>Shareholders' funds</b>			
	15	<u>19,560</u>	<u>9,886</u>

The notes on pages 7 to 16 form part of these financial statements.

Approved by the directors on 6 June 1996

  
 FS Jones  
 Director

**SEMA GROUP UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 1995**

**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 Group plc, of the dispensation available under the Companies Act 1985.

**(b) Turnover**

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

**(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) Depreciation**

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

Computer equipment:	33.3%
Office furniture, cars and equipment:	between 15% and 33.3%

**(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) 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.

**(g) 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.

## **SEMA GROUP UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 DECEMBER 1995**

#### **1 Accounting Policies (continued)**

##### **(h) 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.

##### **(i) Cash Flow Statement**

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

##### **(j) 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 GROUP UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 1995**

<b>2 Turnover</b>	<b>1995</b>	<b>1994</b>
	<b>£000</b>	<b>£000</b>
Turnover is derived by destination from the following geographical regions:		
United Kingdom	47,488	-
Rest of Europe	9,315	-
Asia	4,790	-
North America	3,177	-
South America	2,128	-
Rest of the world	2,672	-
	<hr/>	<hr/>
	69,570	-
Intragroup turnover	7,179	1,057
	<hr/>	<hr/>
	76,749	1,057
	=====	=====

In the opinion of the directors, the company has operated in one principle class of business, namely the provision of information technology and consultancy services. Turnover derived from the businesses transferred into the company on 31 December 1994 amounted to £76,088. Turnover derived from the continued provision of management services to the United Kingdom based group undertakings of Semia Group plc included in intragroup turnover above amounted to £661,000 (1994: £1,057,000)

<b>3 Profit on ordinary activities before taxation</b>	<b>1995</b>	<b>1994</b>
	<b>£000</b>	<b>£000</b>
Profit on ordinary activities before taxation is stated after charging the following:		
Staff costs (note 4)	32,679	2,565
Depreciation of tangible fixed assets (note 8)	3,042	2,738
Auditors' remuneration - audit services	48	10
Rent of land and buildings	3,277	2,248

Fees paid to the auditors, in respect of services other than audit services to the company and its fellow group undertakings, amount to £187,589 (1994:£131,000)

**4 Staff costs**

The company acts as the administration and management company to the operations of Semia Group plc within the United Kingdom. Staff employed by the company are, when appropriate, seconded to individual group or associated undertakings at a rate equal to full salary cost plus social security and other pension costs. Costs relating to the activities of the company are as follows:

	<b>1995</b>	<b>1994</b>
	<b>£000</b>	<b>£000</b>
Staff (including directors)		
Wages and salaries	30,331	27,591
Social security costs	2,499	2,312
Other pension costs	1,428	1,673
	<hr/>	<hr/>
	34,258	31,576
Less:		
Recharged to group undertakings	-	(27,340)
Recharged to associated undertakings	(1,579)	(1,671)
	<hr/>	<hr/>
	32,679	2,565
	=====	=====

# SEMA GROUP UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 DECEMBER 1995

### 4 Staff costs (continued)

	1995 number	1994 number
The average number of employees during the year was:	923 =====	80 =====

#### *Directors' Remuneration*

	1995 £000	1994 £000
Emoluments including pension contributions	366 -----	102 -----
	366 =====	102 =====

The chairman received remuneration in the year of £95,272 (1994:£Nil). The highest paid director received remuneration in the year excluding pension contributions of £205,652 (1994:£85,459).

The directors received remuneration, excluding pension contributions in the following bands:

	1995	1994
Up to £5,000	2	6
£25,001 - £30,000	1	-
£85,001 - 90,000	-	1
£95,001 - £100,000	1	-
£205,001 - £210,000	1	-
	-----	-----
	5	7
	=====	=====

#### *Directors' interest in contracts*

No director had any material interest in any contract of significance to the business of the company during or at the end of the year to 31 December 1995.

#### *Pension arrangements*

The company is a member of Sema Group Pension Fund, a defined benefit pension scheme which provides pensions and other related benefits for those employees of Sema Group plc's UK subsidiaries who elect to become members.

The financial effects of Sema Group plc's pension arrangements, including the Sema Group Pension Fund, are disclosed in the consolidated financial statements of Sema Group plc. In these accounts, the charge in the profit and loss account for the year before recharges to group companies was £1,428,000 (1994:£1,673,000).

**SEMA GROUP UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 1995**

**5 Net interest receivable/(payable)**

	<b>1995</b>	<b>1994</b>
	<b>£000</b>	<b>£000</b>
Interest payable and similar charges in respect of:		
Bank loans and overdrafts wholly repayable within 5 years	(171)	(2)
Group undertakings	(378)	(356)
	<hr/>	<hr/>
	(549)	(358)
Finance lease charges (on leases repayable within 5 years by instalments)	(251)	(330)
	<hr/>	<hr/>
	(800)	(688)
Interest receivable - Intragroup	852	248
Other	207	475
	<hr/>	<hr/>
	259	35
	=====	=====

**6 Tax on profit on ordinary activities**

	<b>1995</b>	<b>1994</b>
	<b>£000</b>	<b>£000</b>
The charge/(credit) for the year is made up as follows:		
United Kingdom group relief at 33%:(1993:33%):		
Current	929	(575)
Deferred (note 13)	-	-
	<hr/>	<hr/>
	929	(575)
	=====	=====

**7 Dividends**

	<b>1995</b>	<b>1994</b>
	<b>£000</b>	<b>£000</b>
Paid	-	-
Proposed	5,000	-
	<hr/>	<hr/>
	5,000	-
	=====	=====

# SEMA GROUP UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 DECEMBER 1995

### 8 Tangible assets

	Computer equipment £000	Office furniture, cars and equipment £000	Total £000
<b>Cost:</b>			
At 1 January 1995	3,446	13,892	17,338
Additions	1,862	125	1,987
Group transfers	(32)	-	(32)
Disposals	(5)	(4,955)	(4,960)
	<hr/>	<hr/>	<hr/>
At 31 December 1995	5,271	9,062	14,333
	=====	=====	=====
<b>Depreciation:</b>			
At 1 January 1995	2,200	8,927	11,127
Charge for year	918	2,124	3,042
Group transfers	(27)	-	(27)
Disposals	(5)	(4,290)	(4,295)
	<hr/>	<hr/>	<hr/>
At 31 December 1995	3,086	6,761	9,847
	=====	=====	=====
<b>Net Book Amount:</b>			
At 31 December 1995	2,185	2,301	4,486
	=====	=====	=====
At 31 December 1994	1,246	4,965	6,211
	=====	=====	=====

The net book amount of office furniture, cars and equipment held under finance leases was £1,970,000 (1994:£4,610,000). The depreciation charge for the year includes amounts in respect of office furniture, cars and equipment held under finance leases of £1,986,000 (1994:£2,566,000).

At 31 December 1995, the company has contracted for capital expenditure for which no provision has been made in the financial statements of £258,000 (1994:£NIL). Capital expenditure authorised but not contracted for amounted to £308,000 (1994:£NIL).

**SEMA GROUP UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 1995**

**9 Investments**

	<b>Group Undertakings £000</b>	<b>Associated Undertakings £000</b>	<b>Total £000</b>
At 1 January 1995	4,714	5	4,719
Additions	9,267	4,895	14,162
Disposals	-	(5)	(5)
	<hr/>	<hr/>	<hr/>
At 31 December 1995	13,981 =====	4,895 =====	18,876 =====

The additions to Group Undertakings relate primarily to the acquisition of a 100% interest in Bridge Street Holdings Limited, a company incorporated in England which indirectly has a 50% interest in Contingency and Planning Recovery Services Limited. The other 50% is already held by Sema Group Outsourcing plc.

Additions to Associated Undertakings relate to the acquisition of a 45% interest in a South African company, Paradigm Systems (Pty) Limited.

*Group undertakings*

The principal group undertakings at 31 December 1995, all of which were engaged in the provision of information technology services, were as follows (all holdings were in ordinary shares):

	<b>Voting rights &amp; proportion held</b>	<b>Country of registration and operation</b>
<i>Direct group undertakings</i>		
Sema Group Consulting Ltd	92.0%	England
Sema Group Outsourcing plc	75.5%*	England

\*24.5% of this interest is held indirectly through the company's holding in SGFM (Participation) Limited.

*Indirect group undertakings*

Contingency and Planning recovery Services Limited	87.75**	England
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\*\*37.75% of this interest is held indirectly through the company's holding in Sema Group Outsourcing plc.

*Associated undertakings*

The principal associated undertaking at 31 December 1995 which was also engaged in the provision of information technology services, was as follows (holding was in ordinary shares):

SGFM (Participation) Limited	50%	England
Paradigm Systems (Pty) Limited	45%	South Africa

**SEMA GROUP UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 1995**

**10 Debtors**

	<b>1995</b>	<b>1994</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	15,902	12,446
Amounts recoverable on contracts	9,499	4,694
Amounts owed by group undertakings	16,431	17,839
Amounts owed by associated undertakings	-	348
Advance corporation tax	29	701
Other debtors	2,188	1,669
Prepayments and accrued income	892	898
	<hr/>	<hr/>
	44,941	38,595
	=====	=====

Amounts falling due after more than one year and included above as amounts owed by group undertakings total £14,485,000 (1994:£14,449,000)

**11 Creditors: amounts falling due within one year**

	<b>1995</b>	<b>1994</b>
	<b>£000</b>	<b>£000</b>
Bank overdrafts	10,064	265
Trade creditors	3,218	848
Payments on account	7,795	5,819
Amounts owed to group undertakings	3,426	1,646
Corporation tax	2,266	875
Other taxation and social security	1,167	1,120
Hire purchase and finance lease commitments	1,941	2,227
Other creditors	4,064	2,864
Accruals	6,848	7,191
	<hr/>	<hr/>
	40,789	22,855
	=====	=====

**12 Creditors: amounts falling due after more than one year**

	<b>1995</b>	<b>1994</b>
	<b>£000</b>	<b>£000</b>
Amounts owed to parent undertaking	5,120	13,718
Amounts owed to group undertakings	1,657	1,149
Hire purchase and finance lease commitments falling due:		
Between 1 and 2 years	13	1,477
Between 2 and 5 years	16	906
Other creditors	1,250	-
	<hr/>	<hr/>
	8,056	17,250
	=====	=====

**SEMA GROUP UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 1995**

**13 Provisions for liabilities and charges**

	<b>1995</b>	<b>1994</b>
	<b>£000</b>	<b>£000</b>
Deferred taxation:		
Amount provided and total potential liability	-	-
in respect of accelerated capital allowances	=====	=====

**14 Share capital**

	<b>1995</b>	<b>1994</b>
	<b>£000</b>	<b>£000</b>
Authorised:		
15,000,000 ordinary share of £1 each (1994:5,000)	15,000	5
	=====	=====
Allotted and fully paid:		
12,750,000 ordinary shares of £1 each (1994: 4,500)	12,750	5
	=====	=====

The authorised share capital of the company was increased during the year to 15,000,000 ordinary shares of £1 each. A further 12,745,500 shares were issued to the holding company at the nominal value of £1 each.

**15 Reconciliation of movement in shareholders' funds**

	<b>Share Capital</b>	<b>Profit &amp; Loss Account</b>	<b>Total Shareholders' Funds</b>	
	<b>£000</b>	<b>£000</b>	<b>1995 £000</b>	<b>1994 £000</b>
At 1 January 1995	5	9,881	9,886	6,776
(Loss) / Profit for the year	-	(3,071)	(3,071)	3,110
Shares issued	12,745	-	12,745	-
	=====	=====	=====	=====
At 31 December 1995	12,750	6,810	19,560	9,886
	=====	=====	=====	=====

# SEMA GROUP UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 DECEMBER 1994

### 16 Guarantees and other financial commitments

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

	1995 £000	1994 £000
In respect of land and buildings:		
Commitments expiring - between 1 and 5 years	335	261
Commitments expiring - after 5 years	2,920	2,920
	<hr/>	<hr/>
	3,255	3,181
	=====	=====

- b) The company, together with its parent undertaking and certain other United Kingdom group undertakings, has given certain cross-guarantees and floating charges to the group's bankers for overdraft and loan facilities. The related indebtedness of the group at 31 December 1995 was £3,500,000 (1994:£Nil). The directors do not anticipate that any liability will arise.

### 17 Post balance sheet events

On 1 March 1996 the company acquired a 100% interest in Mouncey and Partners Limited, a company registered in England. The principal activity of Mouncey and Partners Limited is the provision of information technology and consultancy services.

### 18 Ultimate parent undertaking

The ultimate parent undertaking is Sema Group 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 Group plc financial statements may be obtained from the company secretary, 233 High Holborn, London WC1V 7DJ.

## **SEMA GROUP UK LIMITED**

**YEAR ENDED 31 DECEMBER 1995**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS**

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of the profit or loss of the company for the financial year.

The directors consider that in preparing the financial statements on pages 5 to 16 the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors 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.

The directors are required to prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business. On the basis of their review of the Group's strong order book, its present and forecast liquidity as well as its 1995 budgeted profit and cash flow and other factors, the directors have no reason to doubt that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the accounts.

## **AUDITORS' REPORT TO THE SHAREHOLDERS OF SEMA GROUP UK LIMITED**

We have audited the financial statements on pages 5 to 16 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

### **Respective responsibilities of directors and auditors.**

As described on page 17 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.



PRICE WATERHOUSE  
Chartered Accountants  
and Registered Auditors

Thames Court  
1 Victoria Street  
Windsor  
Berkshire  
SL4 1HB

6 June 1996