

DIRECTORS REPORT AND ACCOUNTS

Year ended December 31, 1996

1696779-

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GE Capital Information Technology Solutions (UK) Plc, (formerly AmeriData Global UK Plc)

DIRECTORS, OFFICERS AND PROFESSIONAL ADVISORS

Year ended December 31, 1996

Directors

Michael Brecht

Hans Dieter Koch

Jost Stollman

Paul Topps (resigned 9 June 1997)

John Casson

Anthony Leppard

Secretary

Anthony Leppard

Registered Office

Edward Way
Burgess Hill
West Sussex RH15 9UD

Registered Number

1696779

Auditors

KPMG
PO Box 695
8 Salisbury Square
London EC4Y 8BB

Bankers

Barclays Bank Plc
Broadgate Business Centre
155 Bishopsgate
London EC2M 3XA

Solicitors

Theodore Goddard
150 Aldersgate Street
London EC1A 4EJ

Managing Director's Review

Year ended December 31, 1996

1996 saw a focus on controlling costs and increasing the proportion of revenues generated by service activities. This resulted in a more stable trading environment.

Following the acquisition of the company by GE Capital Corporation of the USA in July 1996, detailed plans for the company to form the UK operations of the European arm of GE Capital Information Technology Solutions Inc. have been completed. These plans envisage the further focusing of UK operations to achieve significant cost savings resulting from operational synergies with the German operations of GE Capital Information Technology Solutions Inc. and the potential acquisition of like businesses within the UK.

Provisions for the related costs of the restructuring of UK operations include the costs of terminating leases of two properties and the disposal of non-core activities.

The business plan for 1997 forecasts rapid continued growth throughout the year.

DIRECTORS' REPORT

Year ended December 31, 1996

The directors present their report and audited accounts for the year ended December 31, 1996.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

GE Capital Information Technology Solutions (UK) Plc is a computer services company and its principal activities during the period were the marketing of desktop and network computer equipment and systems, complementary peripherals, programming and the provision of related training, maintenance and service.

On July 15, 1996 GE Capital Services (a division of General Electric Company of the USA, listed on the New York Stock Exchange) acquired through one of its indirect wholly owned subsidiaries, GAC Acquisition I Corp, a majority of the issued common stock of AmeriData Technologies Inc., and thereby, ownership of AmeriData Global UK Plc. On March 27, 1997, AmeriData Global UK Plc changed its name to GE Capital Information Technology Solutions (UK) Plc.

RESULTS AND DIVIDENDS

The company reports an operating profit of £352,000 before provision for restructuring costs of £3.1 million and interest costs of £612,000 which are shown separately in the profit and loss account.

The retained losses of £10,037,000 exceed net assets by £3.3 million. The Directors have received assurances from the parent company, GE Capital Corporation, that it will continue to support trading activities and will not require the repayment of its loan to GE Capital Information Technology Solutions (UK) Plc. of £7.8 million. Consequently, these accounts are prepared on the going concern basis.

The Directors do not recommend the payment of a dividend (1995: £nil).

FIXED ASSETS

Movements in fixed assets are disclosed in notes 8 and 9 to the accounts.

FUTURE DEVELOPMENTS

The company will continue to look for suitable outlets for its selling activities.

AUDITORS

On November 26th 1996 Ernst & Young resigned as auditors to the company and KPMG were appointed in their stead.

DONATIONS

There were no charitable or political donations during the year.

DIRECTORS' REPORT

Year ended December 31, 1996

DIRECTORS AND THEIR INTERESTS

The directors of the company and their interests in the share capital of the company are as follows:

		1996 Ordinary Shares	1995 Ordinary Shares
M.J.A.Cross	(resigned December 11th, 1996)	Nil	Nil
P.M.Topps	(resigned June 9th, 1997)	Nil	Nil
G.A.Poch	(resigned March 3rd, 1997)	Nil	Nil
P.Alexander	(resigned March 3rd, 1997)	1	Nil
J.Dunn	(resigned March 3rd, 1997)	Nil	Nil
A.Towell	(resigned December 11th, 1996)	Nil	Nil
M.Brecht	(appointed December 11th, 1996)	Nil	Nil
J.Stollman	(appointed March 3rd, 1997)	Nil	Nil
H.D.Koch	(appointed March 3rd, 1997)	Nil	Nil
J.Casson	(appointed June 27, 1997)	Nil	Nil
A.Leppard	(appointed June 27, 1997)	Nil	Nil

CREDITOR PAYMENT POLICY

The company's policy for the year ended December 31, 1996, for all suppliers, is to fix terms of payment when agreeing the terms of each business transaction, to ensure that the supplier is aware of those terms, and to abide by the agreed terms of payment.

EMPLOYMENT POLICIES

The company operates an equal opportunities employment policy to ensure that both applicants and employees are considered purely on their ability to perform a role regardless of their colour, gender, age, disability, race, creed, ethnic origin, marital status or sexual orientation.

It is the policy of the company to give full and fair consideration to applications for employment from disabled persons and to continue where possible the employment of staff who may become disabled.

EMPLOYEE INVOLVEMENT

The directors continue to place emphasis on high standards of customer care and service. The commitment of every employee to this business requirement is considered to be critical. Accordingly, regular company meetings are held to report on quality achievements, financial performance, general news and future prospects.

By Order of the Board

A Leppard, Secretary



October 20, 1997

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DIRECTORS' RESPONSIBILITIES

Year ended December 31, 1996

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

Company law requires the directors to prepare accounts 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 of the company for that period. In preparing those accounts, the directors are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgments 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 accounts;
- * prepare the accounts 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.

AUDITORS' REPORT TO THE MEMBERS OF

GE Capital Information Technology Solutions (UK) Plc

Year ended December 31, 1996

We have audited the accounts on pages 8 to 22.

Respective responsibilities of directors and auditors

As described on page 6 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at December 31, 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KMG

KPMG
PO Box 695
8 Salisbury Square
London EC4Y 8BB

Chartered Accountants
Registered Auditors

21 October 1997

GE Capital Information Technology Solutions (UK) Plc, (formerly AmeriData Global UK Plc)

PROFIT & LOSS ACCOUNT

Year ended December 31, 1996

		Year Ended December 31, 1996 £'000	<i>Year Ended December 31, 1995 £'000</i>
	Notes		
TURNOVER	2	62,399	67366
Cost of sales		(46,944)	(54,123)
GROSS PROFIT		<u>15,455</u>	<u>13,243</u>
Distribution costs		(3,881)	(4,144)
Administrative expenses		(11,222)	(13,521)
OPERATING PROFIT/(LOSS)	3	<u>352</u>	<u>(4,422)</u>
Exceptional item: costs of restructuring	3	(3,108)	
Net interest payable	6	(612)	(535)
LOSS ON ACTIVITIES BEFORE TAXATION		<u>(3,368)</u>	<u>(4,957)</u>
Tax on loss on ordinary activities	7	Nil	Nil
RETAINED LOSS FOR THE YEAR	16	<u><u>(3,368)</u></u>	<u><u>(4,957)</u></u>

All the activities of the company in the current and prior year are of a continuing nature.

There were no recognised gains or losses other than the loss for the financial years.

There is no material difference between the results as disclosed by the profit and loss account and the results as given by an unmodified historical cost basis for the year and prior year.

BALANCE SHEET

Year ended December 31, 1996

	Notes	1996 £'000	1995 £'000
FIXED ASSETS			
Intangible assets	8	Nil	3
Tangible assets	9	<u>1,165</u>	<u>1,411</u>
		1,165	1,414
CURRENT ASSETS			
Stocks	10	<u>2,664</u>	<u>3,087</u>
Debtors	11	<u>9,119</u>	<u>12,956</u>
Cash at bank and in hand	18	<u>1,879</u>	<u>1,992</u>
		13,662	18,035
CREDITORS: amounts falling due within one year	12	<u>(16,905)</u>	<u>(19,279)</u>
NET CURRENT LIABILITIES		(3,243)	(1,244)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(2,078)</u>	<u>170</u>
CREDITORS: amounts falling due after more than one year	13	<u>(1,182)</u>	<u>(152)</u>
NET (LIABILITIES)/ASSETS		<u>(3,260)</u>	<u>18</u>
CAPITAL AND RESERVES			
Called up share capital	15	514	513
Share premium account	16	6,033	5,944
Capital reserves	16	230	230
Profit and loss account	16	(10,037)	(6,669)
EQUITY SHAREHOLDERS' FUNDS	16	<u>(3,260)</u>	<u>18</u>

Approved by the Board of Directors on October 20, 1997

A. Leppard



Director

GE Capital Information Technology Solutions (UK) Plc, (formerly AmeriData Global UK Plc)

CASH FLOW STATEMENT

Year ended December 31, 1996

		Year Ended December 31, 1996 £'000	<i>Year ended December 31, 1995 £'000</i>
	Notes		
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	17	(2,364)	(2,899)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		31	4
Interest paid		(531)	(515)
Interest element of hire purchase rental payments		(14)	(24)
		(514)	(535)
TAXATION			
Corporation tax paid			(40)
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets		(463)	(931)
Receipts from sale of tangible fixed assets		132	327
		(331)	(604)
NET CASH OUTFLOW BEFORE FINANCING		(3,209)	(4,078)
FINANCING			
Issue of share capital		90	3,109
Bank loan repayments		(50)	(103)
Group company loan, net		6,360	637
Other loans, net		(3,146)	3,146
Hire purchase finance, net		(158)	(37)
NET CASH INFLOW FROM FINANCING		3,096	6,752
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	18	(113)	2,674

NOTES TO THE ACCOUNTS

Year ended December 31, 1996

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 accounts.

1.1 Basis of preparation

These accounts have been prepared on a going concern basis which assumes the company will continue to trade as the ultimate parent company, GE Capital Corporation, has indicated that it intends to provide such funds as are necessary for the company to trade for the foreseeable future.

The accounts are prepared under the historical cost convention on the going concern basis and in accordance with applicable Accounting Standards.

Under Financial Reporting Standard No. 8, the company is exempt from the requirement to show transactions with other GE Capital Corporation group undertakings, or investees of the group qualifying as related parties, on the grounds that a parent undertaking includes the company in its own consolidated financial statements.

1.2 Turnover

Turnover represents the invoiced amount of all goods sold and services provided excluding value added tax.

1.3 Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life, as follows:

- Leasehold property - over the lease term or its estimated useful life if less
- Fittings and furniture - between 3 and 10 years
- Plant and equipment - between 3 and 10 years
- Motor vehicles - between 3 and 4 years

1.4 Intangible assets

Intellectual property rights are written off evenly over their expected period of benefit on a straight line basis between 0 and 3 years.

1.5 Leases

Where the company enters into a hire purchase contract the asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life. Future instalments under such contracts, 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. Operating lease payments are charged to the profit and loss account in the year to which they relate.

NOTES TO THE ACCOUNTS (continued)

Year ended December 31, 1996

1. ACCOUNTING POLICIES (continued)

1.6 Stocks

Stocks are stated at the lower of cost, calculated on an average purchase price basis, and net realisable value. Net realisable value is based on the estimated selling price less further costs expected to be incurred on disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

1.7 Deferred tax

Deferred tax is provided on the liability method and represents tax deferred because of timing differences between profits as stated in the accounts and profits as calculated for tax purposes.

1.8 Deferred income

A provision is made, on a time apportionment basis, for the future income from the unexpired part of all maintenance and support contracts.

1.9 Pensions

The company does not operate its own pension scheme. Pension payments to employees' personal pension schemes are charged to the profit and loss account in the year to which they relate.

1.10 Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at average monthly rates. Monetary assets and liabilities denominated in foreign currencies which are held at the year end are translated into sterling at year end exchange rates.

Exchange differences on monetary assets and liabilities denominated in foreign currencies are taken to the profit and loss account.

1.11 Goodwill

Purchased goodwill is written off against reserves in the year in which it arises.

2. TURNOVER

All turnover and profits before taxation are derived from the provision of computer services and products.

The analysis of turnover by geographical area is as follows:

United Kingdom	61,572	66,917
Europe	827	449
	<u>62,399</u>	<u>67,366</u>

GE Capital Information Technology Solutions (UK) Plc, (formerly AmeriData Global UK Plc)

NOTES TO THE ACCOUNTS (continued)

Year ended December 31, 1996

Year Ended	<i>Year ended</i>
December 31,	<i>December 31,</i>
1996	<i>1995</i>
£'000	<i>£'000</i>

3. OPERATING LOSS & RESTRUCTURING COSTS

a) Operating loss is arrived at after charging:

Auditors' remuneration (Ernst & Young) - audit	Nil	<i>25</i>
Auditors' remuneration (Ernst & Young) - other services	3	<i>Nil</i>
Auditors' remuneration (KPMG) - audit	30	<i>41</i>
Auditors' remuneration (KPMG) - other services	6	<i>28</i>
Depreciation - owned	574	<i>1,295</i>
Depreciation - leased	63	<i>102</i>
Amortisation of intangible fixed assets	3	<i>21</i>
Hire of plant and equipment	45	<i>18</i>
Operating leases - other	1,324	<i>1,312</i>

b) Provision for restructuring costs

Provision has been recorded for the costs of a restructuring of the Company's operations to focus on its core activities of distribution, installation and maintenance of computer equipment and the provision of consulting services.

The provision consists of amounts set aside for:

Property costs	1,683
Personnel and related costs	418
Loss on disposal of computer equipment	386
Other costs	621
	3,108

4. STAFF COSTS (including directors)

Wages and salaries	8,283	<i>8,089</i>
Social security costs	830	<i>900</i>
Pension contributions	Nil	<i>33</i>
	9,113	<i>9,022</i>
The average number of employees during the year was:	306	<i>343</i>

All employees are engaged in the sales, technical and administration departments.

NOTES TO THE ACCOUNTS (continued)

Year ended December 31, 1996

Year Ended December 31, 1996 £'000	Year Ended December 31, 1995 £'000
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5. DIRECTORS' EMOLUMENTS

Directors' management remuneration (including pension contributions)	<u>217</u>	<u>310</u>
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The emoluments, excluding pension contributions, of the Chairman were £nil (1995: £96,000) and those of the highest paid director were £105,474 (1995: £96,000).

The emoluments of directors, excluding pension contributions, during the year or from date of appointment were within the following ranges:

	1996	1995
£Nil to £5,000	4	6
£10,001 to £15,000	1	Nil
£30,001 to £35,000	Nil	1
£40,001 to £45,000	Nil	1
£70,001 to £75,000	Nil	1
£90,001 to £95,000	1	1
£95,001 to £100,000	Nil	1
£105,001 to £110,000	1	Nil

6. NET INTEREST PAYABLE

Interest payable:

On bank loans and overdrafts repayable within 5 years	7	450
On loans from fellow group company repayable within 5 years	622	65
In respect of hire purchase contracts	14	24
	<u>643</u>	<u>539</u>
Less: Interest receivable	(31)	(4)
	<u>612</u>	<u>535</u>

NOTES TO THE ACCOUNTS (continued)

Year ended December 31, 1996

7. TAXATION

The company has estimated tax losses carried forward of £6.2m (1995 - £5.8m). Deferred tax has not been provided due to the availability of tax losses.

8. INTANGIBLE FIXED ASSETS

	Intellectual property rights £'000
COST	
At January 1, 1996	212
Additions	Nil
At December 31, 1996	<u>212</u>
AMORTISATION	
At January 1, 1996	209
Charge for the period	3
At December 31, 1996	<u>212</u>
NET BOOK VALUE	
At December 31, 1996	<u>Nil</u>
At December 31, 1995	<u>3</u>

GE Capital Information Technology Solutions (UK) Plc, (formerly AmeriData Global UK Plc)

NOTES TO THE ACCOUNTS (continued)

Year ended December 31, 1996

9. TANGIBLE FIXED ASSETS

	Leasehold property £'000	Fittings & furniture £'000	Plant & equipment £'000	Motor vehicles £'000	Total £'000
COST					
At January 1, 1996	478	446	2,612	216	3,752
Additions	38	20	405		463
Disposals	(33)	(26)	(328)	(170)	(557)
At December 31, 1996	<u>483</u>	<u>440</u>	<u>2,689</u>	<u>46</u>	<u>3,658</u>

DEPRECIATION

At January 1, 1996	135	280	1,806	120	2,341
Charge for the year	68	52	479	38	637
Disposals	(22)	(26)	(312)	(125)	(485)
At December 31, 1996	<u>181</u>	<u>306</u>	<u>1,973</u>	<u>33</u>	<u>2,493</u>

NET BOOK VALUES

At December 31, 1996	<u>302</u>	<u>134</u>	<u>716</u>	<u>13</u>	<u>1,165</u>
At December 31, 1995	<u>343</u>	<u>166</u>	<u>806</u>	<u>96</u>	<u>1,411</u>

Included in the above are the following assets held under hire purchase agreements:

NET BOOK VALUES

At December 31, 1996	Nil	Nil	15	13	28
At December 31, 1995	Nil	Nil	106	90	196

DEPRECIATION CHARGE FOR YEAR

Year to December 31, 1996	Nil	Nil	31	32	63
Year to December 31, 1995	Nil	Nil	41	96	137

NOTES TO THE ACCOUNTS (continued)

Year ended December 31, 1996

	1996 £'000	1995 £'000
10. STOCKS		
Goods for resale and spare parts	<u>2,664</u>	<u>3,087</u>
11. DEBTORS		
Trade debtors	7,802	11,817
Prepayments and accrued income	606	433
Corporation tax	283	248
Amounts owed by group undertakings	13	Nil
Other debtors	415	458
	<u>9,119</u>	<u>12,956</u>
12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans (note 13)	50	100
Amounts owed to fellow subsidiary undertakings	8,323	1,449
Other loans	Nil	3,146
Hire purchase	40	50
Trade creditors	1,685	6,535
Other creditors including taxation and social security	1,264	1,658
Restructuring provisions	1,930	Nil
Accruals and deferred income	3,613	6,341
	<u>16,905</u>	<u>19,279</u>

Deferred income represents the provision for the future income from the unexpired part of maintenance and support contracts.

Amounts due under dealer financing arrangements to IBM UK Financial Services Limited were paid in full on receipt of the amount owed to fellow subsidiary undertakings. At December 31, 1996 included within trade creditors and accruals were amounts owed to IBM UK Financial Services Ltd. of £1,047,000 (1995 - £3,902,000). IBM UK Financial Services Ltd. continue to hold a floating charge over that part of stock purchased from IBM UK Ltd. and held for resale.

NOTES TO THE ACCOUNTS (continued)

Year ended December 31, 1996

	1996 £'000	1995 £'000
13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Bank loan repayable in annual instalments of £50,000 (excl. interest)	Nil	50
Restructuring provisions	1,178	Nil
Hire purchase repayable in two years	4	102
	<u>1,182</u>	<u>152</u>

14. OTHER FINANCIAL COMMITMENTS

a) Lease commitments

The company has an annual commitment under operating leases as follows:

Expiring within one year - Other	118	152
Expiring within one year - Land and buildings	Nil	22
Expiring between two and five years - Other	413	463
Expiring between two and five years - Land and buildings	145	Nil
Expiring thereafter - Land and buildings	455	600
	<u>1,131</u>	<u>1,237</u>

b) Capital commitments

At the end of the period there were capital commitments contracted but not provided for amounting to £28,321 (1995 - £14,500).

NOTES TO THE ACCOUNTS (continued)

Year ended December 31, 1996

15. CALLED UP SHARE CAPITAL

	1996 Number	1995 Number	1996 £'000	1995 £'000
Authorised				
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000</u>	<u>1,000</u>
Issued Ordinary shares				
Allotted, called up and fully paid	<u>513,709</u>	<u>512,804</u>	<u>514</u>	<u>513</u>

On December 31, 1996 AmeriData UK Limited subscribed to the issue of 905 £1 Ordinary shares at £100 per share at a total cash price of £90,500. The share issue was made to strengthen the capital base of the company.

16. RESERVES

	Share premium account £'000	Capital reserves £'000	Profit and loss account £'000
At December 31, 1995	5,944	230	(6,669)
New share capital issued	89	Nil	Nil
Retained loss for the period	Nil	Nil	(3,368)
At December 31, 1996	<u>6,033</u>	<u>230</u>	<u>(10,037)</u>

GE Capital Information Technology Solutions (UK) Plc, (formerly AmeriData Global UK Plc)

NOTES TO THE ACCOUNTS (continued)

Year ended December 31, 1996

	1996	1995
	£'000	£'000
16. RESERVES (cont.)		
Reconciliation of movements in shareholders funds:		
Loss for the financial year	(3,368)	(4,957)
New share capital issued	90	3,109
Net (decrease) in shareholders' funds	(3,278)	(1,848)
Balance at beginning of year	18	1,866
Balance at end of year	(3,260)	18

17. NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

Operating profit/(loss)	352	(4,422)
Depreciation and amortisation	640	1,418
Restructuring provision	Nil	(397)
(Profit)/loss on sale of fixed assets	(60)	1
Decrease/(increase) in stocks	423	(98)
Net transfer of stock to fixed assets	Nil	(467)
Decrease/(increase) in debtors	3,837	(4,003)
Increase/(decrease) in creditors	(7,556)	5,069
	(2,364)	(2,899)

18. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	Cash	Overdraft	Net
	£'000	£'000	£'000
Balance at December 31, 1994	1	(683)	(682)
Net cash inflow	1,991	683	2,674
Balance at December 31, 1995	1,992	Nil	1,992
Net cash outflow	(113)	Nil	(113)
Balance at December 31, 1996	1,879	Nil	1,879

NOTES TO THE ACCOUNTS (continued)

Year ended December 31, 1996

19. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share capital (including premium) £'000	Loans and hire purchase obligations £'000
Balance at December 31, 1994	3,348	1,242
Cash inflow from financing	3,109	3,783
Inception of hire purchase contracts	Nil	143
Cash outflow from financing	Nil	(283)
Balance at December 31, 1995	<u>6,457</u>	<u>4,885</u>
Cash inflow from financing	90	6,360
Cash outflow from financing	Nil	(3,354)
Balance at December 31, 1996	<u>6,547</u>	<u>7,891</u>

20. ULTIMATE PARENT COMPANY

The largest group in which the results of the company are consolidated is that of General Electric Company, the company's ultimate holding company, which is incorporated in the USA. The consolidated accounts of General Electric Company are available to the public and may be obtained from 3135 Easton Turnpike, Fairfield, Connecticut 06431. The smallest group in which the results of the company are consolidated is that of AmeriData UK Ltd..

NOTES TO THE ACCOUNTS (continued)

Year ended December 31, 1996

21. POST BALANCE SHEET EVENT

On May 31, 1997 as part of the planned restructuring of the Company's operations, certain business activities relating primarily to the design, installation and implementation of proprietary software products were sold. The book value of the assets and liabilities sold and the gain on their disposal were as follows:

	£'000
Trade debtors	418
Fixed assets	160
Other assets	6
Accruals and deferred income	564
Net assets sold	<u>20</u>
Gain on disposal	<u>250</u>