

**TMS INFORMATION SOLUTIONS LIMITED**

Registration Number: 1793902

**REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 1999**



**TMS INFORMATION SOLUTIONS LIMITED**

**DIRECTORS AND OFFICERS**

**DIRECTORS**

K M Jennings  
I O'Driscoll

**SECRETARY**

A Leyshon

**REGISTERED OFFICE**

Wimbledon Bridge House  
1 Hartfield Road  
Wimbledon  
Surrey  
SW19 3RU

Registration Number: 1793902  
Registered in England and Wales

**AUDITORS**

PricewaterhouseCoopers  
1 Embankment Place  
London  
WC2N 6NN

# **TMS INFORMATION SOLUTIONS LIMITED**

## **DIRECTORS' REPORT**

The Directors submit their report and the financial statements of TMS Information Solutions Limited for the period ended 31 December 1999. During the year the Directors changed the accounting reference date to 31 December.

### **PRINCIPAL ACTIVITIES**

The principal activities of the company during the period continued to be that of management consulting, information development, translation and localisation, and resourcing contract and permanent staff.

Intranet and internet related consulting and development has assumed an important role in our business.

### **REVIEW OF THE BUSINESS**

Turnover for the period was £7,867,035 (year ended 2 April 1999: £11,387,234) and profit before tax was £685,537 (year ended 2 April 1999: £270,931).

### **RESULTS AND DIVIDENDS**

The trading profit for the period after taxation was £467,809 (1998/9 - £219,043).

The Directors do not recommend a final dividend on the ordinary shares of the company, which leaves all this profit to be retained (1998/9: total dividends declared £80,074 (see note 8 to the accounts)).

### **FUTURE DEVELOPMENTS**

TMS Information Solutions Limited ceased trading on 31st December 1999. On 1st January 2000, all the assets and liabilities trading activities were transferred to the holding company, Parity Solutions Limited.

### **YEAR 2000**

In preparation for the year 2000 the Group carried out a thorough Assurance Review of its internal systems and business operations, to ensure that problems associated with the date change would be minimised. The process of rectifying the systems was completed in 1999 and no operating problems have been experienced in 2000 to-date. No material expenditure was incurred during the year in specifically addressing the problems identified.

# TMS INFORMATION SOLUTIONS LIMITED

## DIRECTORS' REPORT continued

### Year 2000 continued

However, in certain cases Year 2000 compliance was achieved as an associated benefit of the on-going programme of replacing or upgrading systems as part of the continuous investment in the IT infrastructure of the Group. The Group continues to closely monitor the Year 2000 issue and the impact it may have on its systems.

### DIRECTORS AND THEIR INTERESTS

The following Directors have served on the Board thorough out the period:-

A P G Garvey	Resigned 8 September 2000
P N Ketteringham	Resigned 18 February 2000

On 6th April 1999 D C Preece, J A Hilder, P C MccGwire and J M Feeney resigned and D S P Firth, I O'Driscoll and K M Jennings were appointed to the Board.

On 31st August 1999 D S P Firth resigned from the Board.

On 14th September 1999 G R George resigned from the Board.

### DIRECTORS INTERESTS IN SHARES

Directors interests in the shares of the company, including family interests, were as follows

	Ordinary shares of £1 each	
	31.12.99	2.4.99
D C Preece	-	10,000
Ms J A Hilder	-	10,000

No other Directors had any interests in the shares of the company.

On 6th April 1999 D C Preece, J A Hilder and 3i plc sold the entire share-holding of TMS Information Solutions Ltd to Parity Solutions Limited, a subsidiary of Parity Group plc.

The interests of the directors in the share capital of Parity Group plc are disclosed in the accounts of Parity Solutions Limited.

### AUDITORS

On 6th April 1999 Grant Thornton resigned as auditors of the company and the Directors appointed PricewaterhouseCoopers as new auditors.

Resolutions will be passed at the Annual General Meeting for their reappointment.

# TMS INFORMATION SOLUTIONS LIMITED

## DIRECTORS' REPORT continued

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial period 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 financial statements, the Directors are required to:

- \* select suitable accounting policies and 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 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 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.

By order of the Board



I O'Driscoll  
Director

Date: 27 October 2000

# TMS INFORMATION SOLUTIONS LIMITED

## REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF TMS INFORMATION SOLUTIONS LIMITED

We have audited the financial statements on pages 7 to 22 which have been prepared under the historic cost convention and in accordance with the accounting policies set out on pages 9 and 10.

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

The Directors are responsible for preparing the annual report, including as described on page 5, 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 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 judgments 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 consider 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 a fair view of the state of the company's affairs as at 31 December 1999 and of its profit for the period then ended and have been properly prepared in accordance with the United Kingdom Companies Act 1985.



27 October 2000

**PricewaterhouseCoopers**

Chartered Accountants and Registered Auditors

1 Embankment Place

London

WC2N 6NN

# TMS INFORMATION SOLUTIONS LIMITED

## PROFIT AND LOSS ACCOUNT

Period ended 31 December 1999

	Notes	9 months ended 31.12.99 £	Year ended 2.4.99 £
TURNOVER	2	7,867,035	11,387,234
Cost of Sales		(5,450,306)	(7,878,842)
Gross Profit		2,416,729	3,508,392
Administrative Expenses		(1,713,520)	(3,207,739)
OPERATING PROFIT	3	703,209	300,653
Interest Payable (net)	6	(17,672)	(29,722)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		685,537	270,931
Tax on profit on ordinary activities	7	(217,728)	(51,888)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		467,809	219,043
Dividends including non-equity dividends	8	-	(80,074)
PROFIT RETAINED FOR FINANCIAL PERIOD	18	467,809	138,969

There were no recognised gains or losses other than the profit or loss for the period.  
The Company ceased trading on 31st December 1999.

The accompanying accounting policies and notes form an integral part of the financial statements.

# TMS INFORMATION SOLUTIONS LIMITED

## BALANCE SHEET

31 December 1999

	Notes	31.12.99 £	2.4.99 £
<b>FIXED ASSETS</b>			
Tangible assets	9	539,112	531,598
Investments	10	2	2
		<u>539,114</u>	<u>531,600</u>
<b>CURRENT ASSETS</b>			
Stock & Work in Progress	11	40,601	22,093
Debtors	12	2,357,835	2,412,965
Cash at Bank and in Hand		319,583	561,898
		<u>2,718,019</u>	<u>2,996,956</u>
<b>CURRENT LIABILITIES:</b>			
Amounts falling due within one year	13	(1,843,405)	(2,441,325)
<b>NET CURRENT ASSETS</b>		<u>874,614</u>	<u>555,631</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,413,728	1,087,231
<b>CREDITORS:</b>			
Amounts falling due after more than one year	14	(17,559)	(158,871)
		<u>1,396,169</u>	<u>928,360</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	289,619	289,619
Share premium account	18	124,339	124,339
Profit and loss account	18	982,211	514,402
<b>SHAREHOLDERS FUNDS</b>	19	<u>1,396,169</u>	<u>928,360</u>
Equity shareholders funds		1,002,211	521,450
Non-equity shareholders funds		393,958	406,910
		<u>1,396,169</u>	<u>928,360</u>

The financial statements were approved by the Board of Directors on 27 October 2000 and signed on its behalf by



**J O'Driscoll**  
**Director**

The accompanying accounting policies and notes form an integral part of the financial statements.



# TMS INFORMATION SOLUTIONS LIMITED

## NOTES TO THE ACCOUNTS

Period ended 31 December 1999

### 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 financial statements.

#### Basis of accounting

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

#### Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT.

#### Depreciation

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

The rates generally applicable are:

Leasehold Improvements	over the lease term
Computers and Office Equipment	over 3 to 15 years
Motor Vehicles	over 4 years

#### Stocks and work in progress

Stocks and work in progress are valued at the lower of cost incurred and net realisable value as follows:

Finished goods	cost of goods for resale
Work in progress	cost of direct materials and labour plus attributable overheads based on normal levels of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

# **TMS INFORMATION SOLUTIONS LIMITED**

## **NOTES TO THE ACCOUNTS**

**Period ended 31 December 1999**

### **Deferred taxation**

Deferred taxation is provided on the liability method on all timing differences only to the extent that they are expected to reverse in the future, calculated at the rate of tax which it is anticipated will apply.

### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

### **Leasing and hire purchase commitments**

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their lease term. The interest element of the rental obligations is charged to the profit and loss account over the balance of capital repayments outstanding. All fixed assets are initially recorded at cost.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

### **Pensions**

The company operates a defined contribution pension scheme for Directors and staff. Employers contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

### **Cash flow statement and related party disclosures**

The Company is a wholly-owned subsidiary of Parity Group plc and is included in the consolidated financial statements of Parity Group plc, which are publicly available. Consequently the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of the Financial Reporting Standard 1 (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8, from disclosing related party transactions with entities of the Parity Group or investees of the Group.

# TMS INFORMATION SOLUTIONS LIMITED

## NOTES TO THE ACCOUNTS

Period ended 31 December 1999

### 2 TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties. Turnover is attributable to one activity, that of management consulting and information development services.

An analysis of turnover by geographical market is as below:

	9 months ended 31.12.99 £	Year ended 2.4.99 £
United Kingdom	6,536,010	8,945,814
Rest of Europe	1,265,004	2,356,157
North America	66,021	81,301
Africa and Asia	-	3,962
	<hr/> 7,867,035	<hr/> 11,387,234

### 3 OPERATING PROFIT

This is stated after charging

	9 months ended 31.12.99 £	Year ended 2.4.99 £
Auditors remuneration	-	7,200
Amortisation of leasehold improvements	4,590	6,120
Depreciation of owned fixed assets	144,990	162,430
Depreciation of assets held under finance leases and hire purchase contracts	50,087	72,167
Profit on disposal of fixed assets	15,874	33,389
Operating lease rentals		
motor vehicles	28,391	32,144
land and buildings	75,000	134,814
Foreign exchange losses	13,174	6,597
	<hr/>	<hr/>

# TMS INFORMATION SOLUTIONS LIMITED

## NOTES TO THE ACCOUNTS continued

Period ended 31 December 1999

	9 months ended 31.12.99 £	Year ended 2.4.99 £
<b>4 DIRECTOR'S EMOLUMENTS</b>		
Emoluments	82,488	270,816
Bonuses	-	550,145
Contributions to money purchase pension schemes	-	7,680
	<u>82,488</u>	<u>828,641</u>

The emoluments, including pension contributions, of the highest paid director were £41,133 (1998/9 - £198,972). Of the directors serving at the year end, two were members of money purchase pension schemes.

Details of I O'Driscoll's share options in the share capital of Parity Group plc are as follows:

	31 December 1999	31 December 1998*	Movement in the year Granted	Exercised*
I O'Driscoll	61,400	75,000	61,400	75,000

The details of K M Jennings's share options in the share capital of Parity Group plc are disclosed in that company's accounts.

\*Figures represent interests in Parity Group plc shares after allowing for the three for one share adjustment following the Scheme of Arrangement.

On 29 April 1999 Mr O'Driscoll exercised 75,000\* options at 79p per share. The market price on exercise was 232p\*.

Mr O'Driscoll entered into a 5 year savings contract on 1 June 1994 that entitled him to purchase ordinary shares in Parity plc for 33p\* each. This contract matured in June 1999 and Mr O'Driscoll subscribed for 20,700\* shares.

During the year, Mr O'Driscoll entered into a new 3 year savings contract, which would have entitled him to purchase ordinary shares in Parity plc for 615p each. Under the terms of the Scheme of Arrangement, whereby Parity Group plc became the quoted parent company of Parity plc, Mr O'Driscoll's options were converted into options to subscribe for ordinary shares of Parity Group plc for 205p each. The maximum number of Parity Group plc shares which Mr O'Driscoll would be entitled to on completion of his savings contract, in May 2002, is 1,890. At the 31 December 1999 the Director had contributed £800 under his savings contract.

# TMS INFORMATION SOLUTIONS LIMITED

## NOTES TO THE ACCOUNTS continued

Period ended 31 December 1999

	9 months ended 31.12.99 £	Year ended 2.4.99 £
<b>5 STAFF COSTS</b>		
Wages and salaries	1,279,838	1,808,008
Social security costs	135,210	175,165
Other pension costs	-	7,680
	<u>1,415,048</u>	<u>1,990,853</u>

The average weekly number of employees during the period was as follows:

	9 months ended 31.12.99 No.	Year ended 2.4.99 No.
Administration	7	7
Marketing	4	4
Professional Services	45	45
	<u>56</u>	<u>56</u>

# TMS INFORMATION SOLUTIONS LIMITED

## NOTES TO THE ACCOUNTS continued

Period ended 31 December 1999

### 6 INTEREST PAYABLE / (RECEIVABLE)

	9 months ended 31.12.99 £	Year ended 2.4.99 £
Bank loans and overdrafts	3,010	7,217
Other loans not wholly repayable within 5 years	-	7,833
Finance charges payable under finance leases and hire purchase contracts	15,361	17,280
	<hr/> 18,371	<hr/> 32,330
Bank deposit account	(699)	(2,608)
	<hr/> 17,672	<hr/> 29,722

### 7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	9 months ended 31.12.99 £	Year ended 2.4.99 £
Based on the profit for the period:		
UK Corporation tax at 30% (2.4.99 - 31%)	217,000	54,391
Under/(Over) provision for previous years	728	(2,503)
	<hr/> 217,728	<hr/> 51,888

### 8 DIVIDENDS

	9 months ended 31.12.99 £	Year ended 2.4.99 £
Equity dividends		
'A' Ordinary		
- paid interim dividend of £Nil per share (1998/9: £1.50)	-	10,000
- under provided final dividend in prior years	-	548
	<hr/> -	<hr/> 10,548
Ordinary		
- paid interim dividend of £Nil per share (1998/9: £1.50)	-	30,000
- proposed second interim dividend (1998/9: see Note 17)	-	12,952
	<hr/> -	<hr/> 53,500
Non-equity dividends		
Preference dividend of £Nil paid per share (1998/9: 10.5p)	-	26,574
	<hr/> -	<hr/> 80,074

# TMS INFORMATION SOLUTIONS LIMITED

## NOTES TO THE ACCOUNTS continued

Period ended 31 December 1999

### 9 TANGIBLE FIXED ASSETS

	Leasehold Improvements	Computers and Office Equipment	Motor Vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 2 April 1999	91,731	976,908	140,321	1,208,960
Additions	-	246,195	-	246,195
Disposals	-	(1,735)	(78,475)	(80,210)
At 31 December 1999	91,731	1,221,368	61,846	1,374,945
<b>Depreciation</b>				
At 2 April 1999	41,535	581,792	54,035	677,362
Provided during the period	4,590	174,901	20,176	199,667
Disposals	-	(1,071)	(40,125)	(41,196)
At 31 December 1999	46,125	755,622	34,086	835,833
<b>Net Book Value</b>				
At 31 December 1999	45,606	465,746	27,760	539,112
At 2 April 1999	50,196	395,116	86,286	531,598

Included in the amounts for fixed assets above are the following amounts relating to leased assets and assets acquired under hire purchase:

	<b>31.12.99</b>	<b>2.4.99</b>
	£	£
Motor Vehicles	27,760	85,049
Computer Equipment	91,910	141,998

# TMS INFORMATION SOLUTIONS LIMITED

## NOTES TO THE ACCOUNTS continued

Period ended 31 December 1999

### 10 INVESTMENTS

TMS Information Solutions Ltd own the entire share capital of Information Mapping Limited which is a private company limited by shares and registered in the UK (Company No. 02799270).

Information Mapping Limited has never traded and as such TMS Information Solutions Ltd is exempt from preparing consolidated financial statements.

	31.12.99	2.4.99
	£	£

### 11 STOCK AND WORK IN PROGRESS

Finished goods	39,179	2,800
Work in progress	1,422	19,293
	<hr/>	<hr/>
	40,601	22,093

	31.12.99	2.4.99
	£	£

### 12 DEBTORS

Trade debtors	2,261,101	2,140,616
Corporation tax	-	49,218
Other debtors	-	14,880
Prepayments and accrued income	96,734	208,251
	<hr/>	<hr/>
	2,357,835	2,412,965



# TMS INFORMATION SOLUTIONS LIMITED

## NOTES TO THE ACCOUNTS continued

Period ended 31 December 1999

	Note	31.12.99 £	2.4.99 £
<b>13 CREDITORS: amounts falling due within one year</b>			
Obligations under finance leases and hire purchase contracts	15	81,062	90,343
Amounts owed to Group Companies		381,837	-
Trade creditors		752,728	954,016
Corporation tax		153,493	54,391
Other taxes and social security		86,825	229,500
Accruals and deferred income		387,460	1,113,075
		<u>1,843,405</u>	<u>2,441,325</u>
<b>14 CREDITORS: amounts falling due after more than one year</b>			
		31.12.99 £	2.4.99 £
Medium term loan - 3i Group plc		-	50,000
Obligations under finance leases and hire purchase contracts	15	17,559	108,871
		<u>17,559</u>	<u>158,871</u>

The medium term loan of £50,000 was repayable in full on 31 December 2001 and bore interest at a of 9.5% p.a. or 2.5% above LIBOR , if higher. The loan was secured by a fixed and floating charge over all assets, subject to priority being given to Lloyds Bank plc limited to £450,000.

This loan was repaid in full on 6 April 1999.

# TMS INFORMATION SOLUTIONS LIMITED

## NOTES TO THE ACCOUNTS continued

Period ended 31 December 1999

	31.12.99 £	2.4.99 £
<b>15 OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS</b>		
Amounts falling due after more than one year	17,559	108,871
<b>Hire purchase obligations</b>		
Payable within one year	47,465	56,168
Payable after one year	7,899	64,173
	55,364	120,341
Less: Finance charges allocated to future periods	(7,309)	(16,032)
	48,055	104,309
<b>Obligations falling due:</b>		
Within one year	41,238	48,740
Between one and two years	6,817	42,471
Between two and five years	-	13,098
	48,055	104,309
<b>Finance lease obligations</b>		
Payable within one year	45,492	50,558
Payable after one year	16,109	64,655
	61,601	115,213
Less: Finance charges allocated to future periods	(11,035)	(20,308)
	50,566	94,905
<b>Obligations falling due:</b>		
Within one year	39,824	41,603
Between one and two years	7,806	27,339
Between two and five years	2,936	25,963
	50,566	94,905

# TMS INFORMATION SOLUTIONS LIMITED

## NOTES TO THE ACCOUNTS continued

Period ended 31 December 1999

### 16 DEFERRED TAX

There are no unprovided deferred taxation amounts.

	31.12.99	2.4.99
	£	£
<b>17 SHARE CAPITAL</b>		
<b>Authorised</b>		
12,952 ordinary shares of £1 each	12,952	20,000
6,667 'A' ordinary shares of £1 each	6,667	6,667
7,048 'B' ordinary shares of £1 each	7,048	-
25,000 preferred ordinary shares	25,000	25,000
250,000 10.5% preference shares	250,000	250,000
	<hr/>	<hr/>
	301,667	301,667
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
12,952 ordinary shares of £1 each	12,952	20,000
6,667 'A' ordinary shares of £1 each	6,667	6,667
7,048 'B' ordinary shares of £1 each	7,048	-
12,952 preferred ordinary shares	12,952	12,952
250,000 10.5% preference shares	250,000	250,000
	<hr/>	<hr/>
	289,619	289,619
	<hr/>	<hr/>

The preference shares are non-equity shares which carry an entitlement to a dividend at the rate of 10.5% of the subscription price per annum payable twice yearly. The Holders of these shares waived their rights to dividends during the year. They may be redeemed at £1.00 per share at any time at the option of the company. Holders of these shares have no voting rights.

Preference shareholders have the right on a winding-up to receive, in priority to any other class of shares, the sum of £1.00 per share, together with any arrears of dividend.

# TMS INFORMATION SOLUTIONS LIMITED

## NOTES TO THE ACCOUNTS continued

Period ended 31 December 1999

### 17 SHARE CAPITAL continued

#### Ordinary Shares

The 'A' ordinary shares are non-equity shares which carry an entitlement to a cumulative participating dividend of 8% of net profit earned in the relevant period. The holders of these shares are also entitled to receive a further cumulative preferential net cash dividend which, when added to the original entitlement, shall equal the aggregate of any ordinary dividend paid in the financial year on all ordinary shares held by directors and directors' emoluments in excess of £145,000 (net of tax at basic rate and index linked) payable in respect of the relevant financial year. The holders of the 'A' ordinary shares waived their rights to additional dividends during the year.

On winding-up the 'A' ordinary shares receive, in priority to the ordinary shares £1.00 per share and all arrears of dividend.

All ordinary shares have one vote for every share held.

On 5 April 1999 7,048 of the ordinary £1 shares were reclassified as 7,048 'B' ordinary shares of £1 each and the authorised share capital of the Company was increased from £276,667 to £301,667 by the creation of an additional 25,000 preferred ordinary shares of £1 each.

On the same date the Company declared a second interim dividend on its ordinary £1 shares. The Company offered a scrip dividend alternative to shareholders under which they could elect to receive one new preferred ordinary share of £1 each for every ordinary £1 share held in lieu of cash. The scrip dividend offer was accepted by all shareholders and consequently 12,952 (being equal to the number of ordinary shares held following the reclassification referred to above) preferred ordinary shares of £1 each were issued.

On 25 September a resolution was passed redesignating the various classes of shares as ordinary shares of £1 each and adopting new articles of association.

# TMS INFORMATION SOLUTIONS LIMITED

## NOTES TO THE ACCOUNTS continued

Period ended 31 December 1999

	Profit and loss account £	Share premium £
<b>18 RESERVES</b>		
Balance at 2 April 1999	514,402	124,339
Retained profit for the period	467,809	-
	<hr/>	<hr/>
Balance at 31 December 1999	982,211	124,339
	<hr/>	<hr/>
	<b>31.12.99</b>	<b>2.4.99</b>
	£	£
<b>19 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES</b>		
Shareholders' funds at 2 April 1999	928,360	776,439
Profit for the period after taxation	467,809	219,043
Dividends	-	(80,074)
Cash dividend retained under scrip alternative	-	12,952
	<hr/>	<hr/>
Shareholders' funds at 31 December 1999	1,396,169	928,360
	<hr/>	<hr/>
<b>20 CAPITAL COMMITMENTS</b>		
Unprovided capital commitments at the period-end were:	<b>Contracted for</b>	<b>Committed only</b>
	£	£
Motor Vehicles	-	7,420
Leasehold Improvements	-	35,000
	<hr/>	<hr/>

# TMS INFORMATION SOLUTIONS LIMITED

## NOTES TO THE ACCOUNTS continued

Period ended 31 December 1999

### 21 TRANSACTIONS WITH DIRECTORS

No payments were made in the period to any director. (1998/9: A loan of £8,500 was made to A P G Garvey. This was repaid in full during that year).

### 22 LEASE COMMITMENTS

The company has not entered into commitments in respect of finance leases commencing after the balance sheet date (1998/9: £Nil).

Operating lease payments amounting to £133,927 (1998/9:£134,257) are due within one year. The leases to which these amounts relate expire as follows

	31.12.99		2.4.99	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Within one year	-	33,927	-	34,257
Between one and two years	-	-	-	-
Between two and five years	-	-	-	-
In five years or more	100,000	-	100,000	-
	<hr/> 100,000	<hr/> 33,927	<hr/> 100,000	<hr/> 34,257

### 23 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Parity Solutions Limited

The ultimate parent undertaking and controlling party is Parity Group plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of the Parity Group plc consolidated financial statements for the year ended 31 December 1999 can be obtained from the Company Secretary at 16 St Martins Le Grand, London, EC1A 4NA.