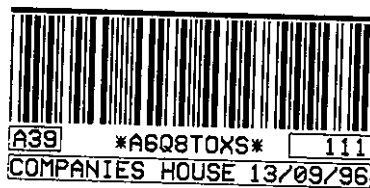


DROLE COMPUTING SERVICES LIMITED

FINANCIAL STATEMENTS

YEAR TO 31 DECEMBER 1995



DROLE COMPUTING SERVICES LIMITED

FINANCIAL STATEMENTS

YEAR TO 31 DECEMBER 1995

COMPANY INFORMATION

Directors:	C.J.Lester-Smith Mrs V.M.Lester-Smith
Secretary:	C.J.Lester-Smith
Company Number:	1865914
Registered Office:	Holcombe House London Road Sunningdale Berkshire
Registered Auditors:	Morrish & Co. 17 Garton Close Ponders End Enfield EN3 4BZ
Bankers:	Bank of Scotland

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year to 31 December 1995.

COMPANY NUMBER

The company registration number is 1865914.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal business activity which has remained unchanged during the year under review was that of the provision of computer consultancy services.

No significant change in activity is envisaged in the ensuing year.

RESULTS AND DIVIDENDS

The results for the period under review are set out on page 4.

FIXED ASSETS

Full disclosure of all matters relating to fixed assets are set out in note 8 of the financial statements.

DIRECTORS' AND THEIR INTERESTS

The directors who served during the year and their interests in the company at 1 January 1995 and 31 December 1995 are stated as below:

	<u>Class of share</u>	<u>Number of shares</u>
C.J.Lester-Smith	Ordinary shares	1
Mrs.V.M.Lester-Smith	Ordinary shares	-

cont'd.....

DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITIES

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 profit or loss of the company for that period. 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.

AUDITORS

The company has by elective resolution under Section 386(1) of the Companies Act 1985 dispensed with the annual reappointment of the auditors. Messrs Morrish & Co. will be deemed to be reappointed for each succeeding financial year.

This report was approved by the Board on 25 July 1996 and signed on its behalf by Mr C.J. Lester-Smith.

CHAIRMAN :
C.J. LESTER-SMITH

AUDITOR'S REPORT TO THE SHAREHOLDERS OF DROLE COMPUTING SERVICES LIMITED

We have audited the financial statements on pages 4 to 9, which have been prepared under the historical cost convention and accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on pages 1 to 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an 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 the 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 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 misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we 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.

REGISTERED AUDITOR


.....

S.S. PRAYAG, F.C.C.A.

MORRISH & CO.

17 GARTON CLOSE

PONDERS END

ENFIELD

EN3 4BZ

DATED: 25 July 1996

DROLE COMPUTING SERVICES LIMITEDPAGE 4PROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST DECEMBER 1995

	<u>Note</u>	<u>1995</u> £	<u>1994</u> £
TURNOVER	2	13431044	11529578
Less: Cost of Sales		13178043	10811805
		<hr/>	<hr/>
GROSS PROFIT		253001	717773
Less: Administrative Expenses		123070	636971
		<hr/>	<hr/>
		129931	80802
Add: Other Operating Income	3	17674	17819
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE MANAGEMENT CHARGES		147605	98621
Less: Group Management Charges		142000	166000
		<hr/>	<hr/>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	5605	(67379)
TAXATION	6	3100	17000
		<hr/>	<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		2505	(50379)
ACCUMULATED RESERVES brought forward		48470	98849
		<hr/>	<hr/>
ACCUMULATED RESERVES carried forward		50975	48470
		<hr/>	<hr/>

There were no recognised gains or losses other than the profit for the above financial period.

The notes on pages 7 to 9 form part of these financial statements.

DROLE COMPUTING SERVICES LIMITEDPAGE 5BALANCE SHEETAT 31ST DECEMBER 1995

	<u>Note</u>	<u>1995</u> £	<u>1994</u> £
FIXED ASSETS			
Tangible Assets	7	53719	1416
CURRENT ASSETS			
Debtors	8	1182265	1118905
Cash at bank and in hand		653932	829772
		1836197	1948677
CREDITORS: Amounts falling due in less than one year	9	1837941	1900623
NET CURRENT ASSETS/(LIABILITIES)		(1744)	48054
TOTAL ASSETS		51975	49470
CREDITORS: Amounts falling due in more than one year		-	-
NET ASSETS		51975	49470
Financed by:			
CAPITAL & RESERVES			
Share Capital	10	1000	1000
Profit and Loss Account		50975	48470
		51975	49470

The financial statements were approved by the Board on 25 July 1996 and signed on its behalf by the two directors:

DIRECTOR:.....DIRECTOR:.....

The notes on pages 7 to 9 form part of these financial statements.

DROLE COMPUTING SERVICES LIMITEDPAGE 6STATEMENT OF SOURCE AND APPLICATION OF FUNDSFOR THE YEAR ENDED 31ST DECEMBER 1995

	<u>1995</u> £	<u>1994</u> £
SOURCE OF FUNDS		
(Loss)/Profit on Ordinary Activities after Taxation	2505	(50379)
Adjustment for items not involving the movement of Funds:		
Depreciation	26581	354
	<hr/> 29086	<hr/> (50025)
APPLICATION OF FUNDS		
Purchase of Fixed Assets	78884	-
	<hr/> (49798)	<hr/> (50025)
FUNDS CONSUMED BY OPERATIONS		
	<hr/>	<hr/>
MOVEMENTS IN WORKING CAPITAL		
Movement in Debtors	63360	800367
Movement in Creditors	62682	(931147)
	<hr/> 126042	<hr/> (130780)
Movement in net liquid funds:		
Increase in cash at bank	(175840)	80755
	<hr/> (49798)	<hr/> (50025)

NOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST DECEMBER 19951. ACCOUNTING POLICIES

The principal accounting policies of the company are set out below.

The accounts are prepared under the historical cost convention

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

Fixtures & Equipment- 33% per annum on a straight line basis.

2. TURNOVER

Turnover represents amounts invoiced to customers during the period net of Value Added Tax.

3. OTHER OPERATING INCOME

	<u>1995</u> £	<u>1994</u> £
Bank Deposit Interest	17674	17819
	<hr/>	<hr/>
	17674	17819
	<hr/>	<hr/>

4. PROFIT ON ORDINARY ACTIVITIES
is stated after accounting for:

Auditors remuneration	1200	1180
Depreciation	26581	354
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST DECEMBER 19955. STAFF COSTS

	<u>1995</u> £	<u>1994</u> £
Wages and Salaries	8462103	6355960
Social Security Costs	776110	585193
	<hr/>	<hr/>
	9238213	6941153
	<hr/>	<hr/>

6. TAXATION

U.K. corporation tax based on the profit for the year at 25%	3100	17000
	<hr/>	<hr/>
	3100	17000
	<hr/>	<hr/>

7. TANGIBLE FIXED ASSETS

	<u>Fixtures & Equip.</u> £	<u>Total</u> £
<u>COST</u>		
At 1.1.1995	10678	10678
Additions	78884	78884
	<hr/>	<hr/>
At 31.12.1995	89562	89562
<u>DEPRECIATION</u>		
At 1.1.1995	9262	9262
Charge for year	26581	26581
	<hr/>	<hr/>
At 31.12.1995	35843	35843
	<hr/>	<hr/>
<u>NET BOOK VALUE 31.12.95</u>	53719	53719
	<hr/>	<hr/>
<u>NET BOOK VALUE 31.12.94</u>	12	1416
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST DECEMBER 1995

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
8. <u>DEBTORS</u>		
Trade Debtors	1182265	838905
Inter-group debtors	-	280000
	<hr/>	<hr/>
	1182265	1118905
	<hr/>	<hr/>
9. <u>CREDITORS</u> : Amounts falling due within one year		
Trade Creditors	409396	483080
Corporation Tax	3100	-
Other creditors including taxation and social security	699245	775524
Accruals	726200	642019
	<hr/>	<hr/>
	1837941	1900623
	<hr/>	<hr/>
10. <u>SHARE CAPITAL</u>		
	<u>Authorised</u>	
	<u>1995</u>	<u>1994</u>
	<u>No.</u>	<u>No.</u>
	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Ordinary Shares of £1 each	1000	1000
	<hr/>	<hr/>
	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
	1000	1000
	<hr/>	<hr/>
11. <u>HOLDING COMPANY</u>		

The ultimate holding company is Delarue Charterhouse Group Holdings Limited, a company incorporated in the U.K.