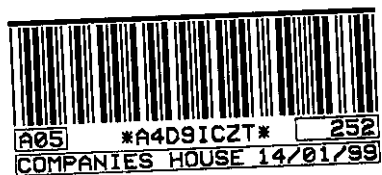


ANDREW PALMER AND ASSOCIATES LIMITED
COMPANY NO: 1907991

DIRECTOR'S REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 JANUARY 1998



ANDREW PALMER AND ASSOCIATES LIMITED

REPORT OF THE DIRECTORS

FOR YEAR ENDED 31 JANUARY 1998

The directors presents their report and accounts for the year ended 31 January 1998.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The company did not trade during the year.

RESULTS AND DIVIDENDS

The company has not traded during the last two years.

The directors do not recommend the payment of a dividend for the year.

DIRECTORS AND THEIR INTERESTS

The directors and their interest in the share capital of the company were as follows:

K E Murphy
Dr John Glancy (resigned 30 April 1997)
N Garden (appointed 1 May 1997)

ANDREW PALMER AND ASSOCIATES LIMITED

REPORT OF THE DIRECTOR

FOR YEAR ENDED 31 JANUARY 1998

STATEMENT OF 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 as at the end of the financial year 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 judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

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 accounts 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 been and is dormant within the meaning of Section 250 of the Companies Act 1985. In accordance with the provisions of this Section, a resolution has been passed at a previous annual general meeting to enable the company to be exempt from the obligation to appoint auditors.

By Order of the Board



R Wall
Company Secretary

22nd December 1998

ANDREW PALMER AND ASSOCIATES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 1998

	Notes	1998 £	1997 £
TURNOVER		-	-
Administrative expenses		-	-
Other operating income		-	-
Operating profit		-	-
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities		-	-
Profit on ordinary activities after taxation		-	-
		<hr/>	<hr/>
Profit for the financial year		-	-
		<hr/>	<hr/>

During 1998 and 1997 the company had no recognised gains and losses. The notes on pages 6 to 7 form part of these accounts.

ANDREW PALMER AND ASSOCIATES LIMITED

BALANCE SHEET

AS AT 31 JANUARY 1998

	Notes	1998 £	1997 £
CURRENT ASSETS			
Cash at bank and in hand		-	-
CREDITORS : amounts falling due within one year		-	-
Net current assets		-	-
NET ASSETS		<u>-</u>	<u>-</u>
CAPITAL AND RESERVES			
Called up share capital	2	103	103
Share premium account	3	11,997	11,997
Profit & loss account	3	(12,100)	(12,100)
		<u>-</u>	<u>-</u>
Shareholders' Funds – equity interests		<u>-</u>	<u>-</u>

The accounts on pages 4 to 7 were approved by the Board on 22 Dec. 1998 and signed on its behalf by:

N Garden
Director



The notes on pages 6 to 7 form part of these accounts.

ANDREW PALMER AND ASSOCIATES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 1998

1 ACCOUNTING POLICIES

(1) Basis of Accounting

The accounts have been prepared under the historical cost convention. The company has taken advantage of the exemption on FRSI from producing a cashflow statement on the grounds that it is a subsidiary of a company registered in England, which consolidates its accounts and itself prepares such a statement.

(2) Compliance with Accounting Standards

The accounts have been prepared in accordance with applicable accounting standards.

2 SHARE CAPITAL

	1998 £	1997 £
Authorised share capital: 100,000 Ordinary shares of £1 each	100,000	100,000
Allotted called-up and fully paid: 103 Ordinary shares of £1 each	103	103

3 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	<u>Share Capital</u>	<u>Share Premium Account</u>	<u>Profit & Loss Account</u>	<u>Total Shareholders' Funds</u>	
	£	£	£	<u>1998</u> £	<u>1997</u> £
At 1 February 1997	103	11,997	(12,100)	-	-
At 31 January 1998	103	11,997	(12,100)	-	-

4 INFORMATION REGARDING DIRECTORS

The Directors did not receive any emoluments during 1997/98 (1996/7: nil)

ANDREW PALMER AND ASSOCIATES LIMITED

NOTES TO THE ACCOUNTS

FOR YEAR ENDED 31 JANUARY 1998

5 PARTICULARS OF EMPLOYEES

The average number of persons, including directors, employed by the company during the period was two.

There was no remuneration paid during the period.

6 PARENT UNDERTAKING

The ultimate parent undertaking is Science Applications International Corporation, a company incorporated in the State of Delaware in the United States of America. Science Applications International Corporation is the immediate parent undertaking of SAIC Europe Limited, which is the parent undertaking of the largest group for which group accounts are prepared in the United Kingdom and of which Andrew Palmer and Associates Limited is a member. On 29 January 1998 SAIC UK Limited changed its name to SAIC Europe Limited.

The Immediate Parent Company is SAIC Ltd, a company registered in England and Wales, whose address is Berkshire House, Queen Street, Maidenhead, Berkshire SL6 1NF.