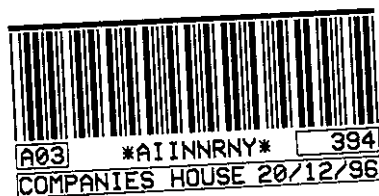


Company Registration Number 2338540

**COUNTRYWIDE MANAGEMENT GROUP PLC**

**Report and Financial Statements**

**31 May 1996**



# COUNTRYWIDE MANAGEMENT GROUP PLC

## DIRECTORS' REPORT

The Directors present their annual report and audited financial statements for the year ended 31 May 1996.

### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the Company is the supply of services to independent financial advisers. The trend of increasing turnover and profits is expected to continue for the foreseeable future.

### RESULTS AND DIVIDENDS

The results and dividends of the Company for the year are set out in detail on page 4. An interim dividend of £315,000 (1995 - £300,000) was paid during the year. The Directors do not recommend the payment of a final dividend for the year. Losses of £113,536 (1995 - £170,725) have been deducted from reserves.

### DIRECTORS AND THEIR INTERESTS

The Directors who served during the year and the interests of those serving at the end of the year in the shares of the ultimate parent company, Misys plc, were as follows:

	Misys Plc	
	Ordinary shares of 5p each	
	1996	1995 (or date of appointment)
J K Lomax	*	*
M K O'Leary	*	*
D A Simpson (resigned 30 June 1996)	-	-
L Graham	-	-
R H F Croft	-	-
J J Gaskin	-	-
R Francis	-	-
I Martin (appointed 1 May 1996)	-	-
R P Morgan (appointed 1 December 1995)	-	-

No Director had any interest in shares of the Company or any other group undertakings except as disclosed above.

\* J K Lomax and M K O'Leary are directors of the ultimate parent company, Misys plc, and their interest in shares are shown in the financial statements of that company.

### AUDITORS

On 1 February 1996 our auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name. Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board.

  
D TAYLOR

Secretary  
31 July 1996

**COUNTRYWIDE MANAGEMENT GROUP PLC**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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The Directors are required to prepare financial statements 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 year to that date. The requirements are specified in the Companies Act 1985 and in applicable accounting standards. It is also the Directors' responsibility to:

Maintain adequate accounting records;

Safeguard the assets of the Company;

Prevent and detect fraud and other irregularities;

Prepare financial statements on the going concern basis, unless it is inappropriate;

The Directors confirm that suitable accounting policies consistently applied and supported by reasonable and prudent judgements and estimates have been used in the preparation of the financial statements and that applicable accounting standards have been followed.

## AUDITORS' REPORT TO THE MEMBERS OF COUNTRYWIDE MANAGEMENT GROUP PLC

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We have audited the financial statements on pages 4 to 12 which have been prepared under the accounting policies set out on page 6.

### Respective responsibilities of directors and auditors

As described on page 2 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 affairs of the company as at 31 May 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*  
Deloitte & Touche  
Chartered Accountants and Registered Auditors  
Colmore Gate  
2 Colmore Row  
Birmingham  
B3 2BN

30 November 1996

**COUNTRYWIDE MANAGEMENT GROUP PLC**  
**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 May 1996**

	Note	1996 £	1995 £
<b>TURNOVER</b>		2,783,485	2,075,702
<b>Operating costs</b>			
Administrative expenses		(2,571,585)	(1,948,752)
<b>OPERATING PROFIT</b>	2	211,900	126,950
Interest payable	5	(10,436)	(17,927)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		201,464	109,023
Tax on profit on ordinary activities	6	-	20,252
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		201,464	129,275
Dividends (including dividends on non-equity shares)	7	(315,000)	(300,000)
<b>LOSS FOR THE YEAR</b>	13	(113,536)	(170,725)

The results for the year reflect trading from continuing operations. There are no gains and losses for the years other than the profit for the financial years above. Accordingly, no statement of total recognised gains and losses is given.

**COUNTRYWIDE MANAGEMENT GROUP PLC**  
**BALANCE SHEET**  
**31 May 1996**

	Note	1996 £	1995 £
<b>FIXED ASSETS</b>			
Tangible assets	8	1,059,539	446,851
<b>CURRENT ASSETS</b>			
Debtors	9	1,695,988	2,248,786
<b>CREDITORS: amounts falling due within one year</b>	10	(352,629)	(171,599)
<b>NET CURRENT ASSETS</b>		1,343,359	2,077,187
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,402,898	2,524,038
<b>CREDITORS: amounts falling due after more than one year</b>	10	(66,354)	(73,958)
		2,336,544	2,450,080
<b>CAPITAL AND RESERVES</b>			
Share capital	12	1,200,000	1,200,000
Share premium account		327,540	327,540
Profit and loss account	13	809,004	922,540
<b>TOTAL SHAREHOLDER'S FUNDS</b>	14	2,336,544	2,450,080
Equity interests		1,336,544	1,450,080
Non-equity interests		1,000,000	1,000,000
<b>TOTAL SHAREHOLDER'S FUNDS</b>		2,336,544	2,450,080

Approved by the Board of Directors on 31 July 1996 and signed on its behalf by

  
J J GASKIN, Director

**COUNTRYWIDE MANAGEMENT GROUP PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 May 1996**

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**1. ACCOUNTING POLICIES**

**Accounting convention**

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

**Tangible fixed assets**

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset, on a straight line basis over its expected useful life. The rates applied from the date of purchase are:

Furniture, fittings & equipment	10% - 25% per annum
Motor vehicles	25% per annum

**Deferred taxation**

Deferred taxation is calculated using the liability method on all timing differences, at the rate at which it is anticipated the timing difference will reverse. Deferred taxation assets are only recognised if recovery beyond reasonable doubt is within the foreseeable future.

**Turnover**

Turnover represents management charges receivable.

**Leasing**

Fixed assets held under finance leases are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under leases are included as liabilities in the balance sheet. The interest elements of the lease obligations are charged to the profit and loss account over the period of the leases and represent a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term. Any premium or discount on the acquisition of a lease is spread over the lease term.

**Pensions**

The company operates a defined contribution pension scheme covering some of its employees. The costs of the pension scheme are charged to the profit and loss account as incurred.

**COUNTRYWIDE MANAGEMENT GROUP PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 May 1996**

**2. OPERATING PROFIT**

	1996 £	1995 £
Operating profit is arrived at after charging:		
Depreciation of owned assets	157,145	93,494
Depreciation of assets held under finance leases	48,285	59,643
Operating leases - plant and machinery	15,665	14,531
- land and building	119,196	100,827
Auditors' remuneration - audit services	8,000	7,500
- non audit services	-	759
	<u>157,145</u>	<u>93,494</u>

**3. EMPLOYEES**

	1996 Number	1995 Number
The average number employed by the company was as follows:		
Sales staff	13	14
Administrative and Management staff	41	28
	<u>54</u>	<u>42</u>
	<u>1996</u> £	<u>1995</u> £

Employee costs during the year amounted to:

Wages and salaries	1,280,234	860,360
Social security costs	124,338	83,377
Other pension costs	41,528	29,661
	<u>1,446,100</u>	<u>973,398</u>



**COUNTRYWIDE MANAGEMENT GROUP PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 May 1996

**4 DIRECTORS' EMOLUMENTS**

	1996	1995
	£	£
Management remuneration	450,921	191,979
Pension costs	26,818	18,180
	<u>477,739</u>	<u>210,159</u>
Remuneration of the Chairman	-	-
Remuneration of the highest paid Director	<u>193,201</u>	<u>53,760</u>

	1996	1995
	Number	Number
Scale of other Directors' remuneration		
£ 0 - £ 5,000	2	3
£ 5,001 - £ 10,000	-	1
£ 10,001 - £ 15,000	1	-
£ 25,001 - £ 30,000	1	-
£ 30,001 - £ 35,000	-	1
£ 45,001 - £ 50,000	1	1
£ 50,001 - £ 55,000	-	1
£ 75,001 - £ 80,000	1	-
£ 85,001 - £ 90,000	1	-

**5. INTEREST**

	1996	1995
	£	£
Interest receivable	(1,612)	-
Finance lease interest payable	12,048	17,927
	<u>10,436</u>	<u>17,927</u>

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	1996	1995
	£	£
Corporation tax over provided in previous years	-	20,252

The tax charge for the current and preceeding year is lower than would normally be expected by approximately £66,000 due to the availability of brought forward trading losses for which no deferred taxation asset is recognised.

**COUNTRYWIDE MANAGEMENT GROUP PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 May 1996**

**7. DIVIDENDS**

	1996 £	1995 £
Interim dividend paid on ordinary shares	183,750	168,750
Cumulative dividend paid on preference shares	131,250	131,250
	<u>315,000</u>	<u>300,000</u>

**8. TANGIBLE FIXED ASSETS**

	Furniture, fittings and equipment £	Motor Vehicles £	Total £
<b>Cost</b>			
At 1 June 1995	575,914	256,986	832,900
Additions	795,656	50,675	846,331
Disposals	-	(87,389)	(87,389)
At 31 May 1996	<u>1,371,570</u>	<u>220,272</u>	<u>1,591,842</u>
<b>Accumulated depreciation</b>			
At 1 June 1995	284,983	101,066	386,049
Charge for the year	153,918	51,512	205,430
Disposals	-	(59,176)	(59,176)
At 31 May 1996	<u>438,901</u>	<u>93,402</u>	<u>532,303</u>
<b>Net book value</b>			
At 31 May 1996	<u>932,669</u>	<u>126,870</u>	<u>1,059,539</u>
At 31 May 1995	<u>290,931</u>	<u>155,920</u>	<u>446,851</u>

Included in the above analysis are fixed assets held under finance leases with a net book value of £126,591 (1995 - £155,036).

**COUNTRYWIDE MANAGEMENT GROUP PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 May 1996**

**9. DEBTORS**

	1996	1995
	£	£
Amounts owed by group undertakings	1,648,736	2,183,472
Prepayments and accrued income	47,252	65,314
	<u>1,695,988</u>	<u>2,248,786</u>

**10. CREDITORS**

	1996	1995
	£	£
Amounts falling due within one year		
Obligations under finance leases	52,499	70,707
Accruals	300,130	100,892
	<u>352,629</u>	<u>171,599</u>
Amounts falling due after more than one year		
Obligations under finance leases repayable between two and five years	66,354	73,958
Total creditors	<u>418,983</u>	<u>245,557</u>

**11. DEFERRED TAXATION**

The unprovided assets (liabilities) are as follows:	1996	1995
	£	£
Capital allowances in excess of depreciation	(13,621)	29,305
Other timing difference including losses	396,448	426,081
	<u>382,827</u>	<u>455,386</u>

**COUNTRYWIDE MANAGEMENT GROUP PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 May 1996**

**12. SHARE CAPITAL**

	1996 £	1995 £
Authorised, issued and fully paid		
200,000 Ordinary shares of £1 each	200,000	200,000
1,000,000 4.5% Cumulative Redeemable Participating Preference shares of £1 each	1,000,000	1,000,000
	<u>1,200,000</u>	<u>1,200,000</u>

The Preference shares are non-voting and are redeemable at par at the option of the Company providing not less than one month's notice thereof, but must be redeemed by 31 August 2009. On a winding-up of the company the assets available for distribution among the members shall be applied firstly in repaying to the holders of the Preference shares the amounts paid up on such shares together with any dividend arrears, all other assets will be distributed among the Ordinary share holders pro-rata. The holders of the Preference shares are entitled in priority, to any payment of dividend to Ordinary shares, to a fixed cumulative rate of 4.5% per annum up to 31 August 2008 and at a rate of 10.5% per annum thereafter up to 31 August 2009. In addition there shall be paid to the holders of Preference shares an amount per share equal to the amount of any dividend per share proposed to be paid on each Ordinary share but limited to a maximum of 10.5% per annum.

**13. PROFIT AND LOSS ACCOUNT**

	£
At 1 June 1995	922,540
Loss for the year	(113,536)
	<u>809,004</u>
At 31 May 1996	

**14. RECONCILIATION OF SHAREHOLDER'S FUNDS**

	1996 £	1995 £
Profit for the financial year	201,464	129,275
Dividends	(315,000)	(300,000)
	<u>(113,536)</u>	<u>(170,725)</u>
Net deduction from shareholder's funds		
Opening shareholder's funds	2,450,080	2,620,805
Closing shareholder's funds	<u>2,336,544</u>	<u>2,450,080</u>

**COUNTRYWIDE MANAGEMENT GROUP PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 May 1996**

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**15. FINANCIAL COMMITMENTS**

The annual commitments under non-cancellable operating leases which expire between two and five years on land and buildings is £102,391 and on other assets is £47,143.

**16. ULTIMATE PARENT COMPANY**

The company's ultimate parent company is Misys plc, a company registered in England. Copies of the group financial statements of Misys plc may be obtained from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.