

Company Registration Number 2698763

INDEPENDENT COMPUTER COMPANY LIMITED

Report and Financial Statements

31 May 1995



INDEPENDENT COMPUTER COMPANY LIMITED

DIRECTORS' REPORT

The Directors present their annual report and audited financial statements for the year ended 31 May 1995.

PRINCIPAL ACTIVITY

The principal activities of the Company are the sale of computers, business software and support services to travel agents.

REVIEW OF THE BUSINESS

Following an outstanding performance in the previous year, the year to 31 May 1995 has seen strong growth in the underlying business. This growth has enabled ICC to continue its development programme and improve its customer response operations. This development programme is set to continue in the current year in ICC's growing wider profile base covering independent, miniple, multiple, retail, business house and telesales travel agents.

RESULTS AND DIVIDENDS

The results and dividends of the Company for the year are set out in detail on page 5. An interim dividend of £150,000 (1994 – £150,000) was paid during the year. The Directors do not recommend the payment of a final dividend. After dividends, profits of £27,221 (1994 – £126,072) have been transferred to 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	
	1995	1994 (or date of appointment)
J K Lomax	*	*
J G Sussens (resigned 7 April 1995)	n/a	*
K C Briddon	—	—
A J D Smart	—	—
A R Pathak	37,096	39,096
B J Sheerin	—	—
M K O'Leary (appointed 7 April 1995)	*	*

No Director had any interest in shares of the Company and other group undertakings.

* J K Lomax, J G Sussens 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.

INDEPENDENT COMPUTER COMPANY LIMITED

DIRECTORS' REPORT

AUDITORS

Touche Ross & Co. 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

10 August 1995

INDEPENDENT COMPUTER COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 period 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
INDEPENDENT COMPUTER COMPANY LIMITED**

We have audited the financial statements on pages 5 to 13 which have been prepared under the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 3 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.

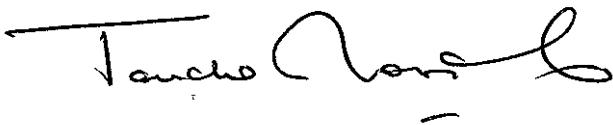
Basis of opinion

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 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Touche Ross & Co
Chartered Accountants and Registered Auditors
Colmore Gate
2 Colmore Row
Birmingham
B3 2BN

3 November 1995

INDEPENDENT COMPUTER COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
Year ended 31 May 1995

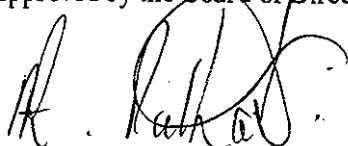
	Note	1995		1994	
		£	£	£	£
TURNOVER			1,984,789		2,216,824
Cost of sales			(603,062)		(676,337)
GROSS PROFIT			1,381,727		1,540,487
Operating costs					
Distribution costs		(280,994)		(221,195)	
Administrative expenses		(849,751)		(890,346)	
			(1,130,745)		(1,111,541)
OPERATING PROFIT	2		250,982		428,946
Interest payable	5		(6,988)		(10,639)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			243,994		418,307
Tax on profit on ordinary activities	6		(66,773)		(142,235)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			177,221		276,072
Dividends	7		(150,000)		(150,000)
PROFIT FOR THE YEAR	15		27,221		126,072

The results for the year reflect trading for 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.

INDEPENDENT COMPUTER COMPANY LIMITED
BALANCE SHEET
31 May 1995

	Note	1995		1994	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		95,596		77,356
CURRENT ASSETS					
Stocks	9		812		4,757
Debtors	10		1,213,711		1,107,949
Cash at bank and in hand			146,901		112,359
			<u>1,361,424</u>		<u>1,225,065</u>
CREDITORS: amounts falling due within one year	11		<u>(570,999)</u>		<u>(515,213)</u>
NET CURRENT ASSETS			790,425		709,852
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>886,021</u>		<u>787,208</u>
CREDITORS: amounts falling due after more than one year	11		(43,988)		(25,620)
DEFERRED INCOME	12		(233,315)		(180,091)
			<u>608,718</u>		<u>581,497</u>
CAPITAL AND RESERVES					
Share capital	14		400,000		400,000
Profit and loss account	15		208,718		181,497
EQUITY SHAREHOLDER'S FUNDS	16		<u>608,718</u>		<u>581,497</u>

Approved by the Board of Directors on 10 August 1995 and signed on its behalf by.



A R PATHAK, Director

INDEPENDENT COMPUTER COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 May 1995

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:

Short leasehold property	Over lease term
Furniture, fittings & equipment	25% per annum
Motor vehicles	25% per annum

Income recognition

Turnover represents amounts invoiced to customers (net value added tax) for goods and services. Revenue from sales of hardware and packaged software products is recognised when the product is despatched unless more onerous acceptance provisions have been agreed with the customer, in which case date of acceptance is the point where income is recognised. Bespoke contracts are taken to profit when the project has reached the point of practical completion. Contracted income invoiced in advance for fixed periods is taken to income in equal monthly instalments over the period of the contract. Contractual retentions are recognised upon receipt of cash.

Research and development

Research and development expenditure including the cost of software products developed in-house, is expensed in the year in which it is incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value. Where contract revenue is deferred, the related costs are treated as work in progress (net of any progress payments received) and released when revenue is recognised.

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 without replacement by equivalent debit balances is reasonably certain.

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.

INDEPENDENT COMPUTER COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 May 1995

1. ACCOUNTING POLICIES (Continued)

Pensions

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

2. OPERATING PROFIT

	1995 £	1994 £
Operating profit is arrived at after charging:		
Depreciation of owned assets	15,114	15,848
Depreciation of assets held under finance leases	19,195	23,365
Operating leases – plant and machinery	41,685	10,956
– land and buildings	27,500	27,500
Auditors' remuneration – Audit services	4,500	4,500
– Non audit services	–	2,000
	<u> </u>	<u> </u>

3. EMPLOYEES

	1995 Number	1994 Number
The average number employed by the company was as follows:		
Programming and Engineering staff	19	21
Sales staff	6	4
Administrative and Management staff	7	7
	<u> </u>	<u> </u>
	32	32
	<u> </u>	<u> </u>

	1995 £	1994 £
Employee costs during the year amounted to:		
Wages and salaries	568,709	561,171
Social security costs	53,302	42,305
Other pension costs	12,280	14,189
	<u> </u>	<u> </u>
	634,291	617,665
	<u> </u>	<u> </u>

INDEPENDENT COMPUTER COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 1995

4 DIRECTORS' EMOLUMENTS

	1995 £	1994 £
Management Remuneration	154,870	154,052
Pension Costs	7,692	9,597
	<u>162,562</u>	<u>163,649</u>
Remuneration of the chairman	—	—
Remuneration of the highest paid director	<u>63,769</u>	<u>64,350</u>
	<u>1995 Number</u>	<u>1994 Number</u>
Scale of other directors' remuneration		
£ 0 – £ 5,000	3	2
£ 5,001 – £ 10,000	—	1
£ 35,001 – £ 40,000	—	1
£ 40,001 – £ 45,000	1	1
£ 45,001 – £ 50,000	<u>1</u>	<u>—</u>

5. INTEREST PAYABLE

	1995 £	1994 £
Finance lease interest payable	<u>6,988</u>	<u>10,639</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1995 £	1994 £
Based on the profit for the year		
Corporation tax at 33% (1994 – 33%)	74,639	138,485
Corporation tax under (over) provided in previous years	<u>(7,866)</u>	<u>3,750</u>
	<u>66,773</u>	<u>142,235</u>

The effective tax rate for the current year is lower than normal as a result of the movement in tax timing differences on fixed assets for which no deferred tax asset has been recognised.

INDEPENDENT COMPUTER COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 May 1995

7. DIVIDENDS

	1995 £	1994 £
Interim paid	150,000	150,000

8. TANGIBLE FIXED ASSETS

	Short leasehold properties £	Furniture, fittings and equipment £	Motor Vehicles £	Total £
Cost				
At 1 June 1994	8,762	268,438	101,573	378,773
Additions	—	24,811	41,899	66,710
Disposals	—	(1,279)	(62,911)	(64,190)
At 31 May 1995	8,762	291,970	80,561	381,293
Accumulated depreciation				
At 1 June 1994	8,762	246,499	46,156	301,417
Charge for the year	—	15,114	19,195	34,309
Disposals	—	(249)	(49,780)	(50,029)
At 31 May 1995	8,762	261,364	15,571	285,697
Net book value				
At 31 May 1995	—	30,606	64,990	95,596
At 31 May 1994	—	21,939	55,417	77,356

Included in the above analysis are fixed assets held under finance leases with a net book value of £64,990 (1994 – £55,417).

9. STOCKS

	1995 £	1994 £
Finished goods and goods for resale	812	4,757

INDEPENDENT COMPUTER COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 May 1995

10. DEBTORS

	1995 £	1994 £
Trade debtors	129,032	192,302
Amounts owed by group undertakings	1,007,575	851,216
Other debtors	—	304
Prepayments and accrued income	77,104	64,127
	<u>1,213,711</u>	<u>1,107,949</u>

11. CREDITORS

	1995 £	1994 £
Amounts falling due within one year		
Trade creditors	136,078	137,855
Corporation tax	170,147	146,235
Other taxation and social security	61,486	20,663
Other creditors	29,579	18,778
Accruals	156,297	160,637
Obligations under finance leases	17,412	31,045
	<u>570,999</u>	<u>515,213</u>
Amounts falling due after more than one year		
Obligations under finance leases repayable between two and five years	43,988	25,620
Total creditors	<u>614,987</u>	<u>540,833</u>

12. DEFERRED INCOME

	1995 £	1994 £
To be recognised within one year	<u>233,315</u>	<u>180,091</u>

Deferred income represents amounts invoiced in advance in respect of contracts for the provision of software and hardware maintenance and support services.

INDEPENDENT COMPUTER COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 May 1995

13. DEFERRED TAXATION

The unprovided assets are as follows:

	1995	1994
	£	£
Depreciation in excess of capital allowances	13,966	32,823
Other timing differences	1,650	—
	<u>15,616</u>	<u>32,823</u>

14. SHARE CAPITAL

	1995	1994
	£	£
Authorised, allotted and fully paid 400,000 Ordinary shares of £1 each	<u>400,000</u>	<u>400,000</u>

15. PROFIT AND LOSS ACCOUNT

	£
At 1 June 1994	181,497
Profit for the year	<u>27,221</u>
At 31 May 1995	<u>208,718</u>

16. RECONCILIATION OF SHAREHOLDER'S FUNDS

	1995	1994
	£	£
Profit for the financial year	177,221	276,072
Dividends	(150,000)	(150,000)
Net addition to shareholder's funds	<u>27,221</u>	<u>126,072</u>
Opening shareholder's funds	581,497	455,425
Closing shareholder's funds	<u>608,718</u>	<u>581,497</u>

INDEPENDENT COMPUTER COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 May 1995

17. FINANCIAL COMMITMENTS

Operating lease commitments

The annual commitments under non-cancellable operating leases are as follows:

	Land and buildings £	Other £
Operating leases which expire		
Within one year	—	1,191
Between two and five years	27,500	37,184
	<u>27,500</u>	<u>38,375</u>

18. 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.