

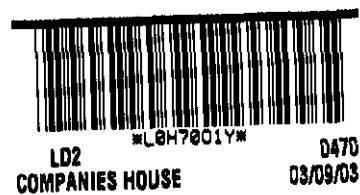
Company Registration No. 3062561

CSC FSG LIMITED

Report and Financial Statements

29 March 2002

**Deloitte & Touche LLP
London**



CSC FSG LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

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CSC FSG LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A Mears	(appointed 29 November 2002)
C Campbell	(resigned 29 November 2002)
I Hickson	(resigned 31 March 2003)
K Wilman	(appointed 31 March 2003)

SECRETARY

D Edwards	(appointed 23 September 2002)
A Smith	(resigned 23 September 2002)

REGISTERED OFFICE

Royal Pavilion
Wellesley Road
Aldershot
Hampshire
GU11 1PZ

BANKERS

NatWest Bank Plc
45 Park Street
Camberley
Surrey
GU15 3XQ

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
London

CSC FSG LIMITED

DIRECTORS' REPORT

The directors submit their annual report and the audited financial statements for the period from 31 March 2001 to 29 March 2002.

ACTIVITY

The company's principal activity is the supply of computer software services to the financial services industry.

RESULTS OF BUSINESS

The retained profit of the company for the period amounted to £261,442 (2001 - £3,381,211 restated). As a result of this, the company's profit and loss account carried forward is a profit of £6,518,060 (2001 - £6,256,618 restated). No dividend is proposed (2001 - £nil).

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors are satisfied with the company's performance in the period.

No significant future developments are anticipated. The company will aim to build on the performance of the past period.

DIRECTORS

The directors who held office during the period and in the period since the year end were as follows:

A Mears	(appointed 29 November 2002)
C Campbell	(resigned 29 November 2002)
I Hickson	(resigned 31 March 2003)
K Wilman	(appointed 31 March 2003)

None of the directors held any beneficial interest in any of the shares of the company or any other group companies incorporated in Great Britain during the period.

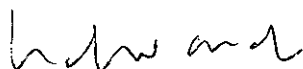
DONATIONS

During the period the company made charitable donations of £500 (2001 - £nil).

AUDITORS

On 1 August 2003, Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte & Touche LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 386(2) of the Companies Act 1985.

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



D Edwards

Company Secretary

2 September 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial period 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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- 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 the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CSC FSG LIMITED

We have audited the financial statements of CSC FSG Limited for the period from 31 March 2001 to 29 March 2002 which comprise the profit and loss account, balance sheet, statement of total recognised gains and losses and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors' are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 Companies Act 1985. We also report 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 with the company is not disclosed.

We read the directors' report for the above period and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 the company's affairs as at 29 March 2002 and of its profit for the period from 31 March 2001 to 29 March 2002 and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

3 September 2003

PROFIT AND LOSS ACCOUNT**Period from 31 March 2001 to 29 March 2002**

	Note	Period from 31 March 2001 to 29 March 2002 £	Period from 1 April 2000 to 30 March 2001 £ (restated)
TURNOVER	2	2,873,217	5,682,146
Administrative expenses		(2,485,650)	(1,387,866)
OPERATING PROFIT	3	387,567	4,294,280
Interest receivable and similar income	5	34,640	20,063
Interest payable and similar charges		(4,242)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		417,965	4,314,343
Tax charge on profit on ordinary activities	6	(156,523)	(933,132)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED FOR THE FINANCIAL PERIOD	12	261,442	3,381,211

All results are derived from continuing operations. A statement on the movement on reserves can be found in note 12.

In the profit and loss there were no recognised gains or losses for the current or the preceding accounting period other than as shown above.

The profit and loss account for the period ended 29 March 2002 has been restated for the adoption of FRS19 (see notes 6 and 10).

BALANCE SHEET
29 March 2002

	Note	29 March 2002 £	30 March 2001 £ (restated)
FIXED ASSETS			
Tangible assets	7	598,620	1,154,322
CURRENT ASSETS			
Debtors	8	56,909,328	58,791,132
Cash at bank and in hand		-	2,181,087
		56,909,328	60,972,219
CREDITORS: amounts falling due within one year	9	(50,989,886)	(55,869,921)
NET CURRENT ASSETS		5,919,442	5,102,298
TOTAL ASSETS LESS CURRENT LIABILITIES		6,518,062	6,256,620
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Profit and loss account	12	6,518,060	6,526,618
EQUITY SHAREHOLDERS' FUNDS	12	6,518,062	6,256,620

The balance sheet as at 29 March 2002 has been restated for the adoption of FRS19 (see note 10).

These financial statements were approved by the Board of Directors
and signed on behalf of the Board on 2 September 2003.



A Mears
Director

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Period from 31 March 2001 to 29 March 2002

	31 March 2001 to 29 March 2002 £	1 April 2000 to 30 March 2001 £
Profit for the financial period	261,442	3,381,211
Total recognised gains and losses relating to the period	261,442	<u>3,381,211</u>
Adoption of FRS 19	<u>(143,352)</u>	
Total recognised gains and losses since the last annual report	<u>118,090</u>	

The statement of total recognised gains and losses for the year ended 30 March 2001 has been restated for the adoption of FRS19 (see note 10).

NOTES TO THE ACCOUNTS

Period from 31 March 2001 to 29 March 2002

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared under the historical cost convention and on a going concern basis, in accordance with applicable United Kingdom accounting standards.

Turnover

Turnover represents the following:

Software and other services	Amounts invoiced by the company in respect of goods sold and services provided during the period
Licence fees	Total licence fee revenue is taken into turnover when a binding agreement exists
Support revenue	Support revenue is taken into turnover over the period of the contract

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and provisions for impairment.

All tangible fixed assets are depreciated on a straight-line basis over the following periods:

Computer equipment	Three to five years or useful life
Leasehold property improvements	Shorter of lease term and ten years
Furniture and fittings	Five to ten years

Where specialist computer equipment or software is purchased for use in a contract of more than three years' duration, it is depreciated over the estimated life of that contract.

Foreign currency

Foreign currency transactions are translated at the average rates ruling at the dates of the transactions except where the transactions are covered by a forward contract in which case the transactions are translated at the rates ruling under that contract. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rates ruling at that date. Any exchange differences are taken to the profit and loss account.

Deferred taxation

The company has adopted FRS19 'Deferred Tax'. Under FRS19 deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

NOTES TO THE ACCOUNTS**Period from 31 March 2001 to 29 March 2002****1. ACCOUNTING POLICIES (continued)****Pension costs**

Retirement benefits to employees of the company are funded by contributions from the company and employees. The group operates a pension scheme with two sections:

(i) Defined benefit section

Payments are made to independent investment managers who manage the fund. The expected costs of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of employees in the section, in such a way that the pension cost is a substantially level percentage of current and expected future pensionable salaries.

(ii) Defined contribution section

Payments into the defined contribution section are charged to the profit and loss account as they arise.

Cash flow statement

As a wholly owned subsidiary of Computer Sciences Corporation, whose group financial statements contain a cash flow statement, the company takes advantage of the exemption from the requirement to produce a cash flow statement.

2. SEGMENTAL INFORMATION

Turnover represents the value of work done for external customers, exclusive of value added tax and is attributable to the company's continuing activity.

In the opinion of the directors, the company's activities, as described in the Directors' report, can be regarded as a single business segment.

In addition, the company operates in the European Union which in the opinion of the directors can be regarded as a single geographical market.

3. OPERATING PROFIT

	Period from 31 March 2001 to 29 March 2002 £	Period from 1 April 2000 to 30 March 2001 £
This is stated after charging/(crediting):		
Auditors' remuneration:		
Audit fees	2,000	18,000
Other services	-	378,741
Operating lease charges:		
Hire of plant and machinery	2,850	55,124
Other operating lease rentals	901,953	1,330,107
Depreciation of tangible fixed assets:		
Owned assets	788,915	794,132
	<u>788,915</u>	<u>794,132</u>

NOTES TO THE ACCOUNTS

Period from 31 March 2001 to 29 March 2002

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors did not receive any remuneration from the company during the period from 31 March 2001 to 29 March 2002. (2001 - £nil). All of the directors were paid by CSC Computer Sciences Limited for services to that group during the period, with remuneration being disclosed in the financial statements of that group.

Average number of persons employed:

	Period from 31 March 2001 to 29 March 2002 No.	Period from 1 April 2000 to 30 March 2001 No.
Management and administration	29	65
Consultancy	85	193
	<u>114</u>	<u>258</u>

Employee costs during the period:

	£	£
Wages and salaries	5,631,013	13,074,936
Social security costs	575,375	1,205,863
Other pension costs	296,279	600,639
	<u>6,502,667</u>	<u>14,881,438</u>

The above costs are in respect of employees of the company. Where they are performing services for other group companies, the costs are recharged and the net cost is disclosed in administrative expenses.

The employees were transferred to CSC Computer Sciences Limited on 29 September 2001.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Period from 31 March 2001 to 29 March 2002 £	Period from 1 April 2000 to 30 March 2001 £
Bank interest receivable	<u>36,460</u>	<u>20,063</u>

NOTES TO THE ACCOUNTS

Period from 31 March 2001 to 29 March 2002

6. TAXATION

	31 March 2001 to 29 March 2002 £'000	1 April 2000 to 30 March 2001 £'000 (restated)
<i>Current tax</i>		
UK corporation tax at 30%	198,865	1,429,651
Adjustment in respect of prior periods	-	(149,901)
Total current tax charge	198,865	1,279,750
<i>Deferred tax</i>		
Origination and reversal of timing differences	(42,342)	(346,618)
Adjustment in respect of prior periods	-	-
Total deferred tax credit	(42,342)	(346,618)
Tax on profit on ordinary activities	156,523	933,132

Reconciliation to total current tax charge:

	31 March 2001 to 29 March 2002 £'000	1 April 2000 to 30 March 2001 £'000 (restated)
Profit on ordinary activities before taxation	417,965	4,314,343
Profit before tax at 30%	125,390	1,294,303
Permanent differences	31,133	22,624
Accelerated capital allowances	42,342	135,348
Held-over capital gains	-	-
Unrelieved losses	-	-
Short-term timing differences	-	5,884
Overseas tax rates	-	-
Prior-period group relief	-	-
Prior-period adjustments	-	-
Total current tax charge	198,865	1,279,750

The company has adopted FRS 19 "Deferred Taxation" during the period. This has resulted in an increase in the tax charge in the current period of £nil (2001 – decrease of £nil). Further details of the impact of the adoption of FRS 19 are shown in note 10.

NOTES TO THE ACCOUNTS

Period from 31 March 2001 to 29 March 2002

7. TANGIBLE ASSETS

	Computer hardware and software £	Fixtures and fittings £	Leasehold improvements £	Total £
Cost				
At 30 March 2001	3,616,738	792,784	780,167	5,189,689
Additions	79,195	4,342	149,676	233,213
Disposals	(2,474,001)	(345,517)	(6,292)	(2,825,810)
At 29 March 2002	<u>1,221,932</u>	<u>451,609</u>	<u>923,551</u>	<u>2,597,092</u>
Depreciation				
At 30 March 2001	3,002,214	587,468	445,685	4,035,367
Charge for the period	406,663	87,178	295,074	788,915
Disposals	(2,474,001)	(345,517)	(6,292)	(2,825,810)
At 29 March 2002	<u>934,876</u>	<u>329,129</u>	<u>734,467</u>	<u>1,998,472</u>
Net book value				
At 29 March 2002	<u>287,056</u>	<u>122,480</u>	<u>189,084</u>	<u>598,620</u>
At 30 March 2001	<u>614,524</u>	<u>205,316</u>	<u>334,482</u>	<u>1,154,322</u>

8. DEBTORS

	29 March 2002 £	30 March 2001 £ (restated)
Trade debtors	470,120	884,535
Amounts recoverable on long term contracts	-	869,858
Amounts owed by group undertakings	55,864,161	56,045,947
Deferred taxation asset	388,960	346,618
Corporation tax debtor	51,549	-
Other debtors	134,538	-
Prepayments and accrued income	-	644,174
	<u>56,909,328</u>	<u>58,791,132</u>

NOTES TO THE ACCOUNTS

Period from 31 March 2001 to 29 March 2002

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	29 March 2002 £	30 March 2001 £ (restated)
Bank loans and overdrafts	2,540,883	-
Trade creditors	-	1,845,041
Amounts owed to parent and fellow subsidiary undertakings	48,020,766	46,565,377
Corporation tax payable	-	179,586
Other creditors including tax and social security	43,336	1,341,057
Accruals and deferred income	384,901	4,643,134
Group relief payable	-	1,295,726
	<u>50,989,886</u>	<u>55,869,921</u>

10. DEFERRED TAXATION

Deferred taxation assets are:

	Provided 29 March 2002 £'000	Provided 30 March 2001 £'000	Not Provided 29 March 2002 £'000 (restated)	Not Provided 30 March 2001 £'000 (restated)
Depreciation in excess of capital allowances	329,462	287,120	-	-
Short term timing differences	59,498	59,498	-	-
	<u>388,960</u>	<u>346,618</u>	<u>-</u>	<u>-</u>

Movement in the period:

2001 as previously reported	£ -
Adoption of FRS 19 at 1 April 2000	489,970
During period ended 30 March 2001	<u>(143,352)</u>
Adoption of FRS 19 at 30 March 2001	346,618
Amount credited to profit and loss account	<u>42,342</u>
At 29 March 2002	<u>388,960</u>

NOTES TO THE ACCOUNTS

Period from 31 March 2001 to 29 March 2002

11. CALLED UP SHARE CAPITAL

	29 March 2002 £	30 March 2001 £
Authorised:		
100 ordinary shares of £1 each	100	100
Called up, allotted and fully paid:		
2 ordinary shares of £1 each	2	2

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

Group	Share capital £	Profit and loss account £	Total shareholders' Funds
Opening shareholders' funds as previously stated	2	6,399,970	6,399,972
Prior year adjustment	-	(143,352)	(143,352)
Opening shareholders' funds as restated	2	6,256,618	6,256,620
Profit for the period	-	261,442	261,442
Closing shareholders' funds	2	6,518,060	6,518,062

13. LEASE COMMITMENTS

Operating Leases

Annual commitments under non-cancellable operating leases are as follows:

	29 March 2002		30 March 2001	
	Land and buildings £	Other £	Land and buildings £	Other £
Leases which expire:				
Within one year	-	-	-	55,567
Within two to five years	-	-	812,847	45,738
After five years	-	-	318,260	7,930
	-	-	1,131,107	109,235

On 29 September 2001 all lease commitments were transferred to CSC Computer Sciences Limited.

NOTES TO THE ACCOUNTS

Period from 31 March 2001 to 29 March 2002

14. PENSION SCHEMES

The company provides pensions to certain employees through a pension scheme providing benefits based on final pensionable pay.

The pension charge in the consolidated profit and loss account in respect of both this section and the defined contribution section of the scheme was £296,279 (2001 - £600,639).

The pension cost is assessed in accordance with the advice of a professionally qualified actuary. The latest actuarial valuation was as at 1 April 2000 and used the projected unit method. The main actuarial assumptions were that salaries would increase by 4.5% p.a. and the return on scheme investments would be 7% p.a. in the pre-retirement period and 6% in the post-retirement period.

At the date of the latest actuarial valuation the market value of the assets of the scheme was £251,254,000 and the actuarial value of the assets was sufficient to cover 95.8% of the benefits that had accrued to members after allowing for expected future increases in earnings.

FRS 17 disclosures

In November 2000 the Accounting Standards Board issued FRS 17 "Retirement Benefits" replacing SSAP 24 "Accounting for Pension Costs". FRS 17 is fully effective for periods ending on or after 22 June 2003, though certain disclosures are required in the transition period, for periods ending on or after 22 June 2001. These further disclosures are included below.

The actuarial valuation of the pension scheme was updated to 29 March 2002. The principal actuarial assumptions used as at 29 March 2002 are shown below:

	%
Rate of increase in salaries	4.0
Rate of increase of pensions in payment	2.5
Discount rate	6.0
Inflation assumption	2.5

The assets and liabilities of the pension scheme at 29 March 2002, along with the expected rates of return on scheme assets are shown below:

	%	£'000
Equities	8	225,833
Bonds	6	74,060
Cash and other assets	5	-
Total market value of assets		299,893
Actuarial value of liabilities		(329,320)
Deficit in the scheme		(29,427)
Related deferred tax asset		8,828
		<u>(20,599)</u>

Had the company adopted FRS17 early, the profit and loss reserves would have been stated as follows:

	29 March 2001 £'000
Profit and loss reserve in the financial statements at 29 March 2002	91,207
FRS 17 deficit in relation to the pension scheme	<u>(20,599)</u>
Profit and loss reserve as adjusted	<u>70,608</u>

NOTES TO THE ACCOUNTS

Period from 31 March 2001 to 29 March 2002

15. RELATED PARTY TRANSACTIONS

The company is taking advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard No.8 "Related Party Disclosures" not to disclose transactions with group companies which are related parties.

16. ULTIMATE PARENT COMPANY

The ultimate and immediate parent company and controlling entity is Computer Sciences Corporation, a company incorporated in the United States of America. Computer Sciences Corporation is the parent company of both the smallest and largest groups which include the company and prepare consolidated accounts. Copies of the group financial statements of Computer Sciences Corporation are available from 2100 East Grand Avenue, El Segundo, California 90245, USA.