

**Xansa UK Limited**  
**Report and Accounts**

**For the year ended 30 April 2002**



**Registered Office:**  
**Campus 300**  
**Maylands Avenue**  
**Hemel Hempstead**  
**HP2 7TQ**  
**Registered in England no. 4077975**

# Xansa UK Limited

## Report of the Directors

The directors are pleased to present their report and accounts for the year ended 30 April 2002.

### Activities and Review of the Business

The Company commenced trading on 1 May 2001. The principal activities of the Company are the provision of computing and consultancy services. On 1 May 2001 certain other UK members of the Xansa plc group transferred some of their assets, liabilities and trades to Xansa UK Limited.

The assets, liabilities and trade of Druid Systems Limited, OSI Services (UK) Limited, Kermon Limited, Duhig Berry Limited and Xansa plc were transferred at book value. The assets, liabilities and trade of Xansa Systems Limited were transferred at market value.

### Results and Dividends

The profit after taxation for the year was £5,908,000 (2001: £nil). The directors do not recommend payment of a dividend.

### Directors

The directors of the Company during the period were as follows:-

Mrs L K Barrat  
Mrs J L Connell  
Mr P M Cook  
Mrs H M Cropper  
Mr G R Dunn  
Mr M J Harling  
Mr R F Price  
Mr S R Weston  
Mr A L Wood

None of the directors had an interest in the shares of the Company.

Mrs L K Barrat, Mrs J L Connell, Mrs H M Cropper, Mr G R Dunn, Mr S R Weston and Mr A L Wood are directors of the ultimate parent, Xansa plc, and their interests in the shares of that Company and details of their interests under the Xansa plc Share Schemes are disclosed in that Company's accounts.

The number of shares in the ultimate parent undertaking in which the other directors at the year end, had an interest, as defined by the Companies Act 1985, were as follows:

Ordinary shares of 5p each	30 April 2002	30 April 2001
P M Cook	1,609	-
M J Harling	76,191	67,105
R F Price	1,126,746	1,726,746

### Share option schemes

	Option price (pence)		Date from when exercisable	Expiry Date	As at 1 May 2001	Granted during the year	Exercised during the year	As at 30 April 2002
P M Cook	331.50	*	10 Jan 2004	10 Jan 2008	36,199	-	-	36,199
	331.50	*	11 Jan 2004	11 Jan 2011	9,049	-	-	9,049
	291.80	*	9 Nov 2004	8 Nov 2008	-	50,000	-	50,000
	239.00	**	1 Feb 2005	31 Jul 2005	-	1,987	-	1,987
M J Harling	63.77	*	29 Aug 1996	29 Aug 2003	16,926	-	-	16,926
	223.00	**	1 Feb 2002	31 Jul 2002	1,737	-	1,737	-
	352.50	*	17 Feb 2002	17 Feb 2006	6,448	-	-	6,448
	352.50	*	18 Feb 2002	18 Feb 2009	8,510	-	-	8,510
	440.00	*	28 Jun 2003	28 Jun 2007	2,840	-	-	2,840
	440.00	*	28 Jun 2003	28 Jun 2007	28,409	-	-	28,409
	356.00	**	1 Feb 2003	31 Jul 2003	544	-	-	544
	397.50	*	15 Feb 2004	15 Feb 2008	8,868	-	-	8,868
	378.00	**	1 Feb 2004	31 Jul 2004	1,025	-	-	1,025
	291.80	*	9 Nov 2004	8 Nov 2008	-	25,000	-	25,000
	239.00	**	1 Feb 2005	31 Jul 2005	-	1,589	-	1,589
R F Price	273.00	*	19 May 2002	19 May 2006	36,610	-	-	36,610
	440.00	*	29 Jun 2003	29 Jun 2010	4,204	-	-	4,204
	291.80	*	9 Nov 2004	8 Nov 2011	-	3,941	-	3,941
	291.80	*	9 Nov 2004	8 Nov 2008	-	21,059	-	21,059

\* Granted under the Xansa 1996 Share Option Scheme

\*\* Granted under the Xansa ShareSave Scheme

**Events since the balance sheet date**

The Company was informed on 18 June 2002, that as a result of the Halifax and Bank of Scotland merger in September 2001, and a subsequent review of its IT strategy, HBOS has decided to give notice to conclude its contract with First Banking Systems (FBS) effective December 2003. Consequently FBS will cease to trade on completion of the HBOS contract. During 2002 Xansa UK Limited derived £33,314,000 of turnover from FBS.

On 31 May 2002 Xansa signed a Business Process Management contract with British Telecommunications plc for outsourcing many of its key accounting and financial services. This contract is worth a minimum of £250,000,000 to Xansa UK Limited over seven years from 1 July 2002, and involves the transfer of approximately 570 employees from BT.

**Disabled employees**

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is company policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

**Employee involvement**

During the year, the policy of providing employees with information about the Group has been continued through the use of the intranet and the Xpression magazine. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees participate directly in the success of the business through the Group's All Employee Share Ownership Plan (AESOP) and are encouraged to invest in the Group through participation in share option schemes.

**Creditor payment policy and practice**

It is the Company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Company and its suppliers, provided that all trading terms and conditions have been complied with. At 30 April 2002, the Company had an average of 10 days purchases outstanding in trade creditors.

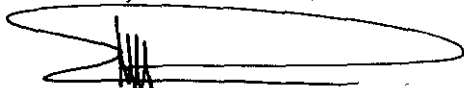
**Political and charitable contributions**

During the year, the company made various charitable contributions totalling £28,000.

**Auditors**

A resolution to reappoint Ernst and Young LLP as auditors will be put to the members at the Annual General Meeting.

By Order of the Board,

A handwritten signature in dark ink, appearing to be 'M D PETERS', is written over a horizontal line. The signature is enclosed within a large, hand-drawn oval shape.

M D PETERS  
Company Secretary.

## Xansa UK Limited

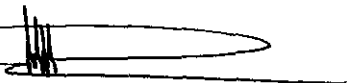
### Statement of Directors' Responsibilities in respect of the Accounts

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 of the profit or loss for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- make judgements and estimates that are reasonable and prudent; 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 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.

By Order of the Board

A handwritten signature in black ink, appearing to be 'M D PETERS', is written over a horizontal line.

M D PETERS  
Company Secretary

## **INDEPENDENT AUDITORS' REPORT**

### **to the members of Xansa UK Limited**

We have audited the company's accounts for the year ended 30 April 2002, which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 21. These accounts have been prepared on the basis of the accounting policies set out therein.

#### **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 accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, 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 and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

#### **Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 30 April 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

 LLP

Ernst & Young LLP  
Registered Auditor  
London

17 October 2002

# Xansa UK Limited

## Profit and Loss Account

for the year ended 30 April 2002

	Note	12 months ended 30 April 2002 £'000	7 months ended 30 April 2001 £'000
<b>Turnover</b>	2	308,402	-
Operating costs		300,807	-
<b>Operating profit</b>	3	7,595	
Net interest payable	4	(1,408)	-
<b>Profit on ordinary activities before taxation</b>		6,187	-
Tax on profit on ordinary activities	6	(279)	-
<b>Profit attributable to shareholders</b>	16	5,908	-

There are no recognised gains or losses other than the retained profit for the year.

# Xansa UK Limited

## Balance Sheet

as at 30 April 2002

	Note	30 April 2002 £'000	30 April 2001 £'000
<b>Fixed assets</b>			
Tangible assets	7	15,269	-
Investments	8	-	-
		<u>15,269</u>	<u>-</u>
<b>Current assets</b>			
Debtors	9	90,705	-
Cash at bank and in hand		10,565	-
		<u>101,270</u>	<u>-</u>
<b>Creditors due within one year</b>	10	<u>(109,220)</u>	<u>-</u>
<b>Net current (liabilities)</b>		<u>(7,950)</u>	<u>-</u>
<b>Total assets less current liabilities</b>		<u>7,319</u>	<u>-</u>
<b>Creditors amounts falling due after more than one year</b>	11	(497)	-
<b>Provisions for liabilities and charges</b>	12	(914)	-
<b>Net assets</b>		<u>5,908</u>	<u>-</u>
<b>Capital and reserves</b>			
Called up share capital	15	-	-
Profit and loss account		5,908	-
<b>Equity Shareholders' Funds</b>	16	<u>5,908</u>	<u>-</u>

Approved by the Board on

16/10/02



Director

# Xansa UK Limited

## Notes to the accounts for the year ended 30 April 2002

### 1 ACCOUNTING POLICIES

#### Basis of accounting

The accounts are prepared on the historical cost basis of accounting and all applicable accounting standards have been complied with. In preparing the accounts for the current year, the Company has adopted FRS 17 'Retirement Benefits', FRS 18 'Accounting policies' and FRS 19 'Deferred Tax'. In accordance with the transitional arrangements of FRS17, Retirement Benefits, additional disclosures are contained in the notes to the accounts. The implementation of FRS 17, 18 and 19 has not had any effect on this year's or prior period results.

#### Turnover

Turnover represents invoiced amounts for goods and services rendered, net of value added tax.

#### Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets so as to write them off over their anticipated useful lives at the following annual rates on a straight line basis:

Leasehold improvements	- over the period of the lease
Fixtures and Fittings	- 25% - 33%
Motor Vehicles	- 25%

Premiums paid on, and additions to, short leasehold property are amortised over the shorter of the period until the next rent review or the useful life of the lease.

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

#### Cash Flow Statement.

Under the provisions of FRS1, the Company is not required to include a cash flow statement in these accounts. A Consolidated cash flow statement is prepared by Xansa plc, and includes the results of this Company.

#### Taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

#### Pension costs

The Company participates in a group defined benefit pension scheme, with both a contributory and non-contributory element, for the benefit of its employees.

In accordance with the flexible benefits programme, 5% of members' salaries is allocated to individual flex funds to meet their pension obligations. For members who qualify for enhanced benefits under the senior executive arrangements the allocation is 10%. Contributions to this scheme are charged in the profit and loss account so as to spread the cost of pensions over the employees' working lives.

The regular cost is attributed to individual years using the projected unit credit method. Variations in pension cost, which are identified as a result of actuarial valuations, are amortised over the average expected remaining working lives of employees. Differences between the amounts funded and the amounts charged in the profit and loss account are treated as either provisions or prepayments in the balance sheet.

In addition the Company makes contributions to money purchase pension schemes for those employees who wish to participate. Contributions are paid to the schemes so as to secure the benefits set out in the rules.

#### Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.



### Investment in subsidiary

Investments in subsidiary undertakings are stated at cost less provisions for any permanent diminution in value.

### Contracts in progress

Profits on time and materials contracts are recognised in line with the effort expended. Profits on fixed price contracts are taken in proportion to the cost of work performed on each contract relative to the estimated total costs of completing the contract. Provision is made for the whole of any anticipated losses as soon as they are identified.

### Pre-contract costs

Directly attributable pre-contract costs are carried forward, to be amortised over the life of the contract, only when it is virtually certain that the contract will be obtained.

### Finance and operating leases

Assets held under finance leases are capitalised and depreciated in line with accounting policy. The outstanding capital element of the related obligations is included in creditors. The interest is charged to the profit and loss account over the term of the lease. Rentals in respect of operating lease arrangements are charged to the profit and loss account as incurred.

## 2 TURNOVER

The directors consider that the Company operates in one continuing class of business namely that of computer software and related support services.

	12 months ended 30 April 2002 £'000	7 months ended 30 April 2001 £'000
Turnover by geographical destination is:		
United Kingdom	302,391	-
United States of America	2,188	-
Other Europe	3,152	-
Asia Pacific	350	-
Other	321	-
	<u>308,402</u>	<u>-</u>

## 3 OPERATING PROFIT

	12 months ended 30 April 2002 £'000	7 months ended 30 April 2001 £'000
This is stated after charging (crediting):		
Auditors' remuneration - audit fees	213	-
Auditors' remuneration - non-audit fees	696	-
Depreciation - owned assets	6,593	-
Depreciation - leased assets	203	-
Profit on disposal of fixed assets	(21)	-
Operating lease rentals - rents on properties	4,530	-
Operating lease rentals - other operating leases	259	-
Rent receivable	<u>(2,418)</u>	<u>-</u>

#### 4 INTEREST PAYABLE

	12 months ended 30 April 2002 £'000	7 months ended 30 April 2001 £'000
Interest paid on intercompany loans	1,084	-
Foreign exchange losses	278	-
Finance charges payable under finance leases and hire purchase contracts	46	-
	<b>1,408</b>	-

#### 5 DIRECTORS AND OTHER EMPLOYEES

	12 months ended 30 April 2002 £'000	7 months ended 30 April 2001 £'000
<b>Staff costs</b>		
Wages and salaries	127,230	-
Social security costs	11,664	-
Other pension costs	14,056	-
	<b>152,950</b>	-
Amounts payable to subcontractors	7,624	-
	2002 No.	2001 No.
Average employee numbers	2,502	-

The employee numbers relate to the actual number of people employed excluding subcontractors.

	12 months ended 30 April 2002 £'000	7 months ended 30 April 2001 £'000
The emoluments, excluding pensions, of the directors were as follows:		
Emoluments	396	-
Company contributions paid to defined benefit pension schemes	13	-
Company contributions paid to money purchase pension schemes	3	-
	2002 No.	2001 No.
Members of defined benefit pension schemes	1	-
Members of money purchase pension schemes	1	-

The emoluments of the highest paid director amount to £242,000 (2001: £nil), and the pension contributions of the highest paid director were £3,000 (2001: £nil)

Mrs L K Barrat, Mrs J L Connell, Mrs H M Cropper, Mr G R Dunn, Mr S R Weston and Mr A L Wood, are directors of the ultimate parent company Xansa plc and details of their emoluments and pension entitlements are disclosed in that Company's accounts. Mr P M Cook does not receive emoluments from any Xansa Group Company in respect of his services as a director of the Company.

## 6 TAXATION

	12 months ended 30 April 2002 £'000	7 months ended 30 April 2001 £'000
The charge (credit) comprises:		
UK Corporation tax - current year	(331)	-
Adjustments in respect of prior years	(229)	-
Total current tax	(560)	-
Deferred taxation	839	-
Tax on profit on ordinary activities	279	-
The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:		
Profit on ordinary activities before tax	6,187	-
Tax on profit at standard UK corporation tax rate of 30%	1,856	-
Effects of:		
Expenses not deductible for tax purposes	769	-
Tax relief on shares transferred to AESOP	(2,499)	-
Utilisation of tax losses	(781)	-
Depreciation in excess of capital allowances	324	-
Adjustments to tax charge in respect of previous periods	(229)	-
Total current tax (credit) for the period	(560)	-

## 7 TANGIBLE FIXED ASSETS

	Short leasehold land and buildings £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>				
At 1 May 2001	-	-	-	-
Transferred from other group entities	9,135	29,549	339	39,023
Additions	346	5,149	-	5,495
Disposals	(18)	(364)	(267)	(649)
At 30 April 2002	9,463	34,334	72	43,869
<b>Depreciation</b>				
At 1 May 2001	-	-	-	-
Transferred from other group entities	(3,496)	(18,603)	(310)	(22,409)
Provision for the period	(1,520)	(5,271)	(5)	(6,796)
Disposals	8	334	263	605
At 30 April 2002	(5,008)	(23,540)	(52)	(28,600)
<b>Net book value</b>				
At 30 April 2002	4,455	10,794	20	15,269
At 30 April 2001	-	-	-	-
Included in the amounts above are the following amounts relating to leased assets:				
At 30 April 2002	402	413	-	815

## 8 INVESTMENTS

On 25 January 2002 the Company purchased a 49% investment in Barshelfco (No. 73) Limited. This is held at cost of £49. The Company holds all the A class shares of Barshelfco which entitles them to control the board of Barshelfco. Consequently, Barshelfco has been accounted for as a subsidiary within the financial statements of Xansa plc.

The Company is exempt from preparing group accounts under the s228 Companies Act 1985, as its immediate parent and ultimate parent are companies within member states of the European Economic Area (EEA).

## 9 DEBTORS

	2002 £'000	2001 £'000
Trade debtors	40,147	-
Amounts to be billed on contracts	8,259	-
Other debtors	329	-
Prepayments	6,542	-
Employee share loans	46	-
Corporation tax	909	-
Amounts due from ultimate parent undertaking	6,520	-
Amounts due from fellow subsidiary undertaking	27,953	-
	<u>90,705</u>	<u>-</u>

Included within prepayments is £1,803,000 relating to prepayments falling due after more than one year.

## 10 CREDITORS: amounts falling due within one year

	2002 £'000	2001 £'000
Trade creditors	3,908	-
Revenue in advance	10,895	-
Other taxes and social security costs	18,253	-
Other creditors and accruals	16,297	-
Overdrafts	436	-
Finance lease obligations	228	-
Amounts due to ultimate parent undertaking	20,568	-
Amounts due to fellow subsidiary undertakings	38,635	-
	<u>109,220</u>	<u>-</u>

## 11 CREDITORS: amounts falling due after more than one year

	2002 £'000	2001 £'000
Finance lease obligations	497	-

## 12 PROVISIONS FOR LIABILITIES AND CHARGES

	Provision for vacant properties (note a) £'000	Deferred corporation tax (note b) £'000	Total £'000
At 1 May 2001	-	-	-
Transferred from other group entities	75	-	75
Provision in the year	-	839	839
<b>At 30 April 2002</b>	<b>75</b>	<b>839</b>	<b>914</b>

(a) Provision for vacant properties covers the anticipated costs of rent, rates and dilapidations in respect of unoccupied property.

(b) Deferred tax (assets) liabilities comprised:

	Recognised 2002 £'000	Recognised 2001 £'000	Potential amounts unrecognised 2002 £'000	Potential amounts unrecognised 2001 £'000
Accelerated capital allowances	(874)	-	-	-
Unutilised tax losses	-	-	(89)	-
Other short term timing differences	1,713	-	(484)	-
	<b>839</b>	<b>-</b>	<b>(573)</b>	<b>-</b>

## 13 CAPITAL COMMITMENTS

As at 30 April 2002 the Company had contracted commitments to purchase capital items amounting to £168,000 (2001: £nil).

## 14 OBLIGATIONS UNDER LEASES AND HIRE PURCHASE CONTRACTS

	2002 £'000	2001 £'000
Amounts due under finance leases and hire purchase contracts were as follows:		
Amounts payable		
Within one year	228	-
In two to five years	497	-
	<b>725</b>	<b>-</b>

The annual commitment under non-cancellable operating leases was as follows:

	Land and buildings 2002 £'000	Land and buildings 2001 £'000	Motor vehicles and equipment 2002 £'000	Motor vehicles and equipment 2001 £'000
Leases expiring				
Within one year	79	-	57	-
In two to five years	1,099	-	141	-
In over five years	3,571	-	-	-
	<b>4,749</b>	<b>-</b>	<b>198</b>	<b>-</b>

## 15 SHARE CAPITAL

	2002 £'000	2001 £'000
<b>Authorised:</b>		
1,000 ordinary shares of £1 each	1	1
<b>Allotted, called up and fully paid:</b>		
1 ordinary share of £1 each	-	-

## 16 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share Capital £'000	Profit and loss account £'000	Total £'000
At 26 Sept 2000 and 1 May 2001	-	-	-
Profit attributable to shareholders		5,908	5,908
At 30 April 2002	-	5,908	5,908

## 17 PENSIONS

The Company continues to account for pension costs under Statement of Standard Accounting Practice (SSAP) 24. Disclosures are provided under both SSAP 24 and FRS 17 as required by the Standards.

The Company participates in a Group defined benefit pension scheme in the UK called the Xansa Pension Plan ("the Plan"). Employees of the Company are eligible to join by invitation only. The scheme is funded by payments of contributions to a separately administered fund.

The last triennial valuation of the Xansa Pension Plan was performed as at 31 December 2000, by professionally qualified actuaries, using the projected unit method.

The major assumptions used by the actuaries were that, over the long term, the return on the Plan's assets would be 6.5% (1997: 8.75%) per annum and that salaries would increase at an average of 5.0% (1997: 6.5%) per annum. Allowances have been made for post-retirement pension increases guaranteed under the Plan rules.

The actuarial value of the assets was 86% of the liabilities using the assumptions outlined above (1997: 99%). The market value of the scheme's assets was £72,900,000. Allowing for the above mentioned salary increases, the actuarial unfunded liability disclosed at the valuation date was £11,400,000 (1997 £400,000).

The Pensions Act 1995 introduced the Minimum Funding Requirement (MFR). The aim of the MFR is to improve the security of members' benefits by ensuring that the assets of a scheme are not less than the amount of liabilities on a prescribed basis. The unaudited value of the Plan's assets on the MFR basis was £72,900,000 (1997: £26,700,000), representing 89% (1997: 107%) of the MFR liabilities at the valuation date. The excess of the MFR liabilities over the MFR assets is being recovered over the five years to April 2007 by additional contributions of 3.0% of pensionable pay.

Contributions made in respect of the year to 30 April 2002 were £10,251,000. The contribution rate for the year to 30 April 2003 has been set at 18.65% of pensionable pay, which includes the additional 3.0% to recover the deficit noted above.

The Company is unable to identify its share of the underlying assets and liabilities in the Xansa Pension Plan, as the Plan also covers employees of other Xansa companies. Information concerning the assets and liabilities of the Plan calculated in accordance with FRS17 can be found in the Xansa plc annual report and accounts for the year ended 30 April 2002.

The Company makes contributions to a number of defined contribution pension schemes operated by the group in the UK. The main scheme is called the Xansa Money Purchase Pension Scheme and is open to all employees who are not members of the Xansa Pension Plan. The Company also continues to contribute to defined contribution pension schemes which were operated by Druid Group plc and OSI Group Holdings Ltd prior to their joining the group. These schemes are closed to new members.

As at 30 April 2002 the amount outstanding in respect of the Company's contribution to the Group's defined contribution schemes was £513,000 (2001: £376,000), contributions made in respect of the year were £4,119,000.

## **18 PARENT UNDERTAKING**

The Company's ultimate parent undertaking is Xansa plc, a company registered in England.

Copies of the Xansa plc Report and Accounts are available to the public and can be obtained from Campus 300, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7TQ.

## **19 RELATED PARTY TRANSACTIONS**

The Company has used the exemption under FRS 8 not to disclose related party transactions with other group companies, as group accounts are prepared.

## **20 POST BALANCE SHEET EVENTS**

The Company was informed on 18 June 2002, that as a result of the Halifax and Bank of Scotland merger, in September 2001, and a subsequent review of its IT strategy, HBOS has decided to give notice to conclude its contract with First Banking Systems (FBS) effective December 2003. Consequently FBS will cease to trade on completion of the HBOS contract. During 2002 Xansa UK Limited derived £33,314,000 of turnover from FBS.

On 31 May 2002 Xansa signed a Business Process Management contract with British Telecommunications plc for outsourcing many of its key accounting and financial services. This contract is worth a minimum of £250,000,000 to Xansa UK Limited over seven years from 1 July 2002, and involves the transfer of approximately 570 employees from BT.

## **21 CONTINGENT LIABILITIES**

The Company has entered into guarantees and cross guarantee arrangements with Xansa plc and some of its subsidiary companies, in favour of several banks, in respect of the financial obligations arising from the provision of banking facilities in the UK and overseas.