

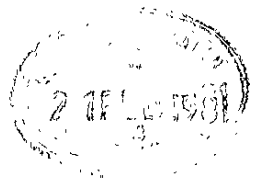
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CSC UK COMPUTER SCIENCES COMPANY LIMITED

DIRECTORS' REPORT AND ACCOUNTS

28th March 1980

**Touche Ross & Co.,
Bills House,
1 Little New Street,
London,
EC4A 3TR.**



REPORT OF THE DIRECTORS TO THE MEMBERS OF
CSC UK COMPUTER SCIENCES COMPANY LIMITED
for the year ended 28th March 1980

Activities

The company provides the services of consultants, systems analysts and computer programmers on a contract basis and remote computing services through its INFONET Division.

Results

The profit on trading for the year amounted to £86,835 (1979 loss £72,990). This has been deducted from the opening accumulated deficit, leaving a deficit of £104,377 to be carried forward at 28th March 1980.

Exports

During the year the company exported services amounting to £84,570 (1979 - £182,214).

Dividends

No dividends are proposed in respect of the year.

Directors

The following persons were directors of the company during the year:

K.R. Barge	-	Chairman
K. Nicol	-	Managing Director
W. Hoover	-	(United States)
W. Schaer	-	(United States)

None of the directors had a beneficial interest in any of the shares of the company during the year.

Fixed assets

During the year the company acquired fixed assets amounting to £125,883 (1979 - £78,568). Of this, communication and peripheral equipment amounting to £12,378 (1979 - £43,406) was transferred from overseas group companies at their written down value.

Auditors

The auditors, Touche Ross & Co., have signified their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

By Order of the Board

J.S. Edwards
Secretary

30th July 1980

Touche Ross & Co.
Chartered Accountants

Hill House
1 Little New Street
London EC4A 3TR

AUDITORS' REPORT TO THE MEMBERS

of

CSC UK COMPUTER SCIENCES COMPANY LIMITED

In our opinion the accounts and notes set out on pages 3 to 8, which have been prepared under the historical cost convention, comply with the Companies Acts 1948 and 1967 and give a true and fair view of the state of the company's affairs at 28th March 1980 and of its profit and source and application of funds for the year ended on that date.

Touche Ross & Co.

31st July 1980

Chartered Accountants

CSC UK COMPUTER SCIENCES COMPANY LIMITEDPROFIT AND LOSS ACCOUNTfor the year ended 28th March 1980

	Note	£	1980 £	1979 £
Turnover	1(a)		£1,398,216	£871,017
The trading profit/(loss) for the year is after taking into account the following charges or (credits):				
			86,835	(72,990)
Directors' emoluments	7	43,983		37,987
Depreciation	1(b)	47,542		21,873
Auditors' remuneration		6,100		4,200
Loan interest to parent company	5	25,274		8,600
Royalties paid to a group company		11,714		1,707
Charges from group companies for technical assistance, computer facilities and administration costs	8	214,920		106,929
Charges for personnel hired from affiliated companies		19,821		51,031
Interest receivable		(4,582)		(5,505)
Profit/(loss) before taxation			86,835	(72,990)
Taxation	10		-	-
Profit/(loss) after taxation			86,835	(72,990)
Accumulated deficit brought forward			(191,212)	(118,222)
Accumulated deficit carried forward			£(104,377)	£(191,212)

CSC UK COMPUTER SCIENCES COMPANY LIMITEDBALANCE SHEET - 28th March 1980

	<u>Note</u>	<u>£</u>	<u>1980</u>	<u>£</u>	<u>1979</u>
					<u>£</u>
Current assets					
Cash and bank balance		117,406			55,471
Debtors		385,828			132,559
Work in progress	3	-			-
Due from fellow subsidiaries		-			116
Due from ultimate holding company		-			2,311
				503,234	191,457
Current liabilities and provisions					
Creditors		224,868			92,052
Due to parent company and fellow subsidiaries		17,417			30,196
Due to ultimate holding company		174,737			-
				417,022	122,248
Net current assets				86,212	69,209
Fixed assets	4			179,964	110,072
Other liabilities					
Loan from parent company	5			(260,393)	(260,393)
				£(94,277)	£(181,112)
Shareholders' interests					
Share capital	6			10,100	10,100
Accumulated deficit				(104,377)	(191,212)
				£(94,277)	£(181,112)

W. A.
K. K. Gage.

Directors

CSC UK COMPUTER SCIENCES COMPANY LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the year ended 28th March 1980

	£	<u>1980</u>	£	<u>1979</u>
				£
Source of funds				
Profit before tax	86,835			-
Add: items not involving movement of funds				
Depreciation	47,542			-
Less profit on the sale of fixed assets	<u>(1,595)</u>			<u>-</u>
Total generated from operations		132,782		-
Funds from other sources:				
Proceeds from sale of fixed assets		10,104		3,721
Increase in loan from parent company		<u>-</u>		<u>360,393</u>
		142,886		<u>364,114</u>
Application of funds				
Loss before tax	-			(72,990)
Add items not involving movement of funds:				
Depreciation	-			21,873
Less profit on the sale of fixed assets	<u>-</u>			<u>(77)</u>
Total absorbed by operations		-		(51,194)
Purchase of fixed assets		(129,893)		(78,568)
Repayment of loan to ultimate holding company		<u>-</u>		<u>(190,054)</u>
		17,003		35,298
Changes in working capital				
(Increase)/decrease in debtors	(253,269)			25,385
Increase in creditors	132,816			26,624
Increase/(decrease) in amounts due to group companies	165,395			(54,102)
Decrease in work in progress	<u>-</u>			<u>9,600</u>
		64,932		7,511
Increase in cash and bank balances		£ 61,935		£ 42,809

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GSC UK COMPUTER SCIENCES COMPANY LIMITEDNOTES TO THE ACCOUNTS - 28th March 19801. Accounting policies(a) Turnover

Turnover represents the sales value of contract service work done in the year together with progress payments in cost plus contracts and revenue from the provision of INFONET remote computing services.

(b) Depreciation

Leasehold improvements are amortised on a straight line basis over a five year period to the next rent review in 1983 (note 9).

Communications equipment is amortised on a straight line basis over four years.

Other property and equipment are depreciated on a straight line basis over the period of their estimated useful life as follows:

Furniture, fixtures and fittings	- five to ten years
Motor cars	- five years

(c) Foreign currency

Balances repayable in foreign currencies have been translated into sterling at the rates of exchange applicable on 28th March 1980.

Sales in foreign currencies are converted into sterling at the average rates of exchange applicable for the month of service.

(d) Work in progress

Work in progress, which is considered to be in the nature of long term contracts has been valued at cost plus attributable profits less payments on account invoiced. Contracts not of a long term nature are usually invoiced on a monthly basis and profit is taken as amounts are invoiced, invoices unpaid being included in debtors.

2. Parent and ultimate holding company

The company is a wholly owned subsidiary of Computer Sciences Nederland B.V., a Dutch company.

The ultimate holding company is Computer Sciences Corporation, a Nevada, USA, corporation.

3. Work in progress

Work in progress of £103,000 is fully covered by progress payments (1979-NIL).

CSC UK COMPUTER SCIENCES COMPANY LIMITEDNOTES TO THE ACCOUNTS - 28th March 1980

(continued)

4. Fixed assets

	<u>Furniture and fittings</u> £	<u>Leasehold improvements</u> £	<u>Motor cars</u> £	<u>Communi- cations</u> £	<u>Total</u> £
Cost					
Balance at 31st March 1979	18,192	7,345	28,570	97,897	152,004
Additions during year	5,998	12,490	86,116	21,279	125,883
Disposals during year	(984)	-	(15,840)	-	(16,824)
Balance at 28th March 1980	23,206	19,835	98,846	119,176	261,063
Depreciation					
Balance at 31st March 1979	8,640	6,011	8,687	18,594	41,932
Charge for year	2,574	1,902	16,505	26,561	47,542
Written back re disposals	(984)	-	(7,331)	-	(8,315)
Balance at 28th March 1980	10,230	7,913	17,861	45,155	81,159
Net book value					
At 28th March 1980	£12,976	£11,922	£80,985	£ 74,021	£179,904
At 30st March 1979	£ 9,552	£ 1,334	£19,863	£ 79,303	£110,072

5. Loan from parent company

This loan is unsecured and interest at 7% per annum is being charged on this loan. No repayments are due within the next twelve months.

6. Share capital

	<u>1980</u>	<u>1979</u>
Authorised:		
200 shares of £100 each	£20,000	£20,000
Issued:		
2 shares of £100 each, fully paid	200	200
198 shares of £100 each, £50 paid	9,900	9,900
	£10,100	£10,100

CSC UK COMPUTER SCIENCES COMPANY LIMITED

NOTES TO THE ACCOUNTS - 28th March 1980

(continued)

7. <u>Directors' emoluments</u>	1980 £	1979 £
(a) Directors' emoluments were paid as follows:		
Chairman	16,125	13,490
Highest paid director	22,780	21,730
	£38,905	£35,220

(b) Senior employees

The emoluments paid to senior employees were as follows:-

Scale of remuneration £	1980 No.	1979 No.
20,001 - 25,000	1	-

8. Charges from group companies

Included in the current year's charge is £11,702 in respect of the previous year's administration costs.

9. Lease commitments

The company leases its office premises under:

- the terms of a twenty year lease dated March 1973. The lease agreement provides for an annual rental of £26,500 until 31st March 1983 following which the annual rental will be re-negotiated.
- the terms of a thirteen year lease dated October 1979 at an annual rental of £27,500, until 31st March 1983 following which the annual rental will be re-negotiated.
- the terms of a twenty five year lease dated 2nd January 1979 at an annual rental of £3,750 per annum, until 1st January 1984 following which the annual rental will be re-negotiated.
- the company is committed to acquiring a lease which had twenty years to run from March 1978. A premium of £53,000 will become payable in addition to an annual rental of £28,000.

10. Taxation

No corporation tax liability arises in respect of the taxable profits of the year, as these are fully covered by tax losses brought forward. There are estimated losses available to carry forward against profits of the same trade of approximately £138,000 (1979 - £235,000).

11. Major contract

Approximately 24% of the company's revenue in the year arose from one major contract (1979 - 22%).