Company Registration No. 00963578

Deloitte & Touche

CSC COMPUTER SCIENCES LIMITED

Report and Financial Statements

30 March 2001

Deloitte & Touche
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0462
15/04/02

CSC COMPUTER SCIENCES LIMITED

Deloitte & Touche

REPORT AND FINANCIAL STATEMENTS 2001

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REPORT AND FINANCIAL STATEMENTS 2001

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

K Archer
G M Hains
I S Hickson
V B Honeycutt (US citizen)
M W Laphen (US citizen)
L J Level (US citizen)

SECRETARY

D J Edwards

REGISTERED OFFICE

279 Farnborough Road
Farnborough
Hampshire GU14 7LS

BANKERS

National Westminster Bank Plc
63 Piccadilly
London W1A 2AG

SOLICITORS

Baker & McKenzie
100 New Bridge Street
London EC4V 6JA

AUDITORS

Deloitte & Touche
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the period from 1 April 2000 to 30 March 2001.

ACTIVITIES

The principal activities of the company during the period were the provision of computer consultancy, systems integration and computer outsourcing.

RESULTS AND DIVIDENDS

No dividend is proposed. The retained profit of the group for the period amounted to £13,332,000 (2000 - £11,199,000). As a result of this, the group profit and loss account carried forward is a profit of £70,446,000 (2000 - £57,114,000).

REVIEW OF BUSINESS

A summary of the group's results of the period's trading is given on page 6 of the financial statements.

Turnover has increased by 22.29 % during the period to £599,967,000 (2000 - £490,622,000).

On 5 April 2000 the group acquired a 100% shareholding in IT Services Limited and its subsidiary from British Nuclear Fuels plc.

On 31 August 2000 the group acquired the remaining share capital of CSC Investment Services Management Limited from Save & Prosper Group Limited.

On 2 February 2001 the group acquired a 75% shareholding in CSC Information Systems Limited (formerly Pearl Group Services Limited), together with a datacentre and related computer outsource contract, from Pearl Group Limited.

FUTURE DEVELOPMENTS

The group is a leading supplier of computing services in the UK and plans to continue its expansion through organic growth of the current business, further acquisitions, additional major outsourcing contracts and development of e-commerce services.

On 31 March 2001 the group acquired a 100% shareholding in CSC Automotive Services Limited (formerly Softlab Limited), together with a related outsource contract, from BMW (UK) Holdings Limited.

On 31 March 2001 the group acquired a 100% shareholding in CSC Financial Services Limited from its immediate parent company Computer Sciences UK Limited.

DIRECTORS AND THEIR INTERESTS

The present membership of the Board is set out on page 1.

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

K.Archer		(appointed 11 August 2000)
R.W. Mackintosh		(resigned 14 June 2000)
G.M. Hains		
I.S. Hickson		
V.B. Honeycutt	(US citizen)	
M.W. Laphen	(US citizen)	(appointed 11 August 2000)
L.J. Level	(US citizen)	

None of the directors had any beneficial interests in any of the shares of the company or any other group companies during the period.

DIRECTORS' REPORT

DONATIONS

During the period the group made charitable donations of £57,802 (2000 - £43,589).

EMPLOYEES

It is the group's policy to give consideration to disabled people in selection for employment, training and career development opportunities, and to take action to facilitate the continuing employment of people who become disabled while on the group's payroll. This policy is applied in a manner consistent with good business practice and the group's regard for the health and safety of all employees and the community at large.

The group recognises the benefit of keeping employees informed of the progress of the business and of involving them in the group's performance. During the period the employees were provided with information regarding the factors affecting the performance of the group and on other matters of concern to them as employees.

CREDITOR PAYMENT POLICY

The group's current policy concerning the payment of the majority of its trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU). For other suppliers, the group's policy is to :

(a) settle the terms of payment with those suppliers when agreeing the terms of each transaction;

(b) ensure that those suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and

(c) pay in accordance with its contractual and other legal obligations.

The payment policy applies to all payments to creditors for revenue and capital supplies of goods and services without exception.

Trade creditor days of the group and of the company for the year ended 30 March 2001 were 37.9 days (2000 – 38.2 days), calculated in accordance with the requirements set down in the Companies Act 1985.

EURO CURRENCY

The group considers that the introduction of the euro has not negatively affected the enforceability of client contracts or required it to incur any material cost under client contracts for which it has not been paid. Internal systems functionality required to deal with the euro has been implemented. The group will continue to review the impact of the euro over time but does not expect it to have a material adverse impact on the consolidated financial statements.

AUDITORS

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.J. Edwards

Secretary

12 March 2002

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the group 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 the group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Deloitte & Touche

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CSC COMPUTER SCIENCES LIMITED

We have audited the financial statements of CSC Computer Sciences Limited for the period from 1 April 2000 to 30 March 2001 which comprise the consolidated profit and loss account, the consolidated balance sheet, the company balance sheet, statement of total recognised gains and losses, reconciliation of movements in shareholders' funds and the related notes 1 to 24. These financial statements have been prepared under 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 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 affairs of the company and the group as at 30 March 2001 and of the profit of the group for the period from 1 April 2000 to 30 March 2001 and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and Registered Auditors

22 March 2002

Deloitte & Touche

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Period 1 April 2000 to 30 March 2001

	Note	1 April 2000 to 30 March 2001 £'000	3 April 1999 to 31 March 2000 £'000
TURNOVER: continuing operations	1,2	599,967	490,622
Cost of sales		(524,099)	(426,150)
Gross profit		75,868	64,472
Administrative expenses		(53,302)	(45,594)
Other operating income/(expenses)		101	(561)
OPERATING PROFIT: continuing operations		22,667	18,317
Investment income	5	1,865	1,066
Interest payable and similar charges	6	(2,297)	(929)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	7	22,235	18,454
Tax charge on profit on ordinary activities	8	(8,903)	(7,249)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		13,332	11,205
Equity minority interest		-	(6)
PROFIT FOR THE FINANCIAL PERIOD	17	13,332	11,199

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CONSOLIDATED BALANCE SHEET
30 March 2001

	Note	£'000	30 March 2001 £'000	£'000	31 March 2000 £'000
FIXED ASSETS					
Intangible assets	9		26,074		28,739
Tangible assets	10		91,118		76,797
			117,192		105,536
CURRENT ASSETS					
Debtors	12	205,893		146,015	
Cash at bank and in hand		31,522		4,108	
		237,415		150,123	
CREDITORS: amounts falling due within one year	13	(228,814)		(142,429)	
NET CURRENT ASSETS			8,601		7,694
TOTAL ASSETS LESS CURRENT LIABILITIES			125,793		113,230
CREDITORS: amounts falling due after more than one year	14		(53,375)		(51,815)
PROVISIONS FOR LIABILITIES AND CHARGES	15		(472)		(2,801)
			71,946		58,614
CAPITAL AND RESERVES					
Called up share capital	16		1,500		1,500
Profit and loss account	17		70,446		57,114
EQUITY SHAREHOLDERS' FUNDS			71,946		58,614

These financial statements were approved by the Board of Directors on 12 March 2002.

Signed on behalf of the Board of Directors

M.W. Laphen

Director

Deloitte & Touche

COMPANY BALANCE SHEET
30 March 2001

	Note	£'000	30 March 2001 £'000	£'000	31 March 2000 £'000
FIXED ASSETS					
Intangible assets	9		25,003		28,739
Tangible assets	10		83,618		76,797
Investments	11		11,557		8,314
			120,178		113,850
CURRENT ASSETS					
Debtors	12	202,530		148,227	
Cash at bank and in hand		31,522		-	
		234,052		148,227	
CREDITORS: amounts falling due within one year	13	(239,665)		(156,865)	
NET CURRENT LIABILITIES			(5,613)		(8,638)
TOTAL ASSETS LESS CURRENT LIABILITIES			114,565		105,212
CREDITORS: amounts falling due After more than one year	14		(53,375)		(51,815)
PROVISIONS FOR LIABILITIES AND CHARGES	15		(472)		(2,801)
			60,718		50,596
CAPITAL AND RESERVES					
Called up share capital	16		1,500		1,500
Profit and loss account	17		59,218		49,096
EQUITY SHAREHOLDERS' FUNDS			60,718		50,596

These financial statements were approved by the Board of Directors on 12 March 2002.

Signed on behalf of the Board of Directors

M.W. Laphen

Director

Deloitte & Touche

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Period 1 April 2000 to 30 March 2001

	1 April 2000 to 30 March 2001 £'000	3 April 1999 to 31 March 2000 £'000
Profit for the financial period	13,332	11,199
Total recognised gains and losses relating to the period	13,332	11,199

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
Period 1 April 2000 to 30 March 2001

	1 April 2000 to 30 March 2001 £'000	3 April 1999 to 31 March 2000 £'000
Profit for the financial period	13,332	11,199
Net addition to shareholders' funds	13,332	11,199
Opening shareholders' funds	58,614	47,415
Closing shareholders' funds	71,946	58,614

NOTES TO THE ACCOUNTS
Period 1 April 2000 to 30 March 2001

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention and on the going concern basis.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all its subsidiaries.

On the acquisition of a company fair values are attributed to the group's share of net separable assets. Where the cost of acquisition exceeds the values attributable to such net assets, the difference is treated as purchased goodwill and is capitalised and amortised over its estimated useful life.

Where the fair value of net assets acquired exceeds the cost of acquisition and the consideration is in the form of shares, the difference is treated as a capital reserve.

The company considers CSC Information Systems Limited to be a subsidiary from the company's entitlement to 99.9% of any distribution as dividends of the undertaking's profits and also its influence on the undertaking's operating and financial policies.

Turnover

Turnover represents the sales value net of VAT of work carried out in the period.

Intangible fixed assets

Goodwill

Goodwill arising on consolidation is capitalised and amortised over its estimated useful life (typically, between ten and fifteen years).

Development costs

These are amortised on a straight-line basis over their expected useful lives from the date the product enters commercial exploitation (three to five years).

Set-up costs

The costs of acquiring and transitioning outsourcing contracts are amortised on a straight-line basis over the performance period of the contracts (typically, three to ten years).

Tangible fixed assets

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

Furniture and fittings	Five to ten years
Leasehold improvements	Shorter of lease term and ten years
Computer and related equipment	Three to five years or useful life
Buildings	Forty years
Building improvements	Five to ten years
Land	Not depreciable

Investments

Investments held as fixed assets are stated at cost less provision for permanent impairment.

NOTES TO THE ACCOUNTS
Period 1 April 2000 to 30 March 2001

1. ACCOUNTING POLICIES (continued)

Amounts recoverable on contracts

In accordance with Statement of Standard Accounting Practice No. 9, amounts recoverable on contracts are valued at anticipated net sales value after provision for anticipated future losses on contracts.

Cash received on account of contracts is deducted from amounts recoverable on contracts. Such amounts which have been received and exceed amounts recoverable are included in creditors. Contract provisions in excess of amounts recoverable are included in provisions for liabilities and charges.

Foreign currency

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

Deferred taxation

Deferred tax is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

Leases

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

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases. The amounts by which the lease payments exceed the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

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.

2. SEGMENTAL INFORMATION

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

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

NOTES TO THE ACCOUNTS
Period 1 April 2000 to 30 March 2001

3. ACQUISITIONS

The entire issued share capital of IT Services Ltd and its subsidiary, ITS Groupware Limited, was acquired on 5 April 2000. The trade and assets were subsequently transferred to CSC Computer Sciences Ltd. The provisional fair value of the net assets acquired, and the consideration paid, is set out below:

	Book values at acquisition £'000	Provisional fair value adjustments £'000	Provisional fair values acquired £'000
Net assets acquired			
Tangible fixed assets	836	-	836
Cash	3,705	-	3,705
Stock	92	-	92
Debtors	8,936	-	8,936
Creditors	(9,113)	-	(9,113)
Provisions	(713)	(526)	(1,239)
	3,743	(526)	3,217
Goodwill			1,536
			4,753
Consideration			
Cash			4,753
			4,753

The provisional fair value adjustments principally relate to onerous contract provisions partially offset by releases of provisions deemed unnecessary. The provisional fair values may be adjusted by the Directors in the next accounting period.

On 31 August 2000 the remaining share capital of CSC Investment Services Management Ltd was acquired from Save & Prosper Group Ltd. The trade and assets of the company were subsequently transferred to CSC Computer Sciences Ltd. No goodwill arose on this acquisition.

On 2 February 2001 the group acquired a 75% shareholding in CSC Information Systems Limited (formerly Pearl Group Services Limited) from Pearl Group Ltd, together with a datacentre and related outsourcing contract. No goodwill arose on this acquisition.

NOTES TO THE ACCOUNTS
Period 1 April 2000 to 30 March 2001

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	1 April 2000 to 30 March 2001 £'000	3 April 1999 to 31 March 2000 £'000
Directors' remuneration		
Emoluments (excluding pension contributions)	1,969	1,100
Company contributions to directors' pensions		
Money purchase section	32	61
	No.	**No.**
Number of directors to whom retirement benefits are accruing under money purchase section	6	4
Number of directors who exercised share options	3	2
Remuneration of the highest paid director		
Emoluments (excluding pension contributions)	450	666
Company contributions to money purchase pension section	-	40
The highest paid director also exercised share options during the period		
Staff costs during the period (including directors)		
Wages and salaries	216,638	194,419
Social security costs	19,997	20,993
Other pension costs	18,812	10,272
	255,447	225,684
	No.	**No.**
Average number of persons employed		
Managerial and professional	5,285	4,197
Clerical	997	871
	6,282	5,068

NOTES TO THE ACCOUNTS
Period 1 April 2000 to 30 March 2001

5. INVESTMENT INCOME

	1 April 2000 to 30 March 2001 £'000	3 April 1999 to 31 March 2000 £'000
Interest receivable and similar income	1,865	1,066

6. INTEREST PAYABLE AND SIMILAR CHARGES

	1 April 2000 to 30 March 2001 £'000	3 April 1999 to 31 March 2000 £'000
Group undertakings	1,284	565
Bank loans and overdrafts	747	359
Finance leases and hire purchase contracts	266	5
	2,297	929

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1 April 2000 to 30 March 2001 £'000	3 April 1999 to 31 March 2000 £'000
Profit on ordinary activities before taxation is after charging/(crediting):		
(Profit)/Loss on sale of fixed assets	(99)	761
Exceptional item	-	6,330
Depreciation:		
Owned assets	28,284	6,036
Assets held under finance leases	2,096	1,852
Amortisation of intangible fixed assets:		
Goodwill	1,018	550
Other intangible fixed assets	4,437	2,098
Auditors' remuneration:		
Audit fee:		
Group	182	165
Company	139	132
Other services	158	49
Hire of plant and machinery	2,501	794
Other operating leases	13,515	13,149
Foreign currency exchange profit	(593)	(56)

Auditors' remuneration in respect of other services relates solely to duties performed in the UK.

NOTES TO THE ACCOUNTS
Period 1 April 2000 to 30 March 2001

8. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	1 April 2000 to 30 March 2001 £'000	3 April 1999 to 31 March 2000 £'000
United Kingdom corporation tax charge at 30% (2000 – 30%)	11,232	4,587
Deferred taxation (note 15)	(2,329)	2,801
	8,903	7,388
Prior period adjustment:		
- Corporation tax	-	(139)
	8,903	7,249

The tax charge is high as a proportion of profit before tax due to a significant amount of amortisation and depreciation in respect of assets not qualifying for tax relief and other expenditure not deductible for tax purposes.

9. INTANGIBLE FIXED ASSETS

The group	Goodwill £'000	Development Costs £'000	Set-up costs £'000	Total £'000
Cost				
At 1 April 2000	8,051	9,339	19,328	36,718
Additions	1,536	2,275	292	4,103
Disposal	-	-	(705)	(705)
Adjustment	-	-	(608)	(608)
At 30 March 2001	9,587	11,614	18,307	39,508
Accumulated amortisation				
At 1 April 2000	1,557	3,574	2,848	7,979
Charge for the period	1,018	2,696	1,741	5,455
At 30 March 2001	2,575	6,270	4,589	13,434
Net book value				
At 30 March 2001	7,012	5,344	13,718	26,074
At 31 March 2000	6,494	5,765	16,480	28,739

NOTES TO THE ACCOUNTS
Period 1 April 2000 to 30 March 2001

9. INTANGIBLE FIXED ASSETS (Continued)

The company	Goodwill £'000	Development Costs £'000	Set-up costs £'000	Total £'000
Cost				
At 1 April 2000	8,051	9,339	19,328	36,718
Additions	-	2,275	292	2,567
Disposal	-	-	(705)	(705)
Adjustment	-	-	(608)	(608)
At 30 March 2001	8,051	11,614	18,307	37,972
Accumulated amortisation				
At 1 April 2000	1,557	3,574	2,848	7,979
Charge for the period	553	2,696	1,741	4,990
At 30 March 2001	2,110	6,270	4,589	12,969
Net book value				
At 30 March 2001	5,941	5,344	13,718	25,003
At 31 March 2000	6,494	5,765	16,480	28,739

NOTES TO THE ACCOUNTS
Period 1 April 2000 to 30 March 2001

10. TANGIBLE FIXED ASSETS

The group	Land and buildings £'000	Furniture and fittings £'000	Leasehold improve-ments £'000	Computer and related equipment £'000	Total £'000
Cost					
At 1 April 2000	7,455	16,669	4,311	178,265	206,700
Additions	449	1,001	2,988	41,448	45,886
Transfers in	-	2,227	51	2,866	5,144
Disposals	-	(3,152)	(58)	(9,503)	(12,713)
At 30 March 2001	7,904	16,745	7,292	213,076	245,017
Accumulated depreciation					
At 1 April 2000	727	6,711	2,239	120,226	129,903
Charge for the period	285	1,862	812	27,421	30,380
Transfers in	-	1,915	51	2,607	4,573
Disposals	-	(3,152)	(55)	(7,750)	(10,957)
At 30 March 2001	1,012	7,336	3,047	142,504	153,899
Net book value					
At 30 March 2001	6,892	9,409	4,245	70,572	91,118
At 31 March 2000	6,728	9,958	2,072	58,039	76,797

Included in the above are fully depreciated assets with an original cost of £94,075,458 (2000 - £67,347,146).

Included in computer and related equipment above are assets with a net book value of £1,366,882 (2000 - £2,705,660) held under finance leases and hire purchase contracts.

The transfer in during the year reflects the acquisition by the group of the tangible fixed asset portfolio of another CSC subsidiary.

NOTES TO THE ACCOUNTS
Period 1 April 2000 to 30 March 2001

10. TANGIBLE FIXED ASSETS (Continued)

The company	Land and buildings £'000	Furniture and fittings £'000	Leasehold improve-ments £'000	Computer and related equipment £'000	Total £'000
Cost					
At 1 April 2000	7,455	16,414	4,311	178,520	206,700
Additions	449	1,001	2,988	33,947	38,385
Transfers in	-	2,227	51	2,866	5,144
Disposals	-	(3,152)	(57)	(9,503)	(12,712)
At 30 March 2001	7,904	16,490	7,293	205,830	237,517
Accumulated depreciation					
At 1 April 2000	727	6,678	2,239	120,259	129,903
Charge for the period	285	1,862	812	27,421	30,380
Transfers in	-	1,915	51	2,607	4,573
Disposals	-	(3,152)	(55)	(7,750)	(10,957)
At 30 March 2001	1,012	7,303	3,047	142,537	153,899
Net book value					
At 30 March 2001	6,892	9,187	4,246	63,293	83,618
At 31 March 2000	6,728	9,736	2,072	58,261	76,797

Included in the above are fully depreciated assets with an original cost of £94,075,458 (2000 - £67,347,146).

Included in computer and related equipment above are assets with a net book value of £1,366,882 (2000 - £2,705,660) held under finance leases and hire purchase contracts.

The transfer in during the year reflects the acquisition by the company of the tangible fixed asset portfolio of another CSC subsidiary.

NOTES TO THE ACCOUNTS
Period 1 April 2000 to 30 March 2001

11. INVESTMENTS HELD AS FIXED ASSETS

The company

Shares in group undertakings – subsidiaries

Cost (less provision for impairment in value):	£'000
At 1 April 2000	8,314
Additions	5,014
Provision for impairment in value	(1,771)
At 30 March 2001	11,557

Further information on subsidiaries:

Name	Country of incorporation/ Registration	Activity	Proportion of ordinary share held %
CSC Investment Services Management Limited	Great Britain	Computer Services	100.0
Inforem plc	Great Britain	Dormant	100.0
Kalchas Limited	Great Britain	Dormant	100.0
Computer Sciences Corporation Continuum – Informatica Lda	Portugal	Computer Services	5.0
I.T. Services Ltd	Great Britain	Computer Services	100.0
I.T.S Groupware Limited	Great Britain	Dormant	100.0
CSC Information Systems Limited (formerly Pearl Group Services Ltd)	Great Britain	Computer Services	75.0
CSC Computer Sciences Italia S.p.A.	Italy	Computer Services	0.5

In the opinion of the directors, the aggregate value of the shares in and the amounts arising from the subsidiary undertakings is not less than the aggregate of the amounts at which they are stated in the company's balance sheet.

12. DEBTORS

	Group		Company	
	30 March 2001 £'000	31 March 2000 £'000	30 March 2001 £'000	31 March 2000 £'000
Trade debtors	54,359	48,821	54,347	46,089
Amounts recoverable on contracts	20,980	30,016	20,980	27,329
Amounts owed by parent company and fellow subsidiary undertakings	97,126	49,752	93,939	57,507
Corporation tax recoverable	-	3,174	-	3,440
Other debtors	1,316	6,988	1,266	6,794
Prepayments	32,112	7,264	31,998	7,068
	205,893	146,015	202,530	148,227

NOTES TO THE ACCOUNTS
Period 1 April 2000 to 30 March 2001

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30 March 2001 £'000	31 March 2000 £'000	30 March 2001 £'000	31 March 2000 £'000
Bank loans and overdrafts	-	-	-	13,004
Obligations under finance leases and hire purchase contracts (note 19)	2,500	1,217	2,500	1,217
Trade creditors	26,870	34,182	26,859	34,182
Amounts owed to parent company and fellow subsidiary undertakings	88,232	26,315	108,490	29,502
Taxation and social security	10,090	9,474	10,090	9,228
Corporation tax payable	5,226	-	5,225	-
Other creditors	9,012	6,456	8,962	5,731
Accruals and deferred income	86,884	64,785	77,539	64,001
	228,814	142,429	239,665	156,865

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	30 March 2001 £'000	31 March 2000 £'000	30 March 2001 £'000	31 March 2000 £'000
Obligations under finance leases and hire purchase contracts (note 19)	2,889	1,329	2,889	1,329
Amount owed to parent company and fellow subsidiary undertakings	50,486	50,486	50,486	50,486
	53,375	51,815	53,375	51,815

15. PROVISIONS FOR LIABILITIES AND CHARGES

	Group		Company	
	30 March 2001 £'000	31 March 2000 £'000	30 March 2001 £'000	31 March 2000 £'000
Deferred tax				
Deferred taxation movements for the period:				
Opening balance	2,801	-	2,801	-
Current period (credit)/charge (note 8)	(2,329)	2,801	(2,329)	2,801
Closing balance	472	2,801	472	2,801

NOTES TO THE ACCOUNTS
Period 1 April 2000 to 30 March 2001

15. PROVISIONS FOR LIABILITIES AND CHARGES (continued)

The amounts of deferred taxation provided and unprovided in the accounts are as follows:

Group and Company	Provided 30 March 2001 £'000	Provided 31 March 2000 £'000	Not Provided 30 March 2001 £'000	Not Provided 31 March 2000 £'000
Capital allowances in excess of depreciation	1,184	4,452	-	-
Other timing differences	(712)	(1,651)	-	-
	472	2,801	-	-

16. CALLED UP SHARE CAPITAL

	30 March 2001 £'000	31 March 2000 £'000
Authorised:		
25,000 ordinary shares of £100 each	2,500	2,500
Called up, allotted and fully paid:		
15,001 ordinary shares of £100 each	1,500	1,500

17. STATEMENT OF MOVEMENT ON RESERVES

Group	Profit and loss account £'000
Balance at 1 April 2000	57,114
Retained profit for the period	13,332
Balance at 30 March 2001	70,446
Company	
Balance at 1 April 2000	49,096
Retained profit for the period	10,122
Balance at 30 March 2001	59,218

18. PROFIT AND LOSS ACCOUNT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these accounts. The profit after tax of the parent company of £10,122,000 (2000 - profit of £9,563,000) is included in the group's profit for the period.

NOTES TO THE ACCOUNTS
Period 1 April 2000 to 30 March 2001

19. LEASE COMMITMENTS

Operating leases

At 30 March 2001 the group was committed to making the following payments during the next year in respect of operating leases:

	30 March 2001 Land and buildings £'000	30 March 2001 Other £'000	31 March 2000 Land and Buildings £'000	31 March 2000 Other £'000
Leases which expire:				
Within one year	-	510	349	1,561
Within two to five years	4,812	4,133	4,396	2,843
After five years	3,048	-	3,372	-
	7,860	4,643	8,117	4,404

At 31 March 2000 the company was committed to making the following payments during the next year in respect of operating leases:

	30 March 2001 Land and buildings £'000	30 March 2001 Other £'000	31 March 2000 Land and buildings £'000	31 March 2000 Other £'000
Leases which expire:				
Within one year	-	510	349	1,561
Within two to five years	4,812	4,133	4,396	2,843
After five years	3,048	-	3,372	-
	7,860	4,643	8,117	4,404

Finance leases and hire purchase obligations

At 30 March 2001 the group and the company was committed to making the following payments in respect of finance leases and hire purchase obligations:

	30 March 2001 £'000	31 March 2000 £'000
Minimum lease payments due:		
Within one year	2,756	1,339
Within two to five years	3,019	1,390
	5,775	2,729
Finance charges allocated to future periods	(386)	(183)
	5,389	2,546

NOTES TO THE ACCOUNTS
Period 1 April 2000 to 30 March 2001

20. CAPITAL COMMITMENTS

	Group		Company	
	30 March 2001 £'000	31 March 2000 £'000	30 March 2001 £'000	31 March 2000 £'000
Contracted for but not provided	10,614	4,954	6,214	4,954

21. PENSION SCHEME

The group operates a pension scheme for certain employees. The assets of the scheme are held in separate trustee administered funds. The scheme is subject to regular valuation by independent actuaries. The last valuation was carried out on 1 April 2000, using the projected unit method, in which the following actuarial assumptions were made:

Investment returns	pre retirement 7% per annum
	post retirement 6% per annum
Salary growth	4.5% per annum

At the last actuarial valuation date, the market value of the assets of the defined benefit section of the scheme was stated to be £251,254,000 and this was sufficient to cover 95.8% of the benefits which had accrued to members of the defined benefit section, after allowing for expected future increases in salaries.

The pension charge in the consolidated profit and loss account in respect of both this section and the defined contribution section of the scheme includes £32,000 (2000 - £61,000) relating to directors and £18,780,000 (2000 - £10,211,000) relating to other employees.

22. CASH FLOW STATEMENT

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

23. RELATED PARTY TRANSACTIONS

The company is availing itself of the exemption granted by paragraph 3(c) of Financial Reporting Standard No. 8 "Related Party Disclosures" not to disclose transactions with group companies.

24. ULTIMATE PARENT COMPANY

The company's ultimate parent company and controlling entity is Computer Sciences Corporation, a company incorporated in the United States of America. The parent undertaking of the smallest group which includes the company and for which group accounts are prepared is Computer Sciences UK Limited (formerly CSC Consulting Limited), a company incorporated in Great Britain.

Copies of the financial statements of Computer Sciences UK Limited are available from 279 Farnborough Road, Farnborough, Hampshire GU14 7LS.

Copies of the group financial statements of Computer Sciences Corporation are available from 2100 East Grand Avenue, El Segundo, California 90245, USA.