

SIMMONS MAGEE PLC

Director's Report and Accounts

for the year ended 30 November 1999

Registered number: 1491475



Report of the Directors

For the year ended 30 November 1999

The directors have pleasure in submitting their report and accounts for the year ended 30 November 1999.

Statement of Directors' Responsibilities

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 of the Company for that period. In preparing those accounts, 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, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Principal Activity and Business Review

During the year the Company has not traded and the directors do not envisage that the Company will trade in the foreseeable future.

On 18 January 1999, the Company changed its accounting reference date from 31 December to 30 November, commencing with the year ended 30 November 1998.

Dividends

The directors do not recommend the payment of a dividend (period ended 30 November 1998: £nil).

Directors

The directors of the Company who served during the year were:

N Davis	(appointed 8 January 1999)
A J Lee	(appointed 8 January 1999)
P Morgan	(resigned 8 January 1999)
F H J Koffrie	(resigned 8 January 1999)
C Thomas	(appointed 7 January 1999 resigned 8 January 1999)
H G Vreedenburgh	(resigned 8 January 1999)

The directors did not have any beneficial interest in the share capital of the Company.

N Davis and A Lee are directors of the Company's ultimate parent undertaking, Compel Group PLC, and their interests therein are shown in the annual report of that Company.

Year 2000

In the opinion of the directors, as the Company is non trading and is not expected to do so in the foreseeable future, there were no material year 2000 issues relating to the Company.

Payments to Suppliers

The Company agrees payment terms with its suppliers when it enters into binding purchase contracts. The company seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. The Company does not have a standard or code which deals specifically with the payment of suppliers.

No trade creditors were outstanding at 30 November 1999 and as such no average creditor payment period has been calculated.

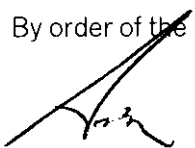
SIMMONS MAGEE PLC

Auditors

Our auditors PricewaterhouseCoopers resigned as auditors on 13 April 2000. KPMG Audit Plc were appointed to fill the casual vacancy with effect from this date, to hold office until the next Annual General Meeting.

A resolution to appoint KPMG Audit Plc as auditors to the Company will be proposed at the next Annual General Meeting.

By order of the Board



A J Lee
Secretary
20 June 2000

Registered office
Millennium Place
2 Swiftfields
Welwyn Garden City
Herts
AL7 1HP

Report of the Auditors

To the members of Simmons Magee Plc

We have audited the accounts on pages 4 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the Annual Report, including as described on page 1, the accounts. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board, and by our profession's ethical guidance.

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. 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 other information contained in the Annual Report, and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts.

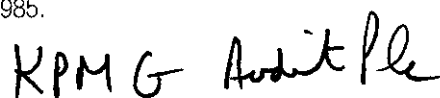
Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the 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 November 1999 and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc
Chartered Accountants
Registered Auditor
8 Salisbury Square
London EC4Y 8BB
20 June 2000

Company Balance Sheet

At 30 November 1999

		1999	1998
	Notes	£'000	£'000
Current assets			
Debtors	4	53	13,600
Creditors: amounts falling due within one year	5	-	(13,547)
Net assets			
		53	53
Capital and reserves			
Called up share capital	6	53	53
Profit and loss account		-	-
Equity shareholders' funds	7	53	53

The accounts on pages 4 to 6 were approved by the Board of Directors on 20 June 2000 and were signed on its behalf by:



N Davis
Director

Notes to the Accounts

1 Accounting policies**Basis of preparation**

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Cash flow statement

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that, at 30 November 1999, it is a wholly-owned subsidiary undertaking of Compel Group PLC, whose consolidated financial statements are publicly available and include a consolidated cash flow statement dealing with the cash flows of the group.

Related party transactions

As a wholly owned subsidiary of Compel Group PLC, the Company has taken advantage of the exemption available under Financial Reporting Standard 8 "Related Party Transactions" not to disclose transactions with other group companies. Consolidated accounts of the ultimate parent company of the group, in which the results of Simmons Magee plc are included, are available from the address given in note 9.

2 Profit and loss account

The Company has not entered into any transactions during the year or the preceeding period which have resulted in any income being received or expenditure incurred. Consequently, the Company has made neither a profit or a loss during these periods. The audit fee in respect of the year ended 30 November 1999 and the period ended 30 November 1998 was met by Compel IP Limited, the Company's immediate parent undertaking.

3 Director's emoluments

The Company had no employees other than its directors during the year or the prededing period. No director received any emoluments or were accruing pension benefits from the company in respect of their services.

4 Debtors

	£'000	£'000
Amounts falling due within one year		
Amounts due from group undertakings	53	13,600

5 Creditors: amounts falling due within one year

	£'000	£'000
Dividends payable	-	13,547

6	Share capital		
		1999 £'000	1998 £'000
	Authorised Equity: 52,966 ordinary shares of £1 each	53	53
	Allotted, called up and full paid Equity: 52,966 ordinary shares of £1 each	53	53

7	Reconciliation of movement in shareholders' funds		
		1999 £'000	1998 £'000
	Opening and closing shareholders' funds	53	53

8 Related party transactions

The directors are not aware of any transactions with related parties entered into by the Company during the year ended 30 November 1999, or any transactions during the period ended 30 November 1998 with related parties which were not members of the group of companies headed by Compel Group PLC.

9 Ultimate parent undertaking

The ultimate parent company and the largest group in which the results of the Company are consolidated is that headed by Compel Group PLC, a company incorporated in the United Kingdom. The directors considered Compel Group PLC to be the ultimate controlling party at 30 November 1999. The Company's results are consolidated in the consolidated accounts for Compel Group PLC and are available from the registered office:

Millennium Place
2 Swiftfields
Welwyn Garden City
Herts
AL7 1HP

The smallest group in which the results of the Company are consolidated is that headed by Compel IP Limited, a company incorporated in the United Kingdom.