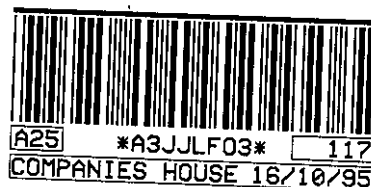


**Glynwed Computing Limited**

Directors' Report and Accounts

31 December 1994

Co No 1517112



**Report of the Directors**

The directors present their report and the audited accounts for the 53 weeks ended 31 December 1994.

**1. Results for the period**

There were no movements in the period to be reported in a profit and loss account. Expenses and income in the period arising from the company's discontinued trading activities have been charged or credited to the provision for closure expenses brought forward. The directors do not recommend the payment of a dividend.

**2. Review of activities and future developments**

The company has not traded at any time subsequent to the sale of its business during the period ended 28 December 1991. Its principal activity is the collection of further instalments of the sale consideration as they fall due.

**3. Directors**

The directors who served during the period were:

G Davies  
D L Milne  
I J Sinclair

**4. Directors' interests**

The interests of the directors of the company at 31 December 1994 according to the register kept under Section 325 of the Companies Act 1985 were:

Glynwed International plc  
Ordinary shares of 25p each

	At beginning of period Number	Options exercised Number	At end of period Number	Market price at exercise P
I J Sinclair				
Shares	2,000		1,475	
SESOS @ 304p	6,000	-	6,000	
SESOS @ 308p	15,000	-	15,000	
SESOS @ 200p	15,000	-	15,000	
SRSOS @ 244p	1,475	1,475	-	343

Under the Glynwed International Senior Executive Share Option Scheme (SESOS) and the Glynwed International Savings-Related Share Option Scheme (SRSOS) the options above are exercisable as set out below:

**Report of the Directors (continued)****4. Directors' interests (continued)**

Scheme and option price	Exercisable period
SESOS @ 304p	7 years to April 1998
SESOS @ 308p	7 years to September 1999
SESOS @ 200p	7 years to September 2002
SRSOS @ 244p	6 months to April 1995

The exercised options referred to above were granted under schemes which have now been replaced. Under those schemes the rights to exercise the options were not conditional upon any performance criteria.

The middle market price of an ordinary share at the end of the period was 334p. The market price during the period varied between 404p and 321p.

The interests of Mr G Davies and Mr D L Milne are shown in the accounts of the ultimate holding company, Glynwed International plc.

The directors had no interests in any contract with the company, with the exception of service contracts.

**5. Insurance of directors**

The holding company has purchased insurance to cover directors' and officers' liability as defined by Section 310 (3) (a) of the Companies Act 1985.

**6. Tangible fixed assets**

The company had no fixed assets at any time during the period under review.

**7. Auditors**

In accordance with Section 386 of the Companies Act 1985, the shareholders have dispensed with the obligation to re-appoint auditors annually. Accordingly, Coopers & Lybrand will remain as auditors of the company.

By order of the Board

*Ian Shearman*

Ian Shearman  
for New Sheldon Limited  
Secretary

23 AUG 1995

### Statement of directors' responsibilities

The following statement, which should be read in conjunction with the statement of auditors' responsibilities set out on page 4, is made with a view to distinguishing the respective responsibilities of the directors and of the auditors in relation to the financial statements.

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for the financial year.

The directors consider that in preparing the financial statements on pages 5 to 8 the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors 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.

**Report of the auditors to the members of Glynwed Computing Limited**

We have audited the financial statements on pages 5 to 8.

**Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**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 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 at 31 December 1994 and have been properly prepared in accordance with the Companies Act 1985.

*Coopers & Lybrand*

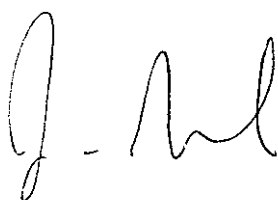
COOPERS & LYBRAND

Chartered Accountants and Registered Auditors  
Birmingham

*23 August 1995*

## Balance Sheet - 31 December 1994

	Notes	1994 £	1993 £
<b>Current assets</b>			
Debtors	5	25,000	25,616
Cash at bank and in hand		4,948	114,954
		<hr/>	<hr/>
		29,948	140,570
Creditors: amounts falling due within one year	6	(1,378,224)	(1,515,750)
		<hr/>	<hr/>
<b>Net current liabilities</b>		(1,348,276)	(1,375,180)
Provisions for liabilities and charges	7	(142,723)	(115,819)
		<hr/>	<hr/>
<b>Deficiency of net assets</b>	12	(1,490,999)	(1,490,999)
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called-up share capital	8	40,000	40,000
Reserves	9	208,458	208,458
Profit and loss account	10	(1,739,457)	(1,739,457)
		<hr/>	<hr/>
<b>Deficiency of capital and reserves</b>		(1,490,999)	(1,490,999)
		<hr/>	<hr/>



D L Milne  
Director

23 AUG 1995

Notes to the Accounts - 31 December 1994

1. Accounting Policies

The following statements outline the main accounting policies of the company.

**Basis of Accounting**

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

The company's holding company has included a consolidated group cash flow statement in compliance with the Financial Reporting Standard No. 1. The company has therefore taken advantage of the exemption under the Standard not to produce a cash flow statement.

**Deferred Taxation**

Deferred taxation is taken into account to the extent that a liability or repayment will probably arise in the foreseeable future and is calculated at taxation rates expected to apply at that time.

2. Employees

The company had no employees.

3. Directors' emoluments

There were no emoluments paid to directors during the period (1993:£Nil).

4. Capital Commitments

There were no capital commitments outstanding at the year end (1993:£Nil)

## Notes to the Accounts (continued)

## 5. Debtors: amounts falling due within one year

	1994	1993
	£	£
Trade debtors	-	616
Other debtors	25,000	25,000
	<hr/>	<hr/>
Total debtors falling due within one year	25,000	25,616
	<hr/>	<hr/>

## 6. Creditors: amounts falling due within one year

	1994	1993
	£	£
Trade creditors	2,236	2,236
Amounts owed to the company's holding company and fellow subsidiaries	1,375,988	1,510,988
Other creditors	-	2,526
	<hr/>	<hr/>
Total creditors falling due within one year	1,378,224	1,515,750
	<hr/>	<hr/>

## 7. Provisions for liabilities and charges

The movements on other provisions, which are for costs and for future losses are:-

	1994	1993
	£	£
Provision at beginning of period	115,819	90,204
Income credited in period	26,904	25,615
	<hr/>	<hr/>
Provision at end of period	142,723	115,819
	<hr/>	<hr/>

Credited in the period £26,904 includes a credit of £25,000 sale of business consideration - fourth instalment (1993: £25,000).

## 8. Called up share capital

	1994	1993
	£	£
Authorised, issued, called up and fully paid Ordinary shares of £1 each	40,000	40,000
	<hr/>	<hr/>



## Notes to the Accounts (continued)

## 9. Reserves

	Total £	Share Premium £	Capital Reserve £
Balance at beginning and end of period	208,458 =====	128,500 =====	79,958 =====

## 10. Profit and Loss account

	1994 £	1993 £
Balance at beginning and end of period	1,739,457 =====	1,739,457 =====

## 11. Ultimate holding company

The company's ultimate holding company is Glynwed International plc, a company registered in England and Wales.

Copies of the ultimate holding company's accounts can be obtained from Headland House, New Coventry Road, Sheldon, Birmingham B26 3AZ.

## 12. Deficiency of net assets

The ultimate holding company has confirmed its intention to continue to provide financial support whilst the company continues to be a member of the Glynwed International group.