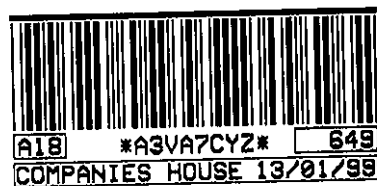




CSC CONTINUUM (UK) LIMITED
(formerly Continuum (Twyford) Limited)

Report and Financial Statements

3 April 1998





REPORT AND FINANCIAL STATEMENTS 1998

CONTENTS	Page
Officers and professional advisers	1
Director's report	2
Statement of director's responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7



REPORT AND FINANCIAL STATEMENTS 1998

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

M Brinsford

SECRETARY

M Vergunst

REGISTERED OFFICE

Dimon Place
Riverside Way
Camberley
Surrey
GU15 3YE

BANKERS

National Westminster Bank Plc
45 Park Street
Camberley
Surrey
GU15 3XQ

AUDITORS

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



DIRECTOR'S REPORT

The director submits his annual report and the audited financial statements for the period 1 April 1997 to 3 April 1998.

CHANGE OF NAME

On 20 March 1998 the company changed its name from Continuum (Twyford) Limited to CSC Continuum (UK) Limited.

RESULTS OF BUSINESS

The company did not trade during the current or preceding period. At the balance sheet date, the trade and assets of the UK branch of Computer Sciences Corporation were acquired by the company in consideration of £292,585.

DIRECTOR AND HIS INTERESTS

The sole director during the period was M Brinsford, who did not have any disclosable interest in the shares of the company.

YEAR 2000

The group has established a comprehensive two-phase programme to ensure that its proprietary software and internal computer systems are Year 2000 ready. The initial phase, which included planning, inventory and assessment has been completed. The final phase, which consists of correction, testing, deployment and acceptance, is in process and is expected to be completed by mid-1999. The group expects that the cost of making its proprietary software and internal systems compliant will not have a material effect on its overall financial position or overall trends in results of operations.

The group has initiated formal communications with all its crucial suppliers to determine that they are or will be Year 2000 capable. By mid-1999, the group expects to have identified and replaced any such suppliers who will not be Year 2000 ready.

The group has been working with its clients and has completed an assessment of its obligations to make their systems Year 2000 ready. As a result of this assessment the group does not believe that these obligations will have a material effect on the group.

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 Sole Director
and signed on his behalf

M Vergunst

Secretary

30 November 1998

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.



Chartered Accountants

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

Telephone: National 0171 936 3000
International + 44 171 936 3000
Telex: 884739 TRLNDN G
Fax (Gp. 3): 0171 583 8517
LDE: DX 599

AUDITORS' REPORT TO THE MEMBERS OF

CSC CONTINUUM (UK) LIMITED (formerly Continuum (Twyford) Limited)

We have audited the financial statements on pages 5 to 10 which have been prepared on the basis of the accounting policies set out on page 7.

Respective responsibilities of director and auditors

As described on page 3 the company's director is 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 as at 3 April 1998 and of the result for the period 1 April 1997 to 3 April 1998 and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and
Registered Auditors

30 November 1998

PROFIT AND LOSS ACCOUNT
Period 1 April 1997 to 3 April 1998

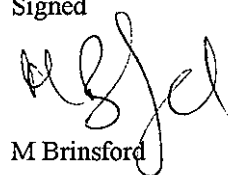
The company did not trade during the current or preceding period and accordingly made neither a profit nor loss nor any other recognised gains or losses.

BALANCE SHEET
3 April 1998

	Note	3 April 1998 £	31 March 1997 £
FIXED ASSETS			
Intangible assets	3	114,174	-
Tangible assets	4	1,130,098	-
		<u>1,244,272</u>	<u>-</u>
CURRENT ASSETS			
Debtors	5	36,713,628	2
Cash at bank and in hand		4,081,598	-
		<u>40,795,226</u>	<u>2</u>
CREDITORS: amounts falling due within one year	6	42,039,496	-
NET CURRENT (LIABILITIES)/ASSETS		<u>(1,224,270)</u>	<u>2</u>
NET ASSETS		<u>2</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital	7	2	2
EQUITY SHAREHOLDERS' FUNDS		<u>2</u>	<u>2</u>

These financial statements were approved by the Sole Director on *30 November* 1998.

Signed



M Brinsford

Director



NOTES TO THE ACCOUNTS
Period 1 April 1997 to 3 April 1998

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Development costs

Software development costs are capitalised once technical feasibility has been established. Amortisation is provided on a straight line basis over the more prudent of:

- (a) the estimated economic life of the product; and
- (b) five years.

Tangible fixed assets

Depreciation is provided in equal annual instalments over the estimated lives of the assets as follows:

Computer equipment	3 years
Fittings and equipment	5 years
Leasehold improvements	5 years

Where specialist computer equipment or software is purchased for use in a contract of more than three years duration, it is depreciated over the estimated life of that contract.

Cash flow statement

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

2. PROFIT AND LOSS ACCOUNT

The company did not trade during the current or preceding period and accordingly made neither a profit nor loss or any other recognised gains or losses.

No remuneration was paid to the directors in the period 1 April 1997 to 3 April 1998 or in the year ended 31 March 1997.

No staff were employed during the period 1 April 1997 to 3 April 1998 or the year ended 31 March 1997.

NOTES TO THE ACCOUNTS
Period 1 April 1997 to 3 April 1998

3. INTANGIBLE ASSETS

	Computer Software £
Cost	
At 1 April 1997	-
Transfer from UK branch of Computer Sciences Corporation	320,560
At 3 April 1998	<u>320,560</u>
Amortisation	
At 1 April 1997	-
Transfer from UK branch of Computer Sciences Corporation	206,386
At 3 April 1998	<u>206,386</u>
Net book value:	
At 3 April 1998	<u>114,174</u>
At 31 March 1997	<u>-</u>

4. TANGIBLE ASSETS

	Computer Hardware £	Fixtures And Fittings £	Leasehold improve - ments £	Total £
Cost				
At 1 April 1997	-	-	-	-
Transfer from UK branch of Computer Sciences Corporation	1,869,818	474,528	244,087	2,588,433
At 3 April 1998	<u>1,869,818</u>	<u>474,528</u>	<u>244,087</u>	<u>2,588,433</u>
Depreciation				
At 1 April 1997	-	-	-	-
Transfer from UK branch of Computer Sciences Corporation	984,487	350,954	122,894	1,458,335
At 3 April 1998	<u>984,487</u>	<u>350,954</u>	<u>122,894</u>	<u>1,458,335</u>
Net book value				
At 3 April 1998	<u>885,331</u>	<u>123,574</u>	<u>121,193</u>	<u>1,130,098</u>
At 31 March 1997	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE ACCOUNTS
Period 1 April 1997 to 3 April 1998

5. DEBTORS

	1998 £	1997 £
Trade debtors	3,499,931	-
Amounts owed by group undertakings	24,193,145	2
Amounts recoverable on long term contracts	3,727,048	-
Tax and social security debtors	3,767,116	-
Other debtors	745,394	-
Prepayments and accrued income	780,994	-
	<u>36,713,628</u>	<u>2</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998 £	1997 £
Trade creditors	3,395,133	-
Amounts owed to parent and fellow subsidiary undertakings	33,080,247	-
Other creditors including tax and social security	1,399,413	-
Accruals and deferred income	4,164,703	-
	<u>42,039,496</u>	<u>-</u>

7. SHARE CAPITAL

	1998 £	1997 £
Authorised: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Called up, allotted and fully paid: 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

8. RELATED PARTY TRANSACTIONS

The company is taking advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard No.8 "Related Party Disclosures" not to disclose transactions with group companies which are related parties.



NOTES TO THE ACCOUNTS

Period 1 April 1997 to 3 April 1998

9. ULTIMATE PARENT COMPANY

On 5 March 1998, the company was sold by CSC Financial Services Ltd to Computer Sciences Corporation, a company incorporated in the United States of America. From this date and in the directors opinion, the ultimate parent company and controlling entity is Computer Sciences Corporation. Copies of the group financial statements of Computer Sciences Corporation are available from 2100 East Grand Avenue, El Segundo, California 90245, USA.

The parent undertaking of the smallest group which includes the company and for which group financial statements are prepared is Computer Sciences Corporation.

10. ACQUISITIONS

At the balance sheet date, the trade and assets of the UK branch of Computer Sciences Corporation were acquired by the company in consideration of £292,585.