

Company Registration No. 3062561

CSC FSG LIMITED

Report and Financial Statements

28 March 2003

**Deloitte & Touche LLP
London**



CSC FSG LIMITED

REPORT AND FINANCIAL STATEMENTS 2003

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CSC FSG LIMITED

REPORT AND FINANCIAL STATEMENTS 2003

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A Mears
K Wilman

SECRETARY

D Edwards

REGISTERED OFFICE

Royal Pavilion
Wellesley Road
Aldershot
Hampshire
GU11 1PZ

BANKERS

NatWest Bank Plc
45 Park Street
Camberley
Surrey
GU15 3XQ

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
London

CSC FSG LIMITED

DIRECTORS' REPORT

The directors submit their annual report and the audited financial statements for the period from 30 March 2002 to 28 March 2003.

ACTIVITY

The company's principal activity is the supply of computer software services to the financial services industry.

RESULTS OF BUSINESS

The retained loss of the company for the period amounted to £217,814 (2002 – profit of £261,442). As a result of this, the company's profit and loss account carried forward is a profit of £6,300,246 (2002 - £6,518,060). No dividend is proposed (2002 - £nil).

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors continue to review the company's operations in light of market conditions and its performance in the period.

No significant future developments are anticipated. The company will aim to build on the performance of the past period.

DIRECTORS

The directors who held office during the period and in the period since the year end were as follows:

A Mears	(appointed 29 November 2002)
C Campbell	(resigned 29 November 2002)
I Hickson	(resigned 31 March 2003)
K Wilman	(appointed 31 March 2003)

None of the directors held any beneficial interest in any of the shares of the company or any other group companies incorporated in Great Britain during the period.

DONATIONS

The company made no charitable donations (2002 - £500).

AUDITORS

On 1 August 2003, Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. The company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte & Touche LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 386(2) of the Companies Act 1985.

Approved by the Board of Directors
and signed on behalf of the Board



D Edwards

Company Secretary

23 January 2004

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

CSC FSG LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CSC FSG LIMITED

We have audited the financial statements of CSC FSG Limited for the period from 30 March 2002 to 28 March 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 the company's affairs as at 28 March 2003 and of its loss for the period from 30 March 2002 to 28 March 2003 and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

29 JANUARY 2004

CSC FSG LIMITED

PROFIT AND LOSS ACCOUNT

Period from 30 March 2002 to 28 March 2003

	Note	Period from 30 March 2002 to 28 March 2003 £	Period from 31 March 2001 to 29 March 2002 £
TURNOVER AND GROSS PROFIT	2	1,715,065	2,873,217
Administrative expenses		(1,962,668)	(2,485,650)
OPERATING (LOSS)/PROFIT	3	(247,603)	387,567
Interest receivable and similar income	5	983	34,640
Interest payable and similar charges		-	(4,242)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(246,620)	417,965
Tax credit/(charge) on (loss)/profit on ordinary activities	6	28,806	(156,523)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED (LOSS)/PROFIT FOR THE FINANCIAL PERIOD	12	(217,814)	261,442

All results are derived from continuing operations. A statement on the movement on reserves can be found in note 12.

There were no recognised gains or losses for the current or preceding period other than as shown above, and accordingly no Statement of Total Recognised Gains and Losses has been presented.

CSC FSG LIMITED

BALANCE SHEET 28 March 2003

	Note	28 March 2003 £	29 March 2002 £
FIXED ASSETS			
Tangible assets	7	204,527	598,620
CURRENT ASSETS			
Debtors	8	29,811,226	56,909,328
Cash at bank and in hand		632,743	-
		30,443,969	56,909,328
CREDITORS: amounts falling due within one year	9	(24,348,248)	(50,989,886)
NET CURRENT ASSETS		6,095,721	5,919,442
TOTAL ASSETS LESS CURRENT LIABILITIES		6,300,248	6,518,062
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Profit and loss account	12	6,300,246	6,518,060
EQUITY SHAREHOLDERS' FUNDS	12	6,300,248	6,518,062

These financial statements were approved by the Board of Directors
and signed on behalf of the Board on *23 January* 2004.



A Mears
Director

NOTES TO THE ACCOUNTS

Period from 30 March 2002 to 28 March 2003

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared under the historical cost convention and on a going concern basis, in accordance with applicable United Kingdom accounting standards.

Turnover

Turnover represents the following:

Software and other services	Amounts invoiced by the company in respect of goods sold and services provided during the period
Licence fees	Total licence fee revenue is taken into turnover when a binding agreement exists
Support revenue	Support revenue is taken into turnover over the period of the contract

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and provisions for impairment.

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

Computer hardware and software	Three to five years or useful life
Leasehold improvements	Shorter of lease term and ten years
Furniture and fittings	Five to ten 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.

Foreign currency

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

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Leases

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

NOTES TO THE ACCOUNTS

Period from 30 March 2002 to 28 March 2003

1. ACCOUNTING POLICIES (continued)

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. SEGMENTAL INFORMATION

Turnover represents the value of work done for external customers, exclusive of value added tax and is attributable to the company's continuing activity.

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

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

3. OPERATING PROFIT

	Period from 30 March 2002 to 28 March 2003 £	Period from 31 March 2001 to 29 March 2002 £
This is stated after charging:		
Loss on sale of fixed assets	19,042	-
Auditors' remuneration:		
Audit fees	-	2,000
Operating lease charges:		
Hire of plant and machinery	-	2,850
Other operating lease rentals	-	901,953
Depreciation of tangible fixed assets:		
Owned assets	<u>375,051</u>	<u>788,915</u>

Auditors' remuneration in the current period was borne by another group company.

NOTES TO THE ACCOUNTS

Period from 30 March 2002 to 28 March 2003

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The directors did not receive any remuneration from the company during the period from 30 March 2002 to 28 March 2003. (2002 - £nil). All of the directors were paid by CSC Computer Sciences Limited for services to other group companies during the period.

Average number of persons employed:

	Period from 30 March 2002 to 28 March 2003 No.	Period from 31 March 2001 to 29 March 2002 No.
Management and administration	-	29
Consultancy	-	85
	-	114
Employee costs during the period:	£	£
Wages and salaries	-	5,631,013
Social security costs	-	575,375
Other pension costs	-	296,279
	-	6,502,667

The employees were transferred to CSC Computer Sciences Limited on 29 September 2001.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Period from 30 March 2002 to 28 March 2003 £	Period from 31 March 2001 to 29 March 2002 £
Bank interest receivable	983	36,460

NOTES TO THE ACCOUNTS

Period from 30 March 2002 to 28 March 2003

6. TAXATION CREDIT/(CHARGE) ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	Period from 30 March 2002 to 28 March 2003 £'000	Period from 31 March 2001 to 29 March 2002 £'000
<i>Current tax</i>		
UK corporation tax at 30%	(126,297)	198,865
Total current tax (credit)/charge	(126,297)	198,865
<i>Deferred tax</i>		
Origination and reversal of timing differences	97,491	(42,342)
Total deferred tax charge/(credit)	97,491	(42,342)
Tax on (loss)/profit on ordinary activities	(28,806)	156,523
Reconciliation to total current tax charge:		
	30 March 2002 to 28 March 2003 £'000	31 March 2001 to 29 March 2002 £'000
(Loss)/profit on ordinary activities before taxation	(246,620)	417,965
(Loss)/profit before tax at 30%	(73,986)	125,390
Permanent differences	45,180	31,133
Accelerated capital allowances	(37,993)	42,342
Short-term timing differences	(59,498)	-
Total current tax charge	(126,297)	198,865

CSC FSG LIMITED

NOTES TO THE ACCOUNTS

Period from 30 March 2002 to 28 March 2003

7. TANGIBLE FIXED ASSETS

	Computer hardware and software £	Fixtures and fittings £	Leasehold improvements £	Total £
Cost				
At 30 March 2002	1,221,932	451,609	923,551	2,597,092
Disposals	(91,679)	-	(311,481)	(403,160)
At 28 March 2003	<u>1,130,253</u>	<u>451,609</u>	<u>612,070</u>	<u>2,193,932</u>
Depreciation				
At 30 March 2002	934,876	329,129	734,467	1,998,472
Charge for the period	190,113	73,379	111,559	375,051
Disposals	(91,679)	-	(292,439)	(384,118)
At 28 March 2003	<u>1,033,310</u>	<u>402,508</u>	<u>553,587</u>	<u>1,989,405</u>
Net book value				
At 28 March 2003	<u>96,943</u>	<u>49,101</u>	<u>58,483</u>	<u>204,527</u>
At 29 March 2002	<u>287,056</u>	<u>122,480</u>	<u>189,084</u>	<u>598,620</u>

8. DEBTORS

	28 March 2003 £	29 March 2002 £
Trade debtors	352,883	470,120
Amounts owed by group undertakings	28,029,993	55,864,161
Deferred taxation asset	291,469	388,960
Group relief receivable	1,133,846	51,549
Prepayments and accrued income	3,035	-
	<u>29,811,226</u>	<u>56,909,328</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28 March 2003 £	29 March 2002 £
Bank loans and overdrafts	-	2,540,883
Amounts owed to parent and fellow subsidiary undertakings	23,843,647	48,020,766
Other creditors including tax and social security	52,408	43,336
Accruals and deferred income	452,193	384,901
	<u>24,348,248</u>	<u>50,989,886</u>

NOTES TO THE ACCOUNTS

Period from 30 March 2002 to 28 March 2003

10. DEFERRED TAXATION

Deferred taxation assets are:

	Provided 28 March 2003 £'000	Provided 29 March 2002 £'000	Not Provided 28 March 2003 £'000	Not Provided 29 March 2002 £'000
Depreciation in excess of capital allowances	291,469	329,462	-	-
Short term timing differences	-	59,498	-	-
	<u>291,469</u>	<u>388,960</u>	<u>-</u>	<u>-</u>

Movement in the period:

Balance as at 29 March 2002	£ 388,960
Amount charged to profit and loss account	(97,491)
At 28 March 2003	<u>291,469</u>

11. CALLED UP SHARE CAPITAL

	28 March 2003 £	29 March 2002 £
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>

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

Group	Share capital £	Profit and loss account £	Total shareholders' Funds
Opening shareholders' funds	2	6,518,060	6,518,062
Loss for the period	-	(217,814)	(217,814)
Closing shareholders' funds	<u>2</u>	<u>6,300,246</u>	<u>6,300,248</u>

NOTES TO THE ACCOUNTS

Period from 30 March 2002 to 28 March 2003

13. LEASE COMMITMENTS

Operating Leases

On 29 September 2001 all lease commitments were transferred to CSC Computer Sciences Limited.

14. 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 on the basis that it is a wholly owned subsidiary of Computer Sciences Corporation, which prepares publicly available consolidated financial statements.

15. ULTIMATE PARENT COMPANY

The ultimate and immediate parent company and controlling entity is Computer Sciences Corporation, a company incorporated in the United States of America. Computer Sciences Corporation is the parent company of both the smallest and largest groups which include the company and prepare consolidated accounts. Copies of the group financial statements of Computer Sciences Corporation are available from 2100 East Grand Avenue, El Segundo, California 90245, USA.