

BULL HOLDINGS LIMITED

Report and Financial Statements

31 December 2000



Company No. 03140641

REPORT AND FINANCIAL STATEMENTS 2000

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REPORT AND FINANCIAL STATEMENTS 2000

COMPANY INFORMATION

Directors	Mr D S Ahluwalia Mr G J McNeil Mr G Kennedy Mr R E Guppy Mr J L Gibson Mr J Segonds Mr B Combe
Secretary	Mr I Hancock
Company number	03140641
Registered office	Computer House Great West Road Brentford Middlesex TW8 9DH
Auditors	Deloitte & Touche Chartered Accountants Hill House 1 Little New Street London EC4A 3TR
Bankers	National Westminster Bank Plc 100 Brentford High Street Brentford Middlesex TW8 8AY

REPORT OF THE DIRECTORS

For the year ended 31 December 2000

The directors present their annual report and the audited financial statements for the Company for the year ended 31 December 2000.

Principal activities and review of business

The Company's principal activity during the year continues to be that of a holding company for investments in companies involved in selling data processing, business services and systems and in providing maintenance, software, systems integration and other business support services.

In line with a board decision of the ultimate parent company, the UK business of Bull has been operating, with effect from 1 January 2001, with two main divisions, Services and Servers. Services will be grouped within Integris and Servers will be part of Bull Infrastructure & Systems.

Going concern

The ultimate parent company has confirmed its intention to provide financial support for the Company as necessary for at least twelve months from the signing of these financial statements. As described in note 1, this commitment is made in the context of the successful outcome of the ultimate parent company's restructuring plans.

The directors believe that the Company's ultimate parent will continue to provide support for the Company, for the reasons set out in note 1 to these financial statements. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

Results and Dividends

The Company made a loss for the year amounting to £58,006,000 (1999 loss £1,833,000). No dividend is recommended.

The directors consider the state of the company's affairs to be satisfactory.

Important event occurring after the end of the year

An agreement for the disposal of the Integris business has been signed since the year end. Full details are shown in note 18.

REPORT OF THE DIRECTORS

For the year ended 31 December 2000

Directors and their interests

The following directors held office throughout the year except as indicated below:

Mr D S Ahluwalia

Mr G J McNeil

Mr G Kennedy

Mr R Petit

(resigned 24 September 2001)

Mr R E Guppy

Mr J L Gibson

Mr J Segonds

(appointed 11 September 2001)

Mr B Combe

(appointed 27 September 2001)

None of the directors had any interests in the ordinary share capital of the Company or its subsidiary undertakings at any time during the year.

Annual General Meeting

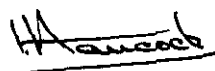
The Company has resolved that no accounts and reports shall be laid before the Company at its General Meeting and that the Company shall dispense with the holding of the Annual General Meeting in accordance with Sections 252 and 366A of the Companies Act 1985.

Auditors

The Company has resolved to dispense with the appointment of auditors annually in accordance with Section 386 of the Companies Act 1985.

Approved by the Board of Directors

And signed on behalf of the Board



Mr I Hancock, Secretary

²⁰
~~19~~ December 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 as at the end of the financial year and of the profit or loss of the Company for that year. 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;
- 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS TO THE MEMBERS OF BULL HOLDINGS LIMITED

We have audited the financial statements on pages 6 to 12 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4 the Company's directors are responsible for the preparation of the financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and report our opinion to you.

Basis of 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 the information in the financial statements.

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 to the financial statements, concerning the Company's financial position, restructuring plans and its funding requirements. In accordance with auditing standards, our opinion is not qualified in this respect, but in view of the significance of this matter and the uncertainty that results, we consider that it should be drawn to your attention.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors

Hill House
1 Little New Street
London
EC4A 3TR

Date: 7/1/02

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2000

	Notes	2000 £000's	1999 £000's
Net operating expenses		(4,909)	29
Operating (loss)/profit	4	(4,909)	29
Income from fixed asset investments		1,400	-
Amounts written off investments		(54,623)	-
Profit on disposal of business		595	-
		(57,537)	29
Interest receivable	5	-	1
Interest payable and similar charges	6	(469)	(1,863)
(Loss) on ordinary activities before taxation		(58,006)	(1,833)
Tax on (loss) on ordinary activities	7	-	-
(Loss) for the financial year	14	(58,006)	(1,833)

A statement of movements on reserves is given in note 13.

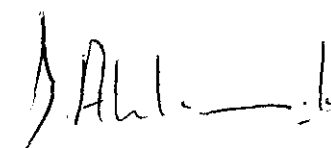
All activities are derived from continuing operations. There have been no recognised gains or losses other than as stated in the profit and loss account for the current financial year and preceding financial year. Accordingly, no statement of total recognised gains and losses is given.

BULL HOLDINGS LIMITED

BALANCE SHEET 31 December 2000

	Notes	2000 £000's	1999 £000's
Fixed assets			
Investments	9	106,428	165,662
		<u>106,428</u>	<u>165,662</u>
Current assets			
Debtors	10	247	135
Cash at bank and in hand		1	3
		<u>248</u>	<u>138</u>
Creditors: amounts falling due within one year	11	(86,655)	(87,773)
Net current liabilities		<u>(86,407)</u>	<u>(87,635)</u>
Total assets less current liabilities		<u>20,021</u>	<u>78,027</u>
Capital and reserves			
Share capital	12	85,000	85,000
Profit and loss account	13	(64,979)	(6,973)
Shareholders' funds	14	<u>20,021</u>	<u>78,027</u>

These financial statements were approved by the Board of Directors on ²⁹19 December 2001 and signed on its behalf by:



Mr D S Ahluwalia
Director

NOTES TO THE FINANCIAL STATEMENTS**For the Year ended 31 December 2000**

1 Going Concern

As described in the Groupe Bull 31 December 2000 annual report and the Groupe Bull 30 June 2001 interim report, the international Bull group is undertaking a major restructuring plan. To date the business has been split into a services division (Integris) and servers division (Bull Infrastructure & Systems), and certain activities no longer relevant to the group's strategy have been disposed. The directors anticipate the sale of the Integris business by 31 December 2001 in respect of operations other than the UK companies, the sale of which is expected to be completed by 31 March 2002. Continuing restructuring will include downsizing of elements of the remaining business, restoration of operational profit to satisfactory levels and refinancing of the ongoing activities.

As discussed in the Groupe Bull reports noted above and based upon the successful outcome of the restructuring plans noted above, group executive management believe that Groupe Bull will have the necessary financial resources for the foreseeable future to cover its operating requirements. As such, they have confirmed their intention to provide financial support for the UK operations as necessary for at least 12 months from the signing of these financial statements.

The Company's directors have taken account of the financial support confirmed by the ultimate parent and on this basis, they believe that sufficient funding will be in place for these accounts to be prepared on a going concern basis. The financial statements do not include any adjustments which would result from a withdrawal of support by the ultimate parent company.

2 Accounting policies

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

Accounting basis

The financial statements are prepared on the historical cost basis of accounting.

Consolidation

These financial statements contain information about Bull Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is not required to prepare group accounts as the ultimate parent is in the European Union and prepares consolidated accounts. (see note 17).

Investment income

Investment income comprises dividends and interest and is accounted for on a receivable basis.

Investments

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

Deferred taxation

Deferred taxation 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 December 2000

Foreign currencies

Transactions of UK companies denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

3 Directors and Employees

No director received any emoluments in respect of his position as director of the Company in the year ended 31 December 2000 (1999 £Nil). The Company has no employees

4 Profit and loss account

The audit fee is borne by Bull Information Systems Limited a subsidiary company, for the current and preceding year.

5 Interest receivable

	2000	1999
	£000's	£000's
Bank interest receivable	-	1

6 Interest payable and similar charges

	2000	1999
	£000's	£000's
Interest payable on bank loans and overdrafts	469	1,863

7 Tax charge on profit on ordinary activities

No credit is taken for losses because the losses are not expected to be utilised during the year.

8 Deferred taxation

No provision for deferred taxation has been made during the year.

Deferred taxation unprovided for in the financial statements is set out below.

	Amount unprovided	
	2000	1999
	£000's	£000's
Losses	(1,630)	(256)

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 December 2000

9 Fixed asset investments

	Loans to other undertakings	Shares in group undertakings	Other investments other than loans
	£000's	£000's	£000's
Cost			
At 1 January 2000	-	165,661	1
Additions	1,640	50	-
Disposals	-	(4,661)	-
Revaluations	(1,640)	-	-
At 31 December 2000	-	161,050	1
Provisions			
At 1 January 2000	-	-	-
Impairment losses	-	54,623	-
At 31 December 2000	-	54,623	-
Net book value			
At 31 December 2000	-	106,427	1
<i>At 31 December 1999</i>	<i>-</i>	<i>165,661</i>	<i>1</i>

On 12 May 2000, the investment in Bull Card Systems Limited was sold for a consideration of £5,256,000, giving rise to a gain of £595,000.

The Company's investments include, at a cost of £150,000,000, 100% of the issued share capital of Bull Information Systems Limited, a company incorporated in Great Britain and involved in the sale of data processing and management information systems and in the provision of maintenance, software systems integration, outsourcing and other customer and business support services. During the year the directors reviewed the value of the investment for impairment, and concluded that £54,623,000 should be written off.

Investment	Country of registration	Proportion of ordinary shares held
Bull Information Systems Limited	England & Wales	100.0%
Bull ND Holdings Limited	England & Wales	100.0%
Envision Limited	England & Wales	33.3%
E-Intelligence Consultants Limited	England & Wales	100.0%
New Deal IT Services Limited	England & Wales	51.0%

Bull Holdings Limited owns 33.3% of the ordinary shares of Envision Limited. However, the Company only controls one out of six positions on the executive management board, and thus does not exercise significant influence over Envision.

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 December 2000

10	Debtors	2000	1999
		£000's	£000's
	Amounts owed by subsidiary undertakings	247	135
		<u>247</u>	<u>135</u>
11	Creditors: amounts falling due within one year	2000	1999
		£000's	£000's
	Bank loans and overdrafts	-	14,387
	Trade creditors	1	107
	Amounts owed to parent undertaking	20,000	20,000
	Amounts owed to subsidiary undertakings	63,243	53,124
	Amounts owed to related undertaking	50	-
	Accruals and deferred income	3,361	155
		<u>86,655</u>	<u>87,773</u>
12	Called up share capital	2000	1999
		£000's	£000's
	Authorised:		
	Equity shares		
	40,000,000 Ordinary shares of £1.00 each	40,000	40,000
	45,000,000 Redeemable preference shares of £1.00 each	45,000	45,000
		<u>85,000</u>	<u>85,000</u>
	Allotted, called up and fully paid:		
	Equity shares		
	40,000,000 Ordinary shares of £1.00 each	40,000	40,000
	45,000,000 Redeemable preference shares of £1.00 each	45,000	45,000
		<u>85,000</u>	<u>85,000</u>
13	Statement of movements in reserves		Profit and loss account
			£000's
	At 1 January 2000		(6,973)
	Loss for the year		(58,006)
	At 31 December 2000		<u>(64,979)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 December 2000

14	Reconciliation of movement in shareholders' funds	2000	1999
		£000's	£000's
	Loss for the financial year	(58,006)	(1,833)
	Decrease in the shareholders' funds	(58,006)	(1,833)
	Opening shareholders' funds	78,027	79,860
	Closing shareholders' funds	<u>20,021</u>	<u>78,027</u>

15 **Contingent liabilities**

Guarentees and commitments given by the Company in the normal course of business at 31 December 2000 amount to £22,245,000.00 (1999 - £22,245,000.00).

16 **Related party transactions**

The Company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard 8 "Related Party Transactions" not to disclose related party transactions with Bull group companies.

17 **Ultimate parent company**

The Company's ultimate parent company is Bull, a company incorporated in France. Copies of that company's accounts can be obtained from Groupe Bull Communications Department, 69 Route de Versailles, 78434 Louveciennes, Cedex, France.

18 **Event occurring after the end of the year**

In May 2001 an exclusivity agreement was signed between Groupe Bull and Steria, to negotiate the acquisition by Steria of the Integris non-maintenance business activities in Europe. The negotiations have reached an agreement for final disposal, which should be completed, in respect of the UK companies, by 31 March 2002.
