

BULL HOLDINGS LIMITED

Report and Financial Statements

31 December 1999



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FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999

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COMPANY INFORMATION

For the year ended 31 December 1999

Directors	Mr D S Ahluwalia Mr G J McNeil Mr G Kennedy Mr R Petit Mr R E Guppy Mr J Gibson
Secretary	Mr I Hancock
Company number	03140641
Registered office	Computer House Great West Road Brentford Middlesex TW8 9DH
Auditors	Deloitte & Touche Hill House 1 Little New Street London EC4A 3TR
Solicitors Bankers	National Westminster Bank plc 100 Brentford High Street Brentford Middlesex TW8 8A7

REPORT OF THE DIRECTORS

For the year ended 31st December 1999

The directors present their report and the audited financial statements for the year ended 31 December 1999.

Results and Dividends

The retained loss for the year amounted to £4,034,000 (1998 - loss £19,063,000). The directors do not recommend the payment of a dividend.

Business review

The company's principal activity 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.

Research and development

The group continues to invest in the development of new and improved software products as well as industry specific applications and solutions.

Directors

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

Mr D S Ahluwalia	(appointed 1 April 1999)
Mr G J McNeil	
Mr G Kennedy	
Mr R Petit	
Mr AF Mary	(appointed 19 August 1999, resigned 31 December 1999)
Mr R E Guppy	(appointed 1 May 1999)
Mr J L Coppens	(resigned 31 March 1999)
Mr B Grisdale	(resigned 18 August 1999)
Mr J Gibson	(appointed 1 May 1999)

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.

Employee involvement

Within the bounds of commercial confidentiality, information is disseminated to all levels of staff about matters that affect the progress of the group and are of interest and concern to them as employees.

Employment of Disabled Persons

The group endeavours to employ disabled persons where the requirements of the job are such that the duties can be effectively covered by a disabled person. Where employees become disabled, the group endeavours to continue to employ them with appropriate support, provided there are duties which can be performed bearing in mind their disability.

The need to develop the careers of our disabled employees is accepted by the group and steps are taken to train and promote disabled employees where this is in their own and the group's best interests.

REPORT OF THE DIRECTORS

For the year ended 31st December 1999

Donations

During the year the group contributed £16,390.00 (1998: £28,624.00) to United Kingdom charitable organisations.

No political donations were made, (1998 - £Nil).

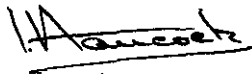
Auditors

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

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.

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



Mr I Hancock
Secretary
30 January 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES

For the year ended 31st December 1999

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 and the group as at the end of the financial year, and of the profit or loss of the group 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 group 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 23 which have been prepared under the accounting policies set out on pages 10 to 12.

Respective responsibilities of the directors and auditors

As described on page 4 the 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 statements and to 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 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 affairs of the company and the group as at 31 December 1999 and the loss of the group 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
30 January 2001

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 1999

	Note	1999 £000's	1998 £000's
Turnover	2	397,718	352,961
Cost of sales		(328,757)	(288,877)
Gross profit		68,961	64,084
Selling and distribution costs		(38,568)	(55,575)
Administrative expenses			
Amortisation of Goodwill	(5,993)		(6,744)
Other administrative expenses	(24,943)		(18,093)
		(30,936)	(24,837)
Other net operating expenses		(205)	(1,684)
Operating loss		(748)	(18,012)
Exceptional items			
Profit/loss on sale or termination - discontinued	2	-	5,154
Net interest	4	(2,630)	(5,436)
Loss on ordinary activities before taxation	2	(3,378)	(18,294)
Tax on profit on ordinary activities	5	(633)	(929)
Loss on ordinary activities after taxation		(4,011)	(19,223)
Equity minority interests		(23)	160
Loss for the financial year	18	(4,034)	(19,063)

A statement of movements on reserves is given in note 17.

All activities are derived from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 December 1999

	1999 £000's	1998 £000's
Loss for the financial year	(4,034)	(19,063)
Currency differences on foreign currency net investments	1,019	(446)
Total recognised gains and losses for the year	(3,015)	(19,509)

There have been no movements in shareholders' funds except as shown in the statement of total recognised gains and losses.

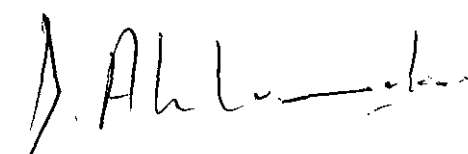
BULL HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 1999

	Note	1999 £000's	1998 £000's
Fixed assets			
Intangible assets	6	77,583	83,143
Tangible assets	7	19,066	23,817
Investments	8	561	561
		<u>97,210</u>	<u>107,521</u>
Current assets			
Stocks	9	17,035	14,677
Debtors	10	105,631	95,931
Cash at bank and in hand		21,033	6,437
		<u>143,699</u>	<u>117,045</u>
Creditors: amounts falling due within one year	11	(189,931)	(170,764)
Net current liabilities		<u>(46,232)</u>	<u>(53,719)</u>
Total assets less current liabilities		<u>50,978</u>	<u>53,802</u>
Creditors: amounts falling due after more than one year	12	(40)	(1,456)
Provisions for liabilities and charges	14	(2,663)	(1,056)
Equity minority interests		(694)	(694)
		<u>47,581</u>	<u>50,596</u>
Capital and reserves			
Called up share capital	16	40,000	40,000
Redeemable Preference Shares	16	45,000	45,000
Other reserves	17	323	(696)
Profit and loss account	17	(37,742)	(33,708)
Shareholders' funds	18	<u>47,581</u>	<u>50,596</u>

These financial statements were approved by the Board of Directors on 30 January 2001 and signed on its behalf by:


Mr D S Ahluwalia
 Director

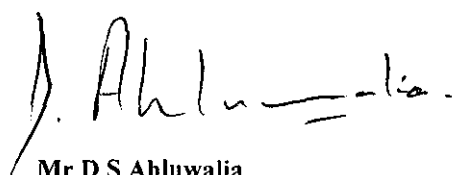
BULL HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 1999

	Note	1999 £000's	1998 £000's
Fixed assets			
Investments	8	165,662	165,862
		<u>165,662</u>	<u>165,862</u>
Current assets			
Debtors	10	135	11
Cash at bank and in hand		3	1
		<u>138</u>	<u>12</u>
Creditors: amounts falling due within one year	11	(87,773)	(86,014)
Net current liabilities		<u>(87,635)</u>	<u>(86,002)</u>
Total assets less current liabilities		<u>78,027</u>	<u>79,860</u>
Capital and reserves			
Called up share capital	16	40,000	40,000
Redeemable Preference Shares	16	45,000	45,000
Profit and loss account	17	(6,973)	(5,140)
Shareholders' funds		<u>78,027</u>	<u>79,860</u>

The financial statements were approved by the Board of Directors on 30 January 2001 and signed on its behalf by:



Mr D S Ahluwalia
Director

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

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

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

BASIS OF CONSOLIDATION

The consolidated financial statements are based on the financial statements of Bull Holdings Limited and its subsidiaries.

GOING CONCERN

In view of the company's net current liabilities position, its parent company has given an undertaking to support the company for the foreseeable future and meet any liabilities as and when they fall due.

TURNOVER AND ACCOUNTING FOR REVENUES

Turnover comprises sales, rental and services revenue net of trade discounts and Value Added Tax.

Revenue recognition generally coincides with the transfer of risk of ownership, usually upon shipment of products to the customer, although legal title sometimes remains with the group until payment has been received. Revenue on certain computer system contracts is not recognised until the system meets the operating capabilities specified in the contract. Revenue in respect of services is recognised periodically as determined by the contract.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at historical cost less accumulated depreciation.

Depreciation is provided on the straight-line method at rates calculated to write off the relevant assets over their remaining useful lives.

The annual depreciation rates used for the major categories of assets are as follows:

Buildings on freehold and long leasehold land	2.5% per annum
Leasehold improvements	10% per annum
Plant and machinery	8.3% to 33.3% per annum
Fixtures, fittings, tools and equipment	6.6% to 25% per annum
Leased assets	over the term of the lease

No depreciation is provided in respect of freehold land.

Additional depreciation may be provided to recognise obsolescence.

RESEARCH AND DEVELOPMENT

All costs associated with research, engineering and product design are charged against income as incurred. Certain major product developments are capitalised and amortised over their expected useful lives.

PRINCIPAL ACCOUNTING POLICIES

INVESTMENTS

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

INTANGIBLE FIXED ASSETS

The costs of standard application software and related installation costs purchased for internal use are capitalised and amortised over the expected useful life.

Goodwill arising on consolidation, is capitalised and amortised over periods between seven and twenty years.

STOCKS AND CONTRACT WORK IN PROGRESS

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs. Work in progress is reduced by provisions for any known or anticipated losses and any related progress payments received on account.

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.

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.

For purposes of consolidation the closing rate method is used, under which translation gains and losses are shown as a movement on foreign currency translation reserve.

CONTRIBUTIONS TO PENSION FUNDS

Contributions to pension plans and charges to the profit and loss account in respect of pension plans are based upon the recommendations of the group's actuaries (see note 13).

LEASES

Lease agreements involving the rental of computer equipment to customers are accounted for as operating leases, recognised on a straight line basis over the period of the lease.

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on inception of the leases and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding.

Rentals are charged to the profit and loss account in equal amounts over the lease term.

PRINCIPAL ACCOUNTING POLICIES

ACQUISITIONS

On the acquisition of a business, including an interest in an associated undertaking, fair values are attributed to the group's share of net tangible assets. Where the cost of acquisition exceeds the values attributable to such net assets, the difference is treated as purchased goodwill and is written off to the profit and loss account over seven years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999

1 LOSS FOR THE FINANCIAL YEAR

As permitted by Section 230 of the Companies Act 1985, the company's profit and loss account has not been included in these financial statements. The group loss for the year includes a loss of £1,833 (1998: profit of £1,297) which is dealt with in the financial statements of the company.

2 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The group's turnover and loss before tax originate principally in the UK and the rest of Europe. The directors consider this to be one geographical area. The company operates in a single class of business.

The loss on ordinary activities is stated after:	1999	1998
	£000's	£000's
<i>Research and development:</i>		
Current year expenditure	2,169	1,992
<i>Auditors' remuneration:</i>		
Audit services	197	167
Non-audit services	160	109
<i>Depreciation and amortisation:</i>		
Goodwill	5,993	6,744
Other intangible fixed assets	2,396	2,038
Tangible fixed assets, owned	8,175	7,494
Other operating lease rentals	11,976	12,584
<i>Rent receivable in respect of:</i>		
Operating leases	438	109

3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:	1999	1998
	£000's	£000's
Wages and salaries	83,112	76,858
Social security costs	7,614	6,330
Other pension costs	3,794	4,150
	94,520	87,338

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999

The average number of employees of the group during the year were as follows:

	1999 Number	1998 Number
Production	1,769	1,887
Selling and distribution	373	259
Administration	225	266
	<u>2,367</u>	<u>2,412</u>

Remuneration in respect of directors was as follows:

	1999 £000's	1998 £000's
Emoluments	810	667
Pensions	94	74
	<u>904</u>	<u>741</u>

During the year 5 directors (1998: 3) participated in defined benefit pension schemes and 3 directors (1998: 2) participated in money purchase pension schemes.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	1999 £000's	1998 £000's
Emoluments	193	271
Pensions	8	30
	<u>193</u>	<u>301</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES / NET INTEREST

	1999 £000's	1998 £000's
On bank loans and overdrafts	2,177	4,937
Finance charges in respect of finance leases	213	467
Other interest payable and similar charges	514	484
Other interest receivable and similar income	(274)	(452)
	<u>2,630</u>	<u>5,436</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	1999 £000's	1998 £000's
UK Corporation tax at 30% (1998: 31%)	18	557
Deferred taxation	210	(138)
Overseas taxation	407	510
	<u>635</u>	<u>929</u>
Adjustment in respect of prior year	(2)	-
	<u>633</u>	<u>929</u>

6 INTANGIBLE FIXED ASSETS

Group	Patents and trademarks £000's	Development expenditure £000's	Purchased goodwill £000's	Total £000's
Cost or valuation				
At 1 January 1999	31	6,882	94,013	100,926
Additions	919	1,946	(36)	2,829
At 31 December 1999	<u>950</u>	<u>8,828</u>	<u>93,977</u>	<u>103,755</u>
Amortisation				
At 1 January 1999	14	4,466	13,303	17,783
Charge for the year	227	2,169	5,993	8,389
At 31 December 1999	<u>241</u>	<u>6,635</u>	<u>19,296</u>	<u>26,172</u>
Net book amount at 31 December 1999	<u>709</u>	<u>2,193</u>	<u>74,681</u>	<u>77,583</u>
Net book amount at 31 December 1998	<u>17</u>	<u>2,416</u>	<u>80,710</u>	<u>83,143</u>

The net book value of the group's intangible fixed assets includes £522,949 (1998 £1,477,000) in respect of assets held under finance leases and hire purchase contracts.

The reduction in goodwill arises from an adjustment to the purchase price of Bull Card Systems Limited which was acquired during 1998.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999

7 TANGIBLE FIXED ASSETS

Group	Leasehold land and buildings £000's	Plant and machinery £000's	Fixtures and fittings £000's	Total £000's
Cost or valuation				
At 1 January 1999	3,616	28,056	4,808	36,480
Additions	338	4,375	149	4,862
	3,954	32,431	4,957	41,342
Disposals	(544)	(6,551)	(2,168)	(9,263)
At 31 December 1999	3,410	25,880	2,789	32,079
Depreciation				
At 1 January 1999	1,033	11,114	516	12,663
Charged for the year	225	7,572	378	8,175
	1,258	18,686	894	20,838
Eliminated on disposals	(544)	(6,418)	(863)	(7,825)
At 31 December 1999	714	12,268	31	13,013
Net book amount at 31 December 1999	2,696	13,612	2,758	19,066
Net book amount at 31 December 1998	2,583	16,942	4,292	23,817

8 FIXED ASSETS INVESTMENTS

Total fixed asset investments comprise:

	1999 £000's	Group 1998 £000's	1999 £000's	Company 1998 £000's
Other fixed asset investments	561	561	165,662	165,862
	561	561	165,662	165,862

Other fixed asset investments

Group	Other investments other than loans £000's	Total £000's
At 1 January 1999	561	561
At 31 December 1999	561	561

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999

Company	Shares in group under- takings £000's	Other investments other than loans £000's
Cost or valuation		
At 1 January 1999	165,861	1
Additions	(200)	-
At 31 December 1999	<u>165,661</u>	<u>1</u>

Investment	Country of registration	Proportion of ordinary shares held
Sheridan Systems Limited	England and Wales	19.9%
Envision Limited	England and Wales	33.3%

Bull Holding 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.

The company's principal subsidiaries are set out below:

	Country of registration	Proportion of ordinary shares held
Bull Information Systems Limited	England and Wales	100%
Bull ND Holdings Limited	England and Wales	100%
Bull Information Systems Ireland *	Republic of Ireland	89.69%
Bull FinanServices Limited	England and Wales	100%
Cara Group Limited *	Republic of Ireland	100%
Bull Card Systems Limited	England and Wales	100%
Cara Information Technology Limited	England and Wales	100%

The principal activity of all subsidiaries and of the group's investment is the sale of data processing and peripheral equipment and to provide maintenance, software, systems integration and other related services.

* Shares in this company are currently held by Bull ND Holdings Limited.

Subsequent to the year end the investment in Bull Card Systems Limited has been transferred to Bull CP8, another company in the Bull group, at no gain or loss.

Subsequent to the year end, the investment in Sheridan Systems Limited has been disposed of, with no gain or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999

9 STOCKS

	1999 £000's	Group 1998 £000's
Raw materials and components	236	956
Work in progress	9,806	1,383
Finished goods	6,993	12,338
	<u>17,035</u>	<u>14,677</u>

10 DEBTORS

	1999 £000's	Group 1998 £000's	1999 £000's	Company 1998 £000's
Amounts falling due within one year:				
Trade debtors	64,904	66,170	-	-
Amounts due from subsidiary undertakings	-	-	135	11
Amounts due from ultimate parent	-	55	-	-
Amounts due from fellow subsidiary undertakings	8,657	-	-	-
Other debtors	1,912	5,648	-	-
Prepayments and accrued income	30,158	24,058	-	-
	<u>105,631</u>	<u>95,931</u>	<u>135</u>	<u>11</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £000's	Group 1998 £000's	1999 £000's	Company 1998 £000's
Bank loans and overdrafts	15,180	35,080	14,387	32,999
Trade creditors	39,267	27,909	107	455
Amounts owed to fellow subsidiary companies	38,948	27,656	53,124	32,006
Amounts owed to ultimate parent company	20,000	20,000	20,000	20,000
Corporation tax	839	1,141	-	57
Social security and other taxes	9,762	6,393	-	-
Other creditors	653	1,971	-	-
Accruals	63,906	48,312	155	497
Amounts due under finance leases	1,376	2,302	-	-
	<u>189,931</u>	<u>170,764</u>	<u>87,773</u>	<u>86,014</u>

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1999 £000's	Group 1998 £000's
Amounts due under finance leases	<u>40</u>	<u>1,456</u>

An aged analysis of amounts due under finance leases appears in Note 20 Leasing Commitments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999

13 PENSION COMMITMENTS

The company operates a number of pension schemes. The major schemes, which cover over 96% of scheme members, are of the defined benefit pension scheme type providing benefits based on final pensionable pay. The assets of the schemes are held separately from those of the company in trustee administered funds. The pension costs of the schemes are charged to the profit and loss account of the company so as to spread these costs over employees' working lives with the company. The pension costs are determined by qualified actuaries on the basis of formal actuarial valuations using the projected unit method.

The actuarial valuation assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries, pensions and dividends. For the purpose of assessing the company's contributions to the major schemes it was assumed at the most completed actuarial valuations, as at 31 March 1998, that the investment returns would average 8.0% per annum, that general salary increases would average 5.5% per annum, that pensions would increase by 3.25% per annum and that dividends would increase at 4.5% per annum.

The actuarial valuation of the major schemes as at 31 March 1998 showed that the combined market value of the schemes' assets was £218 million and that the actuarial value of those assets represented 111% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The actuarial surplus of 11% of the accrued liabilities of the schemes is being carried forward as a contingency against any future adverse events.

	1999 £000's	1998 £000's
Pension charge	3,852	4,064
Pension prepayments	7,518	5,882

14 PROVISION FOR LIABILITIES AND CHARGES

Group	Deferred taxation £000's	Other provisions £000's
At 1 January 1999	(104)	1,160
Provided during the year	208	1,399
At 31 December 1999	104	2,559

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999

15 DEFERRED TAXATION

Group	Amount provided		Amount unprovided	
	1999 £000's	1998 £000's	1999 £000's	1998 £000's
Excess of tax allowance over depreciation	126	56	-	-
Other timing differences	(22)	(11)	-	-
	<u>104</u>	<u>45</u>	<u>-</u>	<u>-</u>
Less:				
Trading losses carried forward	-	(149)	-	-
	<u>104</u>	<u>(104)</u>	<u>-</u>	<u>-</u>

16 SHARE CAPITAL

	1999 £000's	1998 £000's
Authorised:		
40,000 ordinary shares at £1 each	40,000	40,000
45,000 redeemable preference shares at £1 each	45,000	45,000
	<u>85,000</u>	<u>85,000</u>
Allotted, called up and fully paid:		
40,000 ordinary shares at £1 each	40,000	40,000
45,000 redeemable preference shares at £1 each	45,000	45,000
	<u>85,000</u>	<u>85,000</u>

17 RESERVES

Group	Other reserves £000's	Profit and loss account £000's
At 1 January 1999	(696)	(33,708)
Retained loss for the year	-	(4,034)
Exchange differences	1,019	-
At 31 December 1999	<u>323</u>	<u>(37,742)</u>
Company		Profit and loss account £000's
At 1 January 1999		(5,140)
Retained loss for the year		(1,833)
At 31 December 1999		<u>(6,973)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 £000's	1998 £000's
Loss for the financial year	(4,034)	(19,063)
Other recognised gains and losses	1,019	(446)
Issue of shares	-	29,310
Net decrease in shareholders' funds	(3,015)	9,801
Shareholders' funds at 1 January 1999	50,596	40,795
Shareholders' funds at 31 December 1999	<u>47,581</u>	<u>50,596</u>

19 CAPITAL COMMITMENTS

	1999 £000's	Group 1998 £000's	1999 £000's	Company 1998 £000's
Contracted for but not provided in these financial statements	3,036	2,100	-	-

20 LEASING COMMITMENTS

The group has annual commitments under non-cancellable operating leases which expire as follows:

	1999 Land and buildings £000's	1999 Other £000's	1998 Land and buildings £000's	1998 Other £000's
Within one year	-	4,082	1	1,038
Between two and five years	2,240	5,589	2,211	2,908
After five years	1,745	-	2,190	-
	<u>3,985</u>	<u>9,671</u>	<u>4,402</u>	<u>3,946</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1999

Obligations under finance leases and hire purchase contracts:

	Group 1999 £000's	<i>Group 1998 £000's</i>	Company 1999 £000's	<i>Company 1998 £000's</i>
Minimum lease payments payable:				
Within one year	1,400	2,673	-	-
Between two and five years	41	1,511	-	-
After five years	-	-	-	-
	1,441	4,184	-	-
Finance charges allocated to future periods	(25)	(286)	-	-
	1,416	3,898	-	-

21 CONTINGENT LIABILITIES

Guarantees and commitments given by the group in the normal course of business at 31 December 1999 amount to £22,245,000.00 (1998 - £25,012,000.00). The majority of this balance at the year end comprised a performance bond relating to the Envision project (£10 million) and representations and warranties relating to Chessington, sold in 1998 (£11.5 million).

22 CASHFLOW STATEMENT

The company has taken advantage of the exemption granted by paragraph 5(a) of Financial Reporting Standard 1 not to present a cashflow statement.

23 ULTIMATE PARENT COMPANY

The Company's ultimate parent company and controlling entity is Bull (formerly Compagnie des Machines Bull), a company incorporated in France. Copies of that Company's accounts can be obtained from Bull's Communications Department, 69 Route de Versailles, 78434 Louveciennes, Cedex, France.

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