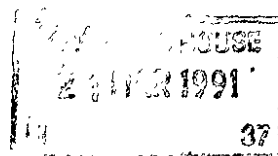


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**GTC MAINTENANCE LIMITED
(FORMERLY DELFONT SERVICES LIMITED)**

ACCOUNTS

30 SEPTEMBER 1990



GTC MAINTENANCE LIMITED
(formerly Delfont Services Limited)

Report of the Directors for the thirty-five week period ended 30 September 1990

1 The directors present their report together with the audited accounts of the company for the thirty-five week period ended 30 September 1990.

Principal activities of the company

2 The company was incorporated on 30 January 1990, when the trade and assets of the projects and maintenance divisions of G W Thornton Holdings PLC were acquired. On 26 April 1990 the company changed its name to GTC Maintenance Limited and on 1 May 1990 the company transferred the trade and assets of the projects division to GTC Projects Limited, a wholly owned subsidiary.

On 23 July 1990 the company was acquired by Lynx Holdings plc. The directors regard Lynx Holdings plc as the company's ultimate holding company.

The principal activity of the company is the maintenance and repair of micro and mini-computer hardware.

Review of the business

3 The directors consider the level of business and the period end financial position to be disappointing. With effect from 1 October 1990 the company ceased to trade and transferred its operations, assets and liabilities to Data Memories plc, a subsidiary of Lynx Holdings plc, at their net book values at that date.

Proposed dividend

4 The directors do not recommend the payment of a dividend and the loss for the period of £41,903 will be taken to reserves.

Fixed assets

5 Movements in fixed assets during the period are as detailed in note 9.

Directors

6 The directors during the period were:

	<u>Appointed</u>	<u>Resigned</u>
C T Harrison (Chairman)	23 July 1990	
A J Hartley	23 July 1990	
D G Taylor	23 February 1990	
P Greenwood	23 February 1990	
S Greenwood	19 March 1990	23 July 1990
B Taylor	19 March 1990	23 July 1990
S R L Thomas		23 February 1990
D V Turner		23 February 1990

In accordance with the Articles of Association, C T Harrison, A J Hartley, D G Taylor and P Greenwood retire at the annual general meeting, being the first since their appointments and, being eligible, offer themselves for re-election.

Directors' interests

7 According to the register required to be kept under Section 325 of the Companies Act 1985, the interests of the directors in the shares of the ultimate holding company, Lynx Holdings plc, are as follows:

Ordinary shares of 5p each
At 30 September 1990

D G Taylor
P Greenwood

238,456
38,333

None of the remaining directors had any notifiable interest in the shares of any group company. As permitted by Statutory Instrument the register does not include any shareholdings of the directors who are also directors of the ultimate holding company.

Close company

8 The company is not a close company within the definition of Section 414 of the Income and Corporation Taxes Act 1988 and there has been no change in this respect since the end of the financial period.

Auditors

9 Warneford Gibbs were appointed auditors upon incorporation and resigned on 23 July 1990 at which time Coopers & Lybrand Deloitte were appointed. A resolution to reappoint the auditors, Coopers & Lybrand Deloitte, will be proposed at the annual general meeting.

By the order of the board



A J HARTLEY

14 December 1990

Secretary

REPORT OF THE AUDITORS TO THE MEMBERS OF GTC MAINTENANCE LIMITED

We have audited the accounts on pages 4 to 14 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 30 September 1990 and of the loss and source and application of funds for the thirty-five week period then ended, and have been properly prepared in accordance with the Companies Act 1985.

SHEFFIELD
14 December 1990

Coopers & Lybrand Deloitte

COOPERS & LYBRAND DELOITTE
Chartered Accountants

GTC MAINTENANCE LIMITED

Profit and loss account for the thirty-five week period ended 30 September 1990

	<u>Note</u>	35 week period ended <u>30 September 1990</u> £
Turnover	2	294,384
Costs, less other income	3	(310,946)
Operating loss		<u>(16,562)</u>
Interest payable	6	<u>(25,341)</u>
Loss on ordinary activities before and after taxation		<u>£(41,903)</u>
Statement of accumulated deficit		
Loss for the period		(41,903)
Goodwill written off	8	<u>(460,339)</u>
At 30 September 1990		<u>£(502,242)</u>

The notes on pages 7 to 14 form part of these accounts.

Auditors' report page 3

GTC MAINTENANCE LIMITED


Balance sheet at 30 September 1990

	Note	30 September 1990	
		£	£
Fixed assets			
Tangible assets	9		58,023
Investments	10		4
Current assets			
Stocks	11	75,224	
Debtors	12	165,101	
		240,325	
Creditors: amounts falling due within one year	13	(800,592)	
Net current liabilities			(560,267)
Total assets less current liabilities			£(502,240)
Capital and reserves			
Called up share capital	15		2
Profit and loss account			(502,242)
			£(502,240)

These accounts were approved by the Board of Directors on 14 December 1990.

 C.T. Harrison

)
) Directors
)

 D.G. Taylor

The notes on pages 7 to 14 form part of these accounts.

Auditors' report page 3

GTC MAINTENANCE LIMITED

Statement of source and application of funds
for the thirty-five week period ended 30 September 1990

	35 week period ended 30 September 1990	
	£	£
Source of funds		
Loss on ordinary activities before taxation		(41,903)
Adjustments for items not involving the movement of funds:		
Depreciation		10,178
Total absorbed by operations		(31,725)
Funds from other sources		
Proceeds on disposal of fixed assets	33,852	
Loans received	450,000	
		483,852
Total sources of funds		452,127
Application of funds		
Purchase of investments in subsidiaries	4	
Purchase of fixed assets	102,053	
Purchase of goodwill	460,339	
Loans repaid	450,000	
		(1,012,396)
Decrease in working capital		£(560,269)
Components of decrease in working capital		
Increase in stocks	75,224	
Increase in debtors	165,101	
Increase in creditors falling due within one year excluding taxation and bank overdraft	(313,530)	
		(73,205)
Movement in net liquid funds		(487,064)
		£(560,269)

The notes on pages 7 to 14 form part of these accounts.

Auditors' report page 3

GTC MAINTENANCE LIMITED

Notes to the accounts for the thirty-five week period ended 30 September 1990

1 Accounting policies

(a) Going concern

The balance sheet on page 5 shows a deficiency of £502,240 at 30 September 1990. The accounts of the company have been prepared on a going concern basis which takes into account an undertaking by Lynx Holdings plc to provide such financial resources as the company may require to discharge its obligations and to support its ongoing operations.

(b) Basis of accounting

The accounts have been prepared under the historical cost convention.

(c) Tangible fixed assets

Tangible fixed assets are stated at their purchase cost, together with any incidental expenses of acquisition. Depreciation of tangible fixed assets is on a straight line basis calculated at annual rates estimated to write off each asset over the term of its useful life. The principal annual rates used for this purpose are as follows:

	<u>Depreciation rate</u> % per annum
Plant and fixtures	10-20
Motor vehicles	25

(d) Stocks

Stocks are valued at the lower of cost and net realisable value. In general, cost is determined on a first in, first out basis. Net realisable value is the value at which the stocks can be realised in the normal course of business. Provision is made for obsolescent, slow moving and defective stocks.

(e) Finance and operating leases

Assets subject to finance leases are recorded as fixed assets and are depreciated over the useful life of the asset or term of the lease, if shorter. The capital element of future rentals is treated as a liability and the interest element is charged to the profit and loss account over the primary lease period. Rentals paid in respect of operating leases are charged to the profit and loss account as incurred.

(f) Deferred taxation

Provision is made for deferred taxation under the liability method on all timing differences, except to the extent that any deferral of tax may reasonably be expected to continue for the foreseeable future.

GTC MAINTENANCE LIMITED

Notes to the accounts for the thirty-five week period ended 30 September 1990 (continued)

(g) Turnover

Turnover represents the invoiced value of goods and services supplied during the period excluding value added tax. Adjustment is made to reflect the deferred income arising on the unexpired term of maintenance contracts, which are normally invoiced annually in advance.

(h) Goodwill

The excess of the consideration over the fair value of the net assets at the date of acquisition is written off against reserves in the period of acquisition.

Turnover

2 Turnover arises entirely within the United Kingdom.

Costs, less other income

3

(a) Costs, less other income comprises:

35 week period ended
30 September 1990
£

Change in stocks of finished goods	15,591
Raw materials and consumables	58,915
Operating lease rentals:	
Plant and machinery	12,536
Auditors' remuneration	4,000
Other external charges	19,594
Staff costs (see note 4)	180,230
Depreciation	10,178
Other operating charges	37,964
Exceptional items	(28,062)
	<u>£310,946</u>

(b) Exceptional items represent amounts received from trade debtors in excess of the value paid for such debts upon the acquisition of the business from G W Thornton Holdings PLC.

GTC MAINTENANCE LIMITED

Notes to the accounts for the thirty-five week period ended 30 September 1990 (continued)

Employee information

4 The average number of employees, including executive directors, was as follows:

	35 week period ended 30 September 1990
Production and sales	8
Administration	5
	<hr/> 13 <hr/>

The aggregate payroll costs of these employees were as follows:

	35 week period ended 30 September 1990 £
Wages and salaries	151,614
Social security costs	15,615
Pension costs	13,001
	<hr/> £180,230 <hr/>

Directors' emoluments

5 Directors' emoluments comprise (including pension contributions):

	35 week period ended 30 September 1990 £
For management services	65,286
Compensation for loss of office	5,000
	<hr/> £70,286 <hr/>

The directors' remuneration shown above includes (excluding pension contributions):

	35 week period ended 30 September 1990
Emoluments of the Chairman	<hr/> £Nil <hr/>
Emoluments of the highest paid director	<hr/> £23,136 <hr/>

Mr P Greenwood retired as chairman on 23 July 1990, and he received remuneration of £14,582 from the company to that date.

GTC MAINTENANCE LIMITED

Notes to the accounts for the thirty-five week period ended 30 September 1990 (continued)

Directors' emoluments (continued)

Other directors received emoluments in the following ranges:

	35 week period ended 30 September 1990
£Nil - £5,000	3
£5,001 - £10,000	2
£20,001 - £25,000	1

Interest payable

6

	35 week period ended 30 September 1990 £
Bank overdraft and loan interest	22,928
Finance lease interest	2,413
	<u>£25,341</u>

Taxation

7 It is proposed that taxation losses will be surrendered by the company by way of group relief without charge and as a result there is no taxation credit on the loss for the period.

Intangible fixed assets

8

	Goodwill £
Goodwill arising on acquisition of trade and net assets	460,339
Written off in the period	(460,339)
At 30 September 1990	<u>£Nil</u>

GTC MAINTENANCE LIMITED

Notes to the accounts for the thirty-five week period ended 30 September 1990 (continued)

Tangible fixed assets

9

	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
Acquisition of businesses	19,363	6,727	71,612	97,702
Additions	-	7,406	23,400	30,806
Disposals	(14,882)	(1,696)	-	(16,578)
Intra-group transfers	-	(3,127)	(24,293)	(27,420)
At 30 September 1990	4,481	9,310	70,719	84,510
Depreciation				
Acquisition of businesses	2,492	78	23,885	26,455
Charge for the period	-	372	9,806	10,178
Intra-group transfers	(2,492)	(78)	(7,576)	(10,146)
At 30 September 1990	-	372	26,115	26,487
Net book value				
At 30 September 1990	£4,481	£8,938	£44,604	£58,023

The net book value of fixed assets of £58,023 and depreciation charge of £10,178 include amounts in respect of assets held under finance leases of £22,179 and £8,831 respectively.

Investments

10

30 September 1990

Shares in subsidiary companies

£4

The subsidiaries GTC Projects Limited and GTC Systems Limited are wholly owned and have share capital consisting solely of ordinary shares. GTC Projects Limited operates principally in the United Kingdom, GTC Systems Limited is a dormant company.

GTC MAINTENANCE LIMITED

Notes to the accounts for the thirty-five week period ended 30 September 1990 (continued)

Stocks

11	<u>30 September 1990</u>
Finished goods and goods for resale	<u>£75,224</u>

Debtors

12	<u>30 September 1990</u>
	£
Trade debtors	125,035
Amounts owed by group companies	8,574
Prepayments and accrued income	31,492
	<u>£165,101</u>

Creditors: amounts falling due within one year

13	<u>30 September 1990</u>
	£
Bank overdraft	487,062
Trade creditors	68,999
Amounts owed to group companies	16,862
Other creditors including taxation and social security	24,819
Obligations under finance leases	17,953
Accruals and deferred income	184,897
	<u>£800,592</u>

Provision for liabilities and charges

- 14 There is no potential liability to deferred taxation.

GTC MAINTENANCE LIMITED

Notes to the accounts for the thirty-five week period ended 30 September 1990 (continued)

Share capital

15

30 September 1990

Authorised:

Ordinary shares of £1 each

£100

Issued, called up and fully paid:

Ordinary shares of £1 each

£2

16 Acquisitions

The assets and liabilities of businesses acquired during the period are summarised below:

	<u>Book Value</u> £	<u>Costs and other provisions</u> £	<u>Fair value to the company</u> £
Tangible fixed assets	71,247	-	71,247
Stocks	77,154	13,661	90,815
Debtors	157,467	-	157,467
Creditors and finance leases	(118,981)	(24,000)	(142,981)
Net tangible assets acquired	<u>186,887</u>	<u>(10,339)</u>	176,548
Goodwill			<u>460,339</u>
Consideration paid			<u>£636,887</u>

Commitments

17 Guarantees and financial commitments

(a) Capital commitments

At the end of the period the company had £9,713 of outstanding capital commitments authorised and contracted for.

(b) Guarantees

The company is party to a cross guarantee in respect of the bank borrowings of fellow group companies. No liability exists under this guarantee at the period end.

GTC MAINTENANCE LIMITED

Notes to the accounts for the thirty-five week period ended 30 September 1990 (continued)

(c) Obligations under operating leases

The company is committed to rentals in the next year on plant and equipment of:

	£
Lease expiring:	
One to two years	11,029
Two to three years	2,679
	<hr/>
	<u>£13,708</u>

Post balance sheet event

18 With effect from 1 October 1990 the company ceased to trade and transferred its operations, assets and liabilities to Data Memories plc, a subsidiary of Lynx Holdings plc, at their net book values at that date.

Ultimate holding company

19 The ultimate holding company is Lynx Holdings plc, a company incorporated in Great Britain.