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Deloitte Touche
Tohmatsu



Company Registration No.3181916

BULL N.D. HOLDINGS LIMITED

Report and Financial Statements

31 December 1998

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





REPORT AND FINANCIAL STATEMENTS 1998

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BULL N.D. HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 1998

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D S Ahluwalia
A Mary

SECRETARY

I Hancock

REGISTERED OFFICE

Computer House
Great West Road
Brentford
Middlesex
TW8 9DH

BANKERS

NatWest Bank PLC
100 Brentford High Street
Brentford
Middlesex
TW8 8AW

AUDITORS

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

DIRECTORS' REPORT

The directors present their report and financial statements of the company for the year to 31 December 1998.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company's principal activities are that of a holding company for investments in companies involved in selling data processing and peripheral equipment and to provide maintenance, software, systems integration and other related services.

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 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;
- prepare the financial statements on a 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.

DIRECTORS

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

J L Coppens	(resigned 31 March 1999)
B Grisdale	(appointed 27 February 1998, resigned 18 August 1999)
R S Snook	(resigned 27 February 1998)
D S Ahluwalia	(appointed 1 April 1999)
A Mary	(appointed 19 August 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.

YEAR 2000

The directors are aware of the impact of the Year 2000 on internal information and communication systems. A review of the company's own use of hardware and software has been conducted and risks were identified. The company has implemented a programme to manage those risks. The overall programme was on schedule at the end of June 1999 with the successful completion of our first set of tests. The programme continues to monitor the Year 2000 situation, and focus for the second half of 1999 is on Business Continuity and Contingency Planning.

The costs directly attributable to this matter have not been specifically identified as they have been charged to Operating Expenses as incurred, or, where applicable, capitalised as part of the group's system modernisation project.



DIRECTORS' REPORT

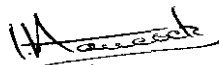
ANNUAL GENERAL MEETING

On 19 October 1998 the company resolved that no accounts and reports shall, in future, 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

On 19 October 1998 the company 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



I Hancock

Secretary

27 Oct 1999



AUDITORS' REPORT TO THE MEMBERS OF BULL N.D. HOLDINGS LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are 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 circumstances of the company, 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 affairs of the company at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Deloitte & Touche

Chartered Accountants and
Registered Auditors

29 October 1999



PROFIT AND LOSS ACCOUNT
Year ended 31 December 1998

	Note	1998 £'000	1997 £'000
Investment income	2	2,498	38
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	2,498	38
Tax charge on profit on ordinary activities		-	-
RETAINED PROFIT FOR THE FINANCIAL YEAR	9	2,498	38

All activities are derived from continuing operations. There have been no movements in shareholders' funds, nor any 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 gains and losses nor reconciliation of movement in shareholders' funds is given.



BALANCE SHEET
31 December 1998

	Note	1998 £'000	1997 £'000
FIXED ASSETS			
Investment in subsidiaries	5	10,845	10,845
		<u>10,845</u>	<u>10,845</u>
CURRENT ASSETS			
Debtors	6	13,398	11,038
Cash at bank and in hand		3	-
		<u>13,401</u>	<u>11,038</u>
CREDITORS: amounts falling due within one year	7	<u>(10,710)</u>	<u>(10,845)</u>
NET CURRENT ASSETS		<u>2,691</u>	<u>193</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,536</u>	<u>11,038</u>
NET ASSETS		<u>13,536</u>	<u>11,038</u>
CAPITAL			
Called up share capital	8	11,000	11,000
Profit and loss account	9	2,536	38
EQUITY SHAREHOLDERS' FUNDS		<u>13,536</u>	<u>11,038</u>

Approved by the Board of directors on 27 October 1999.

Signed on behalf of the board

D S Ahluwalia

Director



NOTES TO THE ACCOUNTS
Year ended 31 December 1998

1. ACCOUNTING POLICIES

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

Basis of accounting

The financial statements are prepared under the historical cost convention.

Investments

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

Foreign currency amounts

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.

2. INVESTMENT INCOME

	1998 £'000	1997 £'000
Dividends from subsidiary companies	2,498	38

3. PROFIT AND LOSS ACCOUNT

No director received any emoluments in respect of his position as director of the company in 1998 (1997: £nil). The company has no employees (1997: nil). The company's audit fee was borne by its fellow subsidiary company, Bull Information Systems Limited.

4. TAXATION

There is no tax charge owing to the income received in the period not being liable to UK corporation tax.

5. INVESTMENTS HELD AS FIXED ASSETS

	Shares in subsidiary undertakings 1998 £'000	Shares in subsidiary undertakings 1997 £'000
Cost and Net book value		
At commencement of year	10,845	-
Additions in the year	-	10,845
At end of end year	10,845	10,845



NOTES TO THE ACCOUNTS
Year ended 31 December 1998

5. INVESTMENTS HELD AS FIXED ASSETS (continued)

On 30 June 1997 the company acquired 100% of the ordinary shares of Bull Information Systems Ireland, a company registered in Ireland for a consideration of £6,500,000. On that same date, the company acquired 51.14% of the share capital of Cara Group Limited, also registered in Ireland, for a consideration of £4,345,000. Both companies were acquired from Bull Information Systems Ltd, another Groupe Bull company.

On 23 January 1998 Bull Information Systems Ireland issued 23,000 'A' ordinary shares to Bull International SA. Following this transaction the share of ownership in Bull Information Systems Ireland was reduced from 100% to 89.69%.

These are the company's only subsidiary undertakings. The principal activity of these 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.

6. DEBTORS

	1998 £'000	1997 £'000
Amounts owed by fellow subsidiary companies	-	38
Amounts due from parent company	13,398	11,000
	<u>13,398</u>	<u>11,038</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998 £'000	1997 £'000
Amounts owed to subsidiary companies	86	-
Amounts owed to affiliated and fellow subsidiary companies	10,624	10,845
	<u>10,710</u>	<u>10,845</u>

8. CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised:		
11,000,000 Ordinary shares of £1 each	11,000,000	11,000,000
Allotted and fully paid:		
11,000,000 Ordinary shares of £1 each	<u>11,000,000</u>	<u>11,000,000</u>

**NOTES TO THE ACCOUNTS**
Year ended 31 December 1998**9. STATEMENT OF MOVEMENT ON PROFIT AND LOSS ACOCUNT**

	1998	1997
	£'000	£'000
At 1 January 1998	38	-
Retained profit for the year	2,498	38
At 31 December 1998	<u>2,536</u>	<u>38</u>

10. 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.

11. ULTIMATE PARENT COMPANY

The 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, 68 Route de Versailles, 78434 Louveciennes, Cedex, France.

The immediate controlling entity is Bull Holdings Limited, a company incorporated in Great Britain and registered in England and Wales. Copies of that company's accounts can be obtained from Computer House, Great West Road, Brentford, Middlesex TW8 9DH.