TRIAD GROUP LIMITED

(Formerly Triad Special Systems Limited)

Audited interim balance sheet

for the 9 months ended 31 December 1995

Registered no: 2285049

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Audited interim balance sheet for the 9 months ended 31 December 1995

Registered number: 228509

Introduction

This audited interim balance sheet does not constitute statutory financial statements. It is prepared solely for the purposes of re-registration as a public company under section 43 (3)(b) of the Companies Act 1985.

Change of name

On 12 February 1996 the company changed its name from Triad Special Systems Limited to Triad Group Limited.

Directors' responsibilities

The directors are responsible for preparing interim accounts that give a true and fair view of the state of affairs of the company as at 31 December 1995 and of the profit and loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the interim accounts for the period ended 31 December 1995. The directors also confirm that applicable accounting standards have been followed and that the accounts have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and 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 directors of TRIAD GROUP LIMITED (Formerly Triad Special Systems Limited)

We have audited the balance sheet and related notes on pages 3 to 8.

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 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 balance sheet and related notes give a true and fair view of the state of the company's affairs at 31 December 1995 and have been properly prepared in accordance with the provisions of the Companies Act 1985 which would have been applied had the balance sheet been prepared for a financial year of the company.

Coopers & Lybrand
Chartered Accountants and Registered Auditors
London, 16 FEBRUARY 1996

TRIAD GROUP LIMITED
(Formerly Triad Special Systems Limited)

Interim balance sheet at 31 December 1995

	Notes	31 December 1995 £'000	31 March 1995 £'000
Fixed assets			
Tangible assets	1	**932**	655
Investments	2	**0**	-
		932	655
Current assets			
Work in progress	3	92	193
Debtors	4	**3,306**	1,610
Cash at bank and in hand		509	1,200
		3,907	3,003
Creditors: amounts falling due within one year	5	(2,053)	(2,391)
Net current assets		**1,854**	612
Total assets less current liabilities		**2,786**	1,267
Creditors: amounts falling due after more than one year	6	(372)	-
		2,414	1,267
Capital and reserves			
Called up share capital	8	**3**	2
Share premium account	10	**28**	40
Capital redemption reserve		**125**	125
Profit and loss account	9	**2,258**	1,100
Equity shareholders' funds	11	**2,414**	1,267

The interim balance sheet and related notes set out on pages 3 to 8 were approved by the board of directors on 16 Feb 1996 and were signed on its behalf by

J C Rigg
Director

A M Fulton
Director

TRIAD GROUP LIMITED
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Notes to the audited interim balance sheet as at 31 December 1995

1 Tangible fixed assets

	Computer Equipment £'000	Fixtures & fittings £'000	Motor vehicles £'000	Total £'000
Cost				
At 31 March 1995	515	296	441	1,252
Additions	178	98	176	452
Transfers from subsidiary on acquisition	41	30	60	131
Disposals	-	-	(121)	(121)
At 31 December 1995	734	424	556	1,714
Depreciation				
At 31 March 1995	269	136	192	597
Charge for period	94	48	99	241
Transfers from subsidiary on acquisition	14	4	25	43
Disposals	-	-	(99)	(99)
At 31 December 1995	377	188	217	782
Net book value				
31 March 1995	246	160	249	655
31 December 1995	357	236	339	932

The net book value of motor vehicles includes amounts in respect of assets held under finance leases of £5,000 (31 March 1995: £8,000).

2 Fixed asset investment

Fixed asset investments relate entirely to a 100% subsidiary undertaking, Generic Software Consultants Limited ("Generic"), which is registered in England and Wales and has an issued share capital of 5,610 US$1 ordinary shares.

On 16 October 1995 the company acquired a 100% interest in Generic in exchange for the issue of 4,400 ordinary shares of 10p each. The company claimed merger relief under section 131 of the Companies Act 1985 for this issue, and the investment is therefore stated in the company's books at £440, the nominal value of the shares issued. Generic's business was transferred immediately on acquisition into the company at the book value (which equated to the fair value) of the assets and liabilities concerned. Generic has since proposed a dividend of the whole of its retained profits of £170,000.

Consolidated financial information has not been presented on the grounds that the inclusion of Generic is not material, since Generic's business is included within the Company with effect from the date of acquisition. The only difference between the consolidated and Company results is the inclusion in the Company figures of the dividend receivable from Generic, and this has been disclosed as an exceptional item since it relates to profits earned prior to acquisition.

The balance sheet of Generic at 31 December 1995 is as follows:

	£'000
Current assets	
Debtors - amounts owed by parent company	175
Creditors: amounts falling due within one year	
Dividend payable to parent company	(170)
Net current assets	5
Capital and reserves	
Share capital	4
Capital redemption reserve	1
	5

3 Work in progress

	31 December 1995 £'000	31 March 1995 £'000
Work in progress	108	307
Less payments on account	(16)	(114)
	92	193

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4 Debtors

	31 December 1995 £'000	31 March 1995 £'000
Trade debtors	3,019	1,345
Other debtors	22	7
Advance corporation tax recoverable	-	95
Prepayments and accrued income	265	163
	3,306	1,610

5 Creditors: amounts falling due within one year

	31 December 1995 £'000	31 March 1995 £'000
Bank overdraft	185	-
Payments on account	27	185
Trade creditors	779	305
Amounts owed to subsidiary undertaking	5	-
Corporation tax	74	451
Other taxation and social security	543	549
Finance lease creditor	3	8
Dividends payable	-	402
Accruals	279	219
Deferred income	158	272
	2,053	2,391

The security on the bank overdraft has been released since 31 December 1995.

6 Creditors: amounts falling due after more than one year

	31 December 1995 £'000	31 March 1995 £'000
Corporation tax	372	-

7 Provisions for liabilities and charges

	31 December 1995 £'000	31 March 1995 £'000
Total potential deferred taxation at 33% and provision made		
Accelerated capital allowances	-	5
Less: ACT recoverable	-	(5)
	-	-

8 Share capital

	31 December 1995 £'000	31 March 1995 £'000
Ordinary shares of 10p each		
Authorised		
Number	70,000	70,000
Nominal value	£7,000	£7,000
Issued, called up and fully paid		
Number	26,402	21,730
Nominal value	£2,640	£2,173

In addition the Company had £125,000 of authorised unclassified shares of £1 each which were unissued at the above dates.

During the period the company issued 272 ordinary shares of 10p each at par and 4,400 ordinary shares of 10p each in exchange for all the ordinary shares in Generic Software Consultants Limited (see note 2)

Since to 31 December 1995, 100 ordinary shares of 10p each have been issued at par and an 18 for 1 bonus issue has been made out of the capital redemption reserve. Accordingly the issued share capital has increased to £50,354 comprising 503,538 ordinary shares of 10p each.

9 Profit and loss account

	9 months ended 31 December 1995 £'000	12 months ended 31 March 1995 £'000
At beginning of period	1,100	822
Profit retained for the financial period	1,158	278
At end of period	2,258	1,100

10 Share premium account

	9 months ended 31 December 1995 £'000	12 months ended 31 March 1995 £'000
At beginning of period	40	40
Expenses on issue of shares	(12)	-
At end of period	28	40

11 Reconciliation of movements in shareholders' funds

	9 months ended 31 December 1995 £'000	12 months ended 31 March 1995 £'000
Profit retained for financial year	1,158	278
Issue of shares	1	-
Expenses on issue of shares	(12)	-
	1,147	278
Opening shareholders' funds	1,267	989
Closing shareholders' funds	2,414	1,267