

System House

The monthly review of the financial performance of the UK computing services industry

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It's OFFICIAL "You've never had it so good!"

We have now completed our analysis of the financial results for 1995 of companies operating in the UK software and computing services marketplace. The results surpassed even our highest expectations.

The near 2000 companies actually grew their total

revenues by 22%. We then stripped out the effects of acquisitions (i.e. Sage's 100% growth was in part due to its French acquisitions). This brought us to an organic growth rate of 20%.

Given that inflation was just over 2% for 1995, in real terms this was the highest growth rate since our records began ten years ago.

Perhaps even more encouraging, yet again this year, the companies registered an even higher growth in non-UK revenues. Revenues earned in Europe were up 23% and from the US and the rest of world up by 38%. Sage, Coda, JBA, Logica, CMG, Misys, Persona, Azlan and many others have been actively growing - both by acquisition and organically - outside the UK.

UK revenues grew by 18% - higher than the 16% we had predicted

and the 14% growth recorded in 1994. That means that our industry is growing about six times faster than the UK's GDP.

And there seems no reason to expect any reversal in the near term at least. We have increased our forecasts to a 17% growth for 1996. The latest CSSA Quarterly Trend Survey also indicates optimism for the next 12 months at record levels with just 3% of members believing business

will worsen in the period.

Outsourcing in all its guises - FM, AM, IT agency staff etc. - was the single most important reason for this major growth. FM/AM grew by 45% to be worth £1.7 billion in 1995. The IT agency/bespoke development marketplace

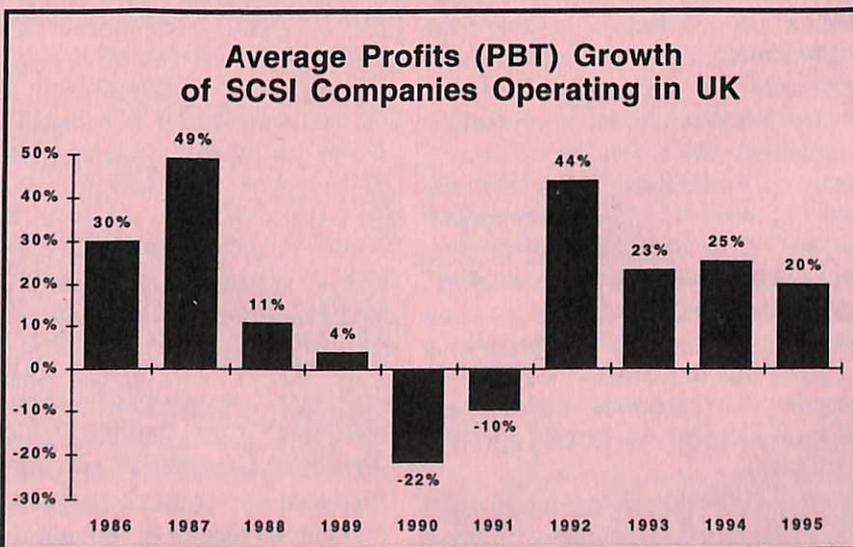
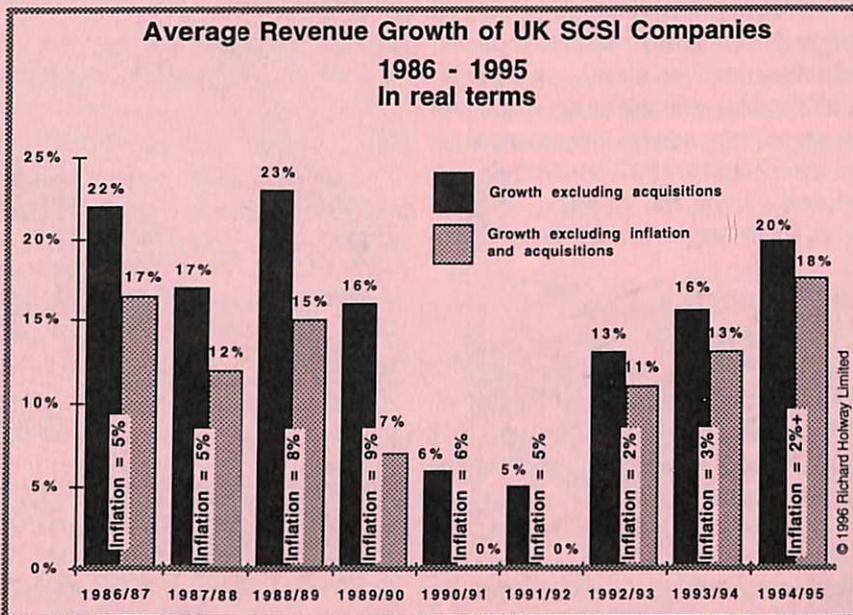
grew by 21% to be worth £1.65b. However there was yet another 5% decline in hardware maintenance revenues. Indeed the sad demise of DCM this month coming on top of similar failures at SRH and Enterprise and the current woes at Wakebourne, pay testimony to the chronic problems in this sector.

Although software products registered a 12% increase, this was for the second consecutive year less than the industry overall growth rate. Readers will know that software products had been the lead growth sector for at least the last 20 years. Price competition is now intense and

any Internet users out there will know the truth of our forecast several years that product will eventually be free. It's the service which this enables you to use that will earn the money - either by charges or advertising.

But with all the euphoria, there are some areas of concern. The 180,000 staff employed by companies in our database increased their costs by 7% in 1995 - i.e. nearly three

Continued page two



Continued from page one

times the rate of inflation. This is the first time in ten years when staff cost increases significantly exceeded inflation. All the other external signs (job adverts, contractor rates etc.) indicate that we are currently experiencing skill shortages again. It is the more junior programmer and analyst grades in most demand. This, we believe, can be traced back to most companies pulling the plug on graduate and other staff recruitment in the early 1990s.

Staff costs made up the biggest part of total costs for most of the companies in our database. It is therefore not surprising that profit growth has fallen to 20%. Cost cutting in 1991 had led to a major recovery in profits where growth had far outstripped revenue growth for three years. Revenue growth and profits growth were identical in 1995. But this is quite healthy for a growing/mature industry such as ours. A near 20% p.a. growth in earnings is clearly a very attractive proposition for investors too. In the last year the c70 SCSI companies quoted on the London Stock Exchange have outperformed the marketplace as a whole fourfold with an average 80% increase in share prices. Indeed the whole sector has received a 60%+ re-rating in the last year. Regular readers will recall that we first suggested "there has never been a better time to invest in software and computing services" in 1991. **Since then our share index has tripled.** Given the re-rating and the slowing in profits growth, we doubt the future will hold quite such rich pickings.

Lynx prospers with Vistec

Lynx Holdings' interim results for six months to 31st March 1996 were the first to reflect the Vistec purchase (for £26.2m in Oct./Nov. 95). Revenues tripled from £12.6m to £38.1m with a 5 month contribution from Vistec, and PBT was up 180% at £2.07m. Vistec had contributed about half - £1.19m - of the £2.45m operating profit. EPS increased more modestly by 36%. But given the acquisition, this was quite creditable.

But it looks as if both the old and new parts of Lynx did well. Vistec's "open systems software distribution business exceeded expectations and continues to gain new franchises including Netscape's Internet product range". Lynx's existing operations - particularly the Financial Services and Human Resources software businesses - put in a "strong performance".

"These interim results demonstrate the ability of the group to generate good organic growth whilst at the same time absorb substantial acquisitions". Looks encouraging to us.

On-Demand Information "in profit by end 1996"

Revenues increased by 11% to £5.68m but losses were largely static at £1.28m in the six months to 31st January 1996. Chairman Graham Poulter estimated that current products would generate £20m revenues over the next few years. The recent deal with BT had resulted in an up-front payment of £1.1m.

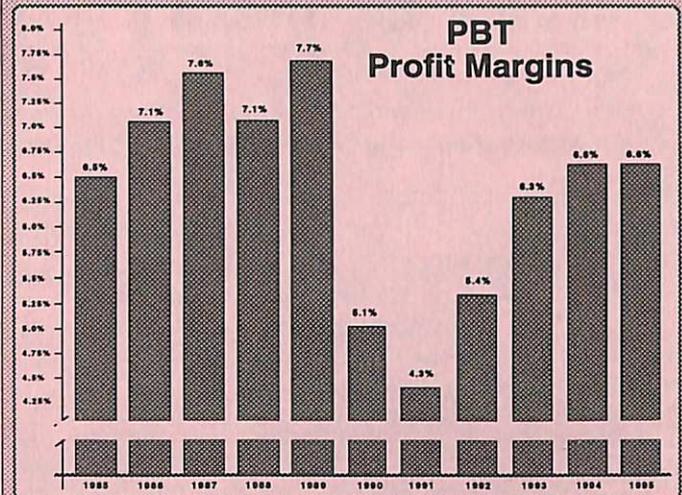
In addition, On-Demand announced a £7m 2-for-25 rights issue at 180p per share. "This will place the company at the forefront of its targeted sectors within the burgeoning information industry; the directors are confident that the company will secure a large and profitable share of the business market".

Poulter still reckons that On-Demand will be back in profit by the end of 1996.

On-Demand is currently valued at £94m. However, their share price fell by 9% to end May 1996 on 170p.

New Profit Margin #1

The average PBT margin for the companies in the 1996 Holway Report remained static at just 6.6% - that's about half the margin achieved at Marks & Spencer.



In fact most of the main players - Logica, Hoskyns, Sema etc. were reasonably close to this average. But, of course this average covers a wide range from enormous losses to ...our new 1995 profit margin #1 (excluding all those with 1994 and 1995 PBT less than £500,000) which is - **Metrica Systems**. They managed PBT of £1.89m on revenues of £4m in the year to 30th Sept. 95 - to produce a margin of 47%. It was not a one year wonder either. They had doubled revenues and tripled PBT over 1994, when they had made an equally impressive 34% PBT margin.

Metrica	1993	1994	1995	1996 (Est)
Revenue	£1.0m	£1.9m	£4.0m	£7.0m
PBT		£652K	£1,893K	n/a
Staff	9	15	35	50+
Customers	2	6	15	30

Metrica is a predominately a products company - they make only around 15% from services. Their product is a software toolset which helps network operators (for example cellular radio operators) monitor the performance on their network. Orange, Cellnet and Mercury - amongst many others - were listed as clients. Metrica helps them to tune their systems for optimum performance.

75% of revenues (i.e. £3m out of the £4m) is non-UK with £1.7m coming from outside Europe. They have 40 staff working in offices in London, Boston and Kuala Lumpur. Perhaps of even greater note, they are totally privately owned and have no debt. Indeed the last balance sheet showed £761K cash in the bank.

Metrica seems a real gem of a UK-owned company. When we asked for more details, we were sent the presentation they had recently given to the DTI on how UK companies could be successful in telecommunications. *With a record like Metrica's we hope the DTI took note.*

Terence Chapman Group

Financial sector SCSI group Terence Chapman has announced results for the six months to 29th February 96 showing "strong growth" with revenues of £6.4m and PBT of £869K. "The very strong progress reflected in these results is broadly based...Significant contracts in the six month period include new customers Kleinwort Benson Investment Management, Prudential and Alltel". Revenues of £14.3m and PBT of £2.3m are forecast for the current year. We also reckon a float will take place before long.

Mindscape nightmare continues at Pearson

Given that Pearson's acquisition of US Software Toolworks (later renamed Mindscape) for £330m in 1994 was about the biggest ever SCSI acquisition by a UK-owned company, it is ironic that it seems to be turning into one of the biggest mistakes too.

It had been thought that Windows would boost Mindscape. But lower than expected sales of MS Windows 95 meant that Mindscape "had a tough year in software publishing. It was unable to ship new CD-ROM products fast enough in 1995 to compensate for a dramatic tailing away of the market for floppy disks while severe competitive pressure pulled prices down sharply in the market for software sales to OEMs... The net outcome for the year, a loss of £6.9m, fell far short of expectations and steps are being taken to improve the situation; a new CEO has been appointed and a review of strategy is underway". Mindscape had made profits of - a still very minimal - £3.5m in 1994. Revenues fell, as its core video games and cartridge formats reduced by 20% to just £60m.

As Chairman Frank Barlow (also Logica's Chairman) said "this is completely unacceptable from a company that had cost more than £300m". The words seem somewhat mild having spent £330m only to get losses, declining revenues and a business in the wrong place at the wrong time.

"A new strategy is being sought" but "there are no plans to sell the company". I.e. we couldn't find anyone to buy it at anything like the price we paid.

On May 2nd 1996 Pearson shares dropped 18p on the announcement that Mindscape would show losses of £46m in the current year - although £30m of this will be non-recurring restructuring charges. Pearson directors admitted that Mindscape was a company "with too many products not of high enough quality". It was clearly a mistake of monumental proportions. Interesting therefore that no Pearson director has felt fit to "fall on this sword" over the issue!

MMT Computing rockets

We know you all get fed up with our "we told you so"- type reviews. But please reread our last five years' reviews of MMT. Has there ever been a company more in line for a re-rating? So please, if you missed out, don't blame us.

This month MMT reported PBT up 71% at £2.37m on revenues up 28% at £8.26m for the six months to 29th Feb. 96. Profits included a £256K capital gain on the sale of the Sherwood stake. Even so operating profits increased by 52% to £2.1m. EPS was up 76%.

Profits were fuelled by increased utilisation which has "now returned to the high levels we enjoyed perhaps a decade ago". "A depressed market dating back to the recession had forced MMT to discount heavily, but improved trading conditions recently had eased pressure on margins". Forward order levels were strong and the company was "in exceptionally good shape and we feel strong, confident and optimistic for the foreseeable future". Let's face it, Chairman do not often use words like that!

MMT's share price literally rocketed on these results (but we hope that all readers would have seen this re-rating coming long ago). MMT rose 110p to 479p on the day the results were announced on 1st May 1996 and went on to end May up 36% at 500p - twice the price on 1st Jan. 96.

"Comfortable" CMG Cor Stutterheim told the CMG AGM that revenues and profits were "comfortably" on target, although Germany "continues to be slow".

Citymax continues to prosper

Citymax was formed in 1985 out of the IT department of stockbroker Buckmaster & Moore who held 51% of the equity with the remaining 49% held in trust for the staff. In 1987, B&M were acquired by Credit Suisse together with the 51% stake in Citymax. In 1993 Credit Suisse bought out the remaining 49% Citymax shares. Around 50% of revenues come from Credit Suisse.

The company specialises in systems for the finance, banking and insurance markets. They employ 400 staff in four main locations, UK, US, Singapore and Egypt. Citymax has established what is currently referred to as a "software factory" in Cairo.

The accounts for the year to the 31st December 1995, show revenue up 10% to £19.25m with PBT increasing 33% to £763K - a 3.6% margin. EPS was up 40%.

CREST has created a major opportunity for Citymax with their ARROW product which has "established itself as the market leader". Both the US and Egyptian operations were "positive net contributors to profits in 1995". Staff number have increased by over 100 to 400 in the year.

Ahmad Abu El-Ata has been elevated to Chairman on the appointment of Bob Trevor as CEO. He had been head of their Arrow project since joining from CSC Index in 1995.



RM

We admit to a certain affinity with RM. Back six years ago, in our earliest editions, we interviewed CEO Mike Fischer when he was just coming to realise that hardware was not where it was at anymore. "It's just another chip on the motherboard" was the Fischer quote that, strangely, said it all.

Since then RM has moved to become a true software and services supplier. They became our hero when they repelled the Misys borders. We think that their current chairman, John Leighfield, has been the best CSSA President in a long while. One of a very, very rare breed of new issues in Dec. 94 at 175p, RM has been an excellent performer with the share price a mere 180% to 485p by the end of May 1996.

Latest results for the six months to 31st Mar. 96 showed revenues increasing 34% to £45.2m, PBT was up 27% at £1.32m and EPS rose 25%. It looks as though they increased their dominant market position over Acorn.

We could go through all the many sectors where RM has increased revenues, but it is the Internet that is the real (and probably undervalued) asset of RM. All the political parties seem to be vying to be IT friendly - to schools in particular. The fact that RM put their results up on the Internet before we got them on fax is to their credit.

LBMS still loss-making

After the profits warning in Feb. 96, which sent the shares crashing by 60%, LBMS has reported an "improvement" in the last quarter - although a loss of £252K was still recorded. For the year to 30th Apr. 96 revenues increased by 9% to £25.9m. Losses decreased from £5.25m to £539K.

We do not like the way that LBMS is decommitting from services to focus on its products. Service revenues were down 26% in Q4. This is a particular shame given that even US investors now seem to be waking up to the high value of such revenues.

SAGE

THE SAGE GROUP PLC

Sage - "boring" as ever

Sage reported revenues up 42% at £71.8m, PBT up 37% at £16.1m and EPS up 33% for six months to 31st March 1996. Cash increased from £6.1m to £11.4m. This was the usual, superb, "boring" performance we have come to expect.

France is now (at £33.8m) the largest geographic unit followed by UK (£27.1m) and the US (£10.9m). But the US showed next to no growth.

Margins in the UK of 37% are twice those in France and the US. However French margins had increased from 16% to 19%. Interestingly sales of services and supplies to existing customers grew by 47% to £32.6m - faster than the 37% growth in primary software sales to £33.7m.

Sage notes that PC accounting software sales are polarising into sales from retail outlets and sales via VARs. Sage's "emphasis is increasingly being placed on selling through specialist dealers and VARs...characteristics which have contributed so much to the Group's growth and profitability in recent years".

So what now? Goldman is "confident of achieving satisfactory results" when analysts expect PBT of £30m. No further acquisitions are planned in France, but Sage now wants to repeat the strategy in Germany where a Saari sized acquisition is now expected. In the US "something in the PC accountancy or software field" is contemplated. Source - Computergram 2nd May 1996.

Sage shares are the best performing in our index - up a staggering 16+-fold since 1989. They rose another 2% this month.

Sanderson Electronics

Sanderson's results for the six months to 31st March 1996 were perhaps a little on the disappointing side. Revenues were up 13% at £30.6m, PBT was up 18% at £3.3m - a margin of 10.8%. Recurring revenues from licences and service increased to £11m - or around a third of revenues in the half year. EPS advanced by 15%. All solid figures but less than the market average. Cash at bank, however, fell from £2.7m to £1.1m although net current assets doubled.

Sanderson Pacific was back in profit and contributed £775K operating profits on revenues of £7.8m. Further acquisitions, particularly in the applications arena, are "patiently" sought.

Sanderson continued to sponsor both Southampton and Sheffield Wednesday football teams which cost £2m a year. *We do wonder if this is the best use for such a large amount of money.*

Brokers forecast £6.4m PBT for the full year - i.e. a relatively low forward P/E of 15.6. If Sanderson could just inject a little excitement, maybe they would get the re-rating that we have long anticipated.

Footnote - readers may remember that we got forced into suggesting a "tip for 1995" about 18 months ago. We suggested Sanderson. It has doubled in price since - although even we would not claim the credit! This month founder and Chairman Paul Thompson sold half his holding realising £7.5m - he retains 12%.



Computerised Financial Solutions plc

Computerised Financial Solutions, or CFS Group as we must now call them, was a new issue on the USM on 3rd Feb. 94 at 90p. CFS "provides specialised software and administrative support services to financial institutions, manufacturers and distributors in the management of inventory and consumer finance". Much of their revenue derives from supplying a bureau service based on their CreditLine product. Recurring revenues are, therefore, said to be high.

IBM UK bought 26% of CFS in Nov. 90 for £260K (plus £360K for prefs). At the time of the placing in 1994, IBM realised £214K but kept a 14% stake. This has since reduced to 4% in part due to Rotch acquiring a stake (currently 9.3%) in Aug. 94.

Readers will be well aware of our views on the capitalisation of software development. Indeed, the CSSA recommendations, issued this month, "recommends that expenditure on software development should be written off in the year in which it is incurred". CFS is one of a very few quoted companies which does not do this. At the time it went to the Stock Exchange it would have had negative net assets if not for its intangible assets. **Indeed in every year on record (since 1988) CFS would have recorded a loss if it was not for its capitalisation of R&D.** But CFS' accounts have been drawn up, quite properly, in accordance with SSAP13 and have not been qualified by their auditors. This makes comparisons with other companies running bureaux services based on specialised software - like Rolfe & Nolan, Sherwood, Centre-file etc. all of which have no intangible assets - rather more difficult. Results for the year to 31st Dec. 95 show revenues down 4% at £3m. On a like-for-like basis "PBT was up 20% at £385K" as last year's reported PBT of £351K has been restated. A further net £544K was capitalised. In other words, if CFS had adopted the accounting policies recommended by the CSSA - and those adopted by almost every other SCSI company - they would have reported another year of losses - this time a loss of over £150K. CFS now has £1.9m of capitalised software development costs but net assets of just £1.4m. i.e. negative net assets of £500K. This compares with negative net assets of £300K last year - applying the same principles.

IBM "has selected CreditLine Plus for use in Europe, the Middle East and Africa and negotiations are at an advanced stage on two further important contracts in the US". Revenues are not expected to commence until 1997.

Based on this, CFS is raising £2m before expenses through a placing and 1-for-5 Open Offer at 80p which has been underwritten by Wise Speke. Institutional demand has been strong and applications had to be scaled down. The shares have risen to 100p by the end of May - a 20p premium over the offer price. After the placing the balance sheet will, of course, be much stronger with net assets of £3.2m - £1.9m of which are still intangible assets.

Indeed, putting our concerns over the accounting conventions to one side, if the current contracts are implemented successfully, the outlook for CFS' offerings could well be exciting. We are particularly impressed by the potential in Europe and the USA.

Wise Speke are currently forecasting PBT of £500K for 1996 - although how much of this will be by way of increased capitalisation of software is unclear. "The board expects a favourable performance in the current year".

Quoted Companies - Results Service

Note: Shaded = Results announced this month.

Admiral plc				FI Group plc					
	Final - Dec 94	Final - Dec 95	Comparison		Final - Apr 94	Interim - Oct 95	Final - Apr 95	Comparison	
REV	£ 49,473,000	£ 65,460,000	+32.3%	REV	£ 41,497,000	£ 37,420,000	£ 61,703,000	+48.7%	
PBT	£ 7,719,000	£ 9,832,000	+27.4%	PBT	£ 2,080,000	£ 2,089,000	£ 3,260,000	+56.7%	
EPS	9.04p	10.72p	+18.6%	EPS	4.90p	4.90p	7.60p	+55.1%	
Azlan Group plc				Firecrest Group plc					
	Interim - Sep 94	Final - Mar 95	Interim - Sep 95	Comparison		Final - Dec 94	Final - Dec 95	Comparison	
REV	£ 37,735,000	£ 30,488,000	£ 72,716,000	+92.7%	REV	£ 7,126,671	£ 6,509,068	-7.3%	
PBT	£ 1,079,000	£ 3,906,000	£ 4,445,000	+312.0%	PBT	£ 414,929	£ 603,027	+45.3%	
EPS	3.70p	12.50p	13.60p	+267.6%	EPS	2.30p	2.30p	+0.0%	
British Data Management plc				Flomerics Group plc					
	Interim - Dec 94	Final - Jun 95	Interim - Dec 95	Comparison		Final - Dec 94	Final - Dec 95	Comparison	
REV	£ 8,599,000	£ 17,042,000	£ 9,485,000	+10.3%	REV	£ 3,098,672	£ 4,147,187	+33.8%	
PBT	£ 535,000	£ 1,575,000	£ 1,561,000	+191.8%	PBT	£ 406,900	£ 415,565	+2.1%	
EPS	1.47p	3.80p	4.28p	+191.2%	EPS	11.00p	11.00p	+0.0%	
Capita Group plc				Gresham Computing plc					
	Final - Dec 94	Final - Dec 95	Comparison		Final - Oct 94	Final - Oct 95	Comparison		
REV	£ 73,800,000	£ 86,994,000	+17.9%	REV	£ 6,507,000	£ 7,895,000	+21.3%		
PBT	£ 7,903,000	£ 9,420,000	+19.2%	PBT	£ 708,000	£ 1,281,000	+80.9%		
EPS	10.50p	11.80p	+12.4%	EPS	1.32p	2.36p	+78.8%		
Cedardata plc				INSTEM plc					
	Interim - Sep 94	Final - Mar 95	Interim - Sep 95	Comparison		Final - Dec 94	Final - Dec 95	Comparison	
REV	£ 3,726,000	£ 8,932,000	£ 5,333,000	+43.1%	REV	£ 16,812,000	£ 21,324,000	+26.8%	
PBT	£ 1,337,000	£ 3,572,000	£ 1,995,000	+49.2%	PBT	£ 1,153,000	£ 1,244,000	+7.9%	
EPS	2.80p	7.90p	4.20p	+50.0%	EPS	16.80p	18.10p	+7.7%	
CentreGold plc				JBA Holdings plc					
	Interim - Jan 95	Final - Jul 95	Interim - Jan 96	Comparison		Final - Dec 94	Final - Dec 95	Comparison	
REV	£ 41,037,000	£ 69,497,000	£ 39,351,000	-4.1%	REV	£ 90,687,000	£ 124,693,000	+37.5%	
PBT	-£ 3,883,000	-£ 11,378,000	-£ 1,047,000	Loss both	PBT	£ 6,131,000	£ 8,714,000	+42.1%	
EPS	-6.44p	-22.50p	-2.43p	Loss both	EPS	12.13p	16.31p	+34.5%	
Clinical Computing plc				Kalamazoo Computer Group plc					
	Final - Dec 94	Final - Dec 95	Comparison		Interim - Sep 94	Final - Mar 95	Interim - Sep 95	Comparison	
REV	£ 1,471,884	£ 2,209,023	+50.1%	REV	£ 28,283,000	£ 60,719,000	£ 32,358,000	+14.5%	
PBT	-£ 688,596	-£ 546,832	Loss both	PBT	£ 3,003,000	£ 6,815,000	£ 2,012,000	-33.0%	
EPS	-4.30p	-3.40p	Loss both	EPS	4.98p	11.80p	3.66p	-26.5%	
CMG plc				Kewill Systems plc					
	Final - Dec 94	Final - Dec 95	Comparison		Interim - Sep 94	Final - Mar 95	Interim - Sep 95	Comparison	
REV	£ 146,283,000	£ 196,484,000	+34.3%	REV	£ 16,405,000	£ 33,667,000	£ 16,567,000	+1.0%	
PBT	£ 14,057,000	£ 18,460,000	+31.3%	PBT	£ 2,166,000	£ 5,067,000	£ 2,613,000	+20.6%	
EPS	13.90p	18.20p	+30.9%	EPS	12.16p	28.39p	14.55p	+19.7%	
Coda Group plc				Learmonth & Burchett Management Systems plc					
	Final - Oct 94	Final - Oct 95	Comparison		Final - Apr 95	Final - Apr 96	Comparison		
REV	£ 23,388,000	£ 32,791,000	+40.2%	REV	£ 23,761,000	£ 25,855,000	+8.8%		
PBT	-£ 7,992,000	£ 1,030,000	Loss to Profit	PBT	-£ 5,251,000	-£ 539,000	Loss both		
EPS	-27.70p	2.50p	Loss to Profit	EPS	-24.70p	-2.30p	Loss both		
Compel Group plc				Logica plc					
	Interim - Dec 94	Final - Jun 95	Interim - Dec 95	Comparison		Interim - Dec 94	Final - Jun 95	Interim - Dec 95	Comparison
REV	£ 28,272,000	£ 70,019,000	£ 40,421,000	+43.0%	REV	£ 113,565,000	£ 250,135,000	£ 128,919,000	+13.5%
PBT	£ 1,194,000	£ 2,684,000	£ 1,441,000	+20.7%	PBT	£ 7,220,000	£ 20,310,000	£ 9,035,000	+25.1%
EPS	5.56p	11.10p	6.06p	+9.0%	EPS	7.80p	21.70p	9.80p	+25.6%
CFS Group plc				Lorien plc					
	Final - Dec 94	Final - Dec 95	Comparison		Final - Nov 94	Final - Nov 95	Comparison		
REV	£ 3,120,711	£ 2,966,520	-4.3%	REV	£ 17,904,000	£ 29,109,000	+62.6%		
PBT	£ 319,718	£ 384,675	+20.3%	PBT	£ 169,000	£ 971,000	+474.6%		
EPS	3.29p	4.77p	+45.0%	EPS	2.65p	12.10p	+356.6%		
Cray Electronic Holdings plc				Lynx Holdings plc					
	Interim - Oct 94	Final - Apr 95	Interim - Oct 95	Comparison		Interim - Mar 95	Final - Sep 95	Interim - Mar 96	Comparison
REV	£ 135,044,000	£ 264,838,000	£ 128,957,000	-4.5%	REV	£ 12,605,000	£ 3,201,800	£ 38,133,000	+202.5%
PBT	£ 10,085,000	£ 835,000	-£ 14,594,000	Profit to loss	PBT	£ 741,000	£ 2,564,000	£ 2,089,000	+179.2%
EPS	3.00p	-0.30p	-6.30p	Profit to loss	EPS	1.27p	4.70p	1.73p	+36.2%
CRT Group plc				M.A.I.D. plc					
	Interim - Oct 94	Final - Apr 95	Interim - Oct 95	Comparison		Final - Dec 94	Final - Dec 95	Comparison	
REV	£ 29,187,000	£ 72,762,000	£ 48,079,000	+64.7%	REV	£ 8,887,000	£ 13,642,000	+53.5%	
PBT	£ 1,288,000	£ 5,972,000	£ 1,748,000	+35.7%	PBT	£ 1,285,000	-£ 4,045,000	Profit to loss	
EPS	1.42p	6.30p	1.71p	+20.4%	EPS	1.14p	-4.42p	Profit to loss	
DCS Group plc				MMT Computing plc					
	Interim - Dec 94	Final - Jun 95	Interim - Dec 95	Comparison		Interim - Feb 95	Final - Aug 95	Interim - Feb 96	Comparison
REV	£ 4,007,000	£ 8,694,833	£ 14,335,000	+257.7%	REV	£ 6,442,000	£ 13,957,949	£ 8,255,000	+28.1%
PBT	£ 105,000	£ 609,530	£ 1,204,000	+1046.7%	PBT	£ 1,387,000	£ 3,075,053	£ 2,372,000	+71.0%
EPS	0.88p	5.02p	4.27p	+385.2%	EPS	7.40p	16.30p	13.00p	+75.7%
DRS Data & Research Services plc				MR Group plc					
	Final - Dec 94	Final - Dec 95	Comparison		Interim - Dec 94	Final - Jun 95	Interim - Dec 95	Comparison	
REV	£ 8,798,000	£ 6,468,000	-26.5%	REV	£ 21,305,000	£ 41,429,000	£ 18,560,000	-12.9%	
PBT	£ 1,487,000	£ 594,000	-60.1%	PBT	£ 3,136,000	£ 1,309,000	£ 2,174,000	-30.7%	
EPS	3.07p	1.33p	-56.7%	EPS	4.00p	1.60p	2.60p	-35.0%	
Delphi Group plc				McDonnell Information Systems Group plc					
	Final - Dec 94	Final - Dec 95	Comparison		Final - Dec 94	Final - Dec 95	Comparison		
REV	£ 97,685,000	£ 175,006,000	+79.2%	REV	£ 148,911,000	£ 148,805,000	-1.4%		
PBT	£ 391,000	£ 9,015,000	Loss to profit	PBT	£ 7,157,000	-£ 39,420,000	Profit to loss		
EPS	-7.76p	25.42p	Loss to profit	EPS	3.10p	-37.02p	Profit to loss		
Division Group plc				Macro 4 plc					
	Final - Oct 94	Final - Oct 95	Comparison		Interim - Dec 94	Final - Jun 95	Interim - Dec 95	Comparison	
REV	£ 5,270,000	£ 4,830,000	-8.3%	REV	£ 12,285,000	£ 25,035,000	£ 12,635,000	+2.8%	
PBT	-£ 1,440,000	-£ 3,893,000	Loss both	PBT	£ 5,685,000	£ 11,602,000	£ 5,956,000	+4.8%	
EPS	-4.00p	-9.20p	Loss both	EPS	16.70p	35.20p	17.90p	+7.2%	
Eidos plc				Micro Focus plc					
	Final - Dec 94	Final - Dec 95	Comparison		Final - Jan 95	Final - Jan 96	Comparison		
REV	£ 254,225	£ 1,282,000	+404.3%	REV	£ 89,885,000	£ 77,258,000	-14.0%		
PBT	-£ 107,623	-£ 1,452,000	Loss both	PBT	£ 8,723,000	£ 6,542,000	Profit to loss		
EPS	-4.16p	-40.18p	Loss both	EPS	32.00p	-43.60p	Profit to loss		
Electronic Data Processing plc				Microgen Holdings plc					
	Final - Sep 94	Final - Sep 95	Comparison		Final - Oct 94	Final - Oct 95	Comparison		
REV	£ 14,013,000	£ 12,605,000	-10.0%	REV	£ 58,774,000	£ 69,029,000	+17.4%		
PBT	£ 4,123,000	£ 3,083,000	-25.2%	PBT	£ 6,173,000	£ 8,383,000	+35.8%		
EPS	10.21p	7.53p	-26.2%	EPS	10.00p	14.80p	+48.0%		

Quoted Companies - Results Service

Note: Shaded = Results announced this month.

Microvitec plc				Riva Group plc					
	Final - Dec 94	Final - Dec 95	Comparison		Final - Dec 94	Final - Dec 95	Comparison		
REV	£ 44,146,000	£ 55,050,000	+24.7%	REV	£ 58,007,000	£ 73,022,000	+25.9%		
PBT	£ 2,560,000	£ 3,411,000	+33.2%	PBT	-£ 610,000	£ 182,000	Loss to profit		
EPS	3.00p	3.10p	+3.3%	EPS	-1.50p	0.10p	Loss to profit		
Misys plc				Rofe & Nolan plc					
	Interim - Nov 94	Final - May 95	Interim - Nov 95	Comparison		Final - Feb 95	Final - Feb 96	Comparison	
REV	£ 63,922,000	£ 153,395,000	£ 129,528,000	+102.6%	REV	£ 14,288,000	£ 17,128,000	+19.9%	
PBT	£ 11,245,000	£ 26,345,000	£ 19,216,000	+70.9%	PBT	£ 1,512,000	£ 2,517,000	+66.5%	
EPS	16.20p	35.10p	16.90p	+4.3%	EPS	6.70p	12.33p	+84.0%	
Moorepay Group plc				Romtec plc					
	Final - Dec 94	Final - Dec 95	Comparison		Final - Jan 94	Final - Jan 95	Comparison		
REV	£ 3,873,089	£ 4,632,538	+19.6%	REV	£ 2,702,839	£ 3,290,384	+21.7%		
PBT	£ 686,336	£ 1,142,110	+66.4%	PBT	-£ 73,624	£ 185,840	Loss to profit		
EPS	6.28p	10.22p	+62.7%	EPS	n/a	n/a	n/a		
MSB International plc				Sage Group plc					
	Final - Dec 94	Final - Dec 95	Comparison		Interim - Mar 95	Final - Sep 95	Interim - Mar 96	Comparison	
REV	£ 18,087,000	£ 38,555,000	+113.2%	REV	£ 50,622,000	£ 102,234,000	£ 71,836,000	+41.9%	
PBT	£ 1,417,000	£ 3,420,000	+141.4%	PBT	£ 11,740,000	£ 22,362,000	£ 16,116,000	+37.3%	
EPS	1.82p	4.90p	+169.2%	EPS	7.46p	13.88p	9.92p	+33.0%	
OmniMedia plc				Sanderson Electronics plc					
	Final - Dec 94	Final - Dec 95	Comparison		Interim - Mar 95	Final - Sep 95	Interim - Mar 96	Comparison	
REV	£ 124,594	£ 275,275	+120.9%	REV	£ 27,078,000	£ 57,801,000	£ 30,583,000	+12.9%	
PBT	-£ 421,354	-£ 1,023,344	Loss both	PBT	£ 2,805,000	£ 5,305,000	£ 3,317,000	+18.3%	
EPS	-3.84p	-6.06p	Loss both	EPS	4.60p	8.80p	5.30p	+15.2%	
On Demand Information plc				Sema Group plc					
	Interim - Jan 95	Final - Jul 95	Interim - Jan 96	Comparison		Final - Dec 94	Final - Dec 95	Comparison	
REV	£ 5,120,000	£ 8,788,000	£ 5,677,000	+10.9%	REV	£ 596,111,000	£ 677,726,000	+13.7%	
PBT	-£ 1,333,000	-£ 3,646,000	-£ 1,284,000	Loss both	PBT	£ 29,518,000	£ 36,927,000	+25.1%	
EPS	-2.60p	-7.20p	-2.50p	Loss both	EPS	20.98p	24.79p	+18.2%	
Oxford Molecular plc				Sherwood International plc					
	Final - Dec 94	Final - Dec 95	Comparison		Final - Dec 94	Final - Dec 95	Comparison		
REV	£ 2,765,000	£ 6,179,000	+123.5%	REV	£ 27,067,000	£ 26,246,000	-3.0%		
PBT	-£ 2,906,000	-£ 3,693,000	Loss both	PBT	£ 79,000	£ 6,850,000	+8570.9%		
EPS	-8.60p	-7.40p	Loss both	EPS	-10.73p	66.20p	Loss to profit		
P & P plc				Spargo Consulting plc					
	Final - Nov 94	Final - Nov 95	Comparison		Final - Dec 94	Final - Dec 95	Comparison		
REV	£ 283,930,000	£ 341,990,000	+29.6%	REV	£ 6,018,000	£ 7,379,000	+22.7%		
PBT	£ 8,016,000	£ 12,574,000	+56.9%	PBT	£ 1,211,000	£ 902,000	-25.5%		
EPS	8.10p	11.00p	+35.8%	EPS	6.29p	4.43p	-29.6%		
Parity plc				Standard Platforms Holdings plc					
	Final - Dec 94	Final - Dec 95	Comparison		Final - Sep 94	Final - Sep 95	Comparison		
REV	£ 88,791,000	£ 127,711,000	+43.8%	REV	£ 1,305,476	£ 1,068,905	-18.1%		
PBT	£ 4,176,000	£ 6,540,000	+56.6%	PBT	-£ 142,380	-£ 625,546	Loss both		
EPS	7.19p	10.34p	+43.8%	EPS	-1.10p	-2.40p	Loss both		
Pegasus Group plc				Superscape VR plc					
	Final - Dec 94	Final - Dec 95	Comparison		Interim - Jan 95	Final - Jul 95	Interim - Jan 96	Comparison	
REV	£ 4,808,000	£ 6,426,000	+33.7%	REV	£ 478,000	£ 1,590,000	£ 1,589,000	+232.4%	
PBT	£ 243,000	£ 893,000	+267.5%	PBT	-£ 843,000	-£ 1,746,000	-£ 897,000	Loss both	
EPS	12.70p	10.30p	-18.9%	EPS	-14.90p	-30.70p	-13.10p	Loss both	
Persona plc				Systems Integrated Research plc					
	Final - Dec 94	Final - Dec 95	Comparison		Final - May 94	Final - May 95	Comparison		
REV	£ 31,537,000	£ 53,375,000	+69.2%	REV	£ 2,258,320	£ 1,901,000	-15.8%		
PBT	£ 2,059,000	£ 2,832,000	+37.5%	PBT	-£ 798,139	-£ 41,000	Loss both		
EPS	12.69p	15.70p	+23.7%	EPS	n/a	n/a	n/a		
PhoneLink plc				Total Systems plc					
	Interim - Sep 94	Final - Mar 95	Interim - Sep 95	Comparison		Interim - Sep 94	Final - Mar 95	Interim - Sep 95	Comparison
REV	£ 797,000	£ 2,085,000	£ 2,103,000	+163.9%	REV	£ 1,096,891	£ 2,289,437	£ 1,273,331	+16.1%
PBT	-£ 1,963,000	-£ 3,702,000	-£ 2,712,000	Loss both	PBT	£ 7,460	£ 53,516	-£ 54,488	Profit to loss
EPS	-5.50p	-10.40p	-7.30p	Loss both	EPS	0.04p	0.34p	-0.44p	Profit to loss
Proteus International plc				Trace Computers plc					
	Interim - Sep 94	Final - Mar 95	Interim - Sep 95	Comparison		Interim - Nov 94	Final - May 95	Interim - Nov 95	Comparison
REV	Nil	Nil	£ 30,000	n/a	REV	£ 9,472,000	£ 19,676,832	£ 10,269,000	+8.4%
PBT	-£ 3,666,000	-£ 7,925,000	-£ 3,618,000	Loss both	PBT	£ 223,000	£ 482,746	-£ 50,000	Profit to loss
EPS	-11.94p	-25.47p	-11.06p	Loss both	EPS	1.19p	2.55p	-0.35p	Profit to loss
Quality Software Products Holdings plc				Triad Group plc					
	Final - Dec 94	Final - Dec 95	Comparison		Final - Mar 95	Final - Mar 96	Comparison		
REV	£ 16,494,732	£ 21,385,842	+29.7%	REV	£ 6,699,570	£ 11,680,000	+74.3%		
PBT	£ 2,512,400	£ 502,697	-80.0%	PBT	£ 1,059,350	£ 2,131,000	+101.2%		
EPS	26.90p	5.20p	-80.7%	EPS	3.30p	7.09p	+114.8%		
RM plc				Vega Group plc					
	Interim - Mar 95	Final - Sep 95	Interim - Mar 96	Comparison		Interim - Oct 94	Final - Apr 95	Interim - Oct 95	Comparison
REV	£ 33,596,000	£ 80,691,000	£ 45,162,000	+34.4%	REV	£ 5,710,000	£ 12,516,000	£ 7,260,000	+27.1%
PBT	£ 1,041,000	£ 5,023,000	£ 1,322,000	+27.0%	PBT	£ 1,020,000	£ 2,910,000	£ 1,271,000	+24.6%
EPS	4.00p	18.80p	5.00p	+25.0%	EPS	4.76p	13.49p	5.90p	+23.9%
Radius plc				Virtuality Group plc					
	Final - Dec 94	Final - Dec 95	Comparison		Final - Dec 94	Final - Dec 95	Comparison		
REV	£ 24,866,000	£ 28,052,000	+12.8%	REV	£ 9,126,000	£ 12,779,000	+40.0%		
PBT	£ 1,451,000	£ 1,809,000	+24.7%	PBT	-£ 1,397,000	-£ 565,000	Loss both		
EPS	2.87p	4.37p	+52.3%	EPS	-5.30p	-2.10p	Loss both		
Real Time Control plc				Wakebourne plc					
	Interim - Sep 94	Final - Mar 95	Interim - Sep 95	Comparison		Final - Dec 94	Final - Dec 95	Comparison	
REV	£ 8,491,000	£ 13,483,000	£ 5,325,000	+37.3%	REV	£ 35,338,000	£ 38,714,000	+3.9%	
PBT	£ 1,050,000	£ 1,782,000	£ 742,000	-29.3%	PBT	£ 1,865,000	-£ 3,384,000	Profit to loss	
EPS	12.00p	20.00p	7.10p	-40.8%	EPS	5.70p	-12.20p	Profit to loss	
Rebus Group plc				Zergo Holdings plc					
	Final - Mar 94	Interim - Sep 95	Final - Mar 95	Comparison		Interim - Oct 94	Final - Apr 95	Interim - Oct 95	Comparison
REV	£ 49,155,000	£ 28,293,000	£ 56,963,000	+15.9%	REV	£ 2,988,000	£ 7,074,520	£ 4,005,000	+34.1%
PBT	£ 5,406,000	-£ 356,000	£ 6,535,000	+20.9%	PBT	£ 46,000	£ 12,769	-£ 479,000	Profit to loss
EPS	4.80p	-0.30p	5.90p	+22.9%	EPS	n/a	n/a	n/a	Profit to loss
Recognition Systems Group plc				Kewill has acquired Meadowhouse - a supplier of EDI systems - for £3.3m in cash. Meadowhouse had revenues of £3.1m and PBT of £300K in the year to 30th Sept. 95.					
	Final - Sep 94	Interim - Mar 95	Final - Sep 95					Comparison	
REV	£ 625,000	£ 245,000	£ 669,000					+7.0%	
PBT	-£ 6,000	-£ 292,000	-£ 397,000					Loss both	
EPS	0.00p	-1.40p	-2.10p	Loss both					

UK M&A

Securicor has acquired **Dopra Systems Integration** for more than £8.8m. Dopra was an MBO from Dowty in 1992 and had revenues of £28m with particular specialisation in the police market. Retail chain **Software Plus** has called in the receivers with debts of c£1m. Last filed accounts to Sept. 94 showed revenues of £28m and PBT of £46K. **Compusys** has bought the assets etc. of **Western Systems (Europe)** which appointed the receivers this month.

Software Design & Construction Ltd has sold its RTT product business in an MBO to be known as **Dealing Object Technology Ltd**.

Oxford Molecular has acquired US **DPS**, a subsidiary of Cray Research, for £2.13m for the IPRs to their UniChem software. Cray reckoned UniChem had generated revenues of around \$1.1m in Europe, US and Japan.

Pegasus has acquired **Inntec** for £406K cash plus stock plus £1.5m deferred. Inntec provides the EPOS retail software product PayPoint. Inntec had revenues of £880K and PBT of £67K in the year to 30th Sept. 1994 - the latest available apparently!

Parity has acquired "privately owned IT training company" **Britech Services** for £2m in cash. Given that IT training is currently booming and that Britech had revenues of £1.8m and PBT of £440K (i.e. a 24% profit margin!) this looks like a real bargain and will make "a positive contribution to Parity profits in 1996".

Guardian acquires Allen Computers

ICL sold disaster recovery specialist **Guardian** to ECI/Paribas in Dec. 94 for c£26m. In the year to 31st Dec. 95 Guardian increased revenues by 25% to £10.84m and operating profits by 14% to £2.4m. The high 24% margin is consistent with previous years and thus earned by others in this sector.

This month they have acquired **Allen Computers** (also disaster recovery) from **Cumulus Systems**. Allen had revenues of £623K and PBT of £3K in the year to 31st Mar. 95. Cumulus did not have the best of years. Revenue was static at £3m with PBT down 40% at £150K.

CSC "merges" with Continuum

On 29th April 1996 it was announced that **CSC** was to acquire **Continuum** in a stock swap valued at around \$1.5 billion. "The addition of Continuum will greatly enhance our increasing focus on the financial services marketplace where we see enormous potential for IT services in the insurance, banking and financial services sectors" said Van Honeycutt, CSC President and CEO.

"Continuum has approx. 4,200 employees worldwide, serving the needs of more than 850 financial institutions in more than 40 countries". About 50% of Continuum's revenues come from outside North America.

Continuum had "proforma revenues of \$490m in the year to 31st Dec. 95 reflecting the March 1995 acquisition of Hogan Systems. Hogan is a banking industry software and services company". "DST Systems Inc., a Continuum shareholder owning approx. 23% of the company, has agreed to vote its shares in favour of the transaction".

In the UK we estimate that Continuum and Hogan have - together - revenues of £40 - £50m. Clearly this will boost CSC UK's SCSi revenues (estimated at £310m in the year to 31st Mar. 96) even further as they rival IBM and EDS for the top slot.

Unipalm, UUNet and MFS Communications

As it turned out Peter Dawe was pretty sensible to take **UUNet** shares in exchange for **Unipalm**. You may remember that his Unipalm company - best known as the UK's leading Internet access provider Pipex - had been acquired in Nov. 95 in a deal which was originally valued at £97m but, as it was linked to UUNet's share price, was probably worth twice that when the bid finally closed.

On 1st May 1996 it was announced that **US MFS Communications** had acquired UUNet for \$2 billion (£1.3 billion). James Crowe, CEO of MFS said "the combination of our fibre optic networks and UUNet's Internet services is a match made in heaven". Dawe has now resigned and "is expected to further his career in politics".

MAID in the red

MAID announced a pre-tax loss of £1.42m (PBT £211K last time) on revenues up a massive 59% at £4.5m for Q1 1996. New subscribers were up 225%.

Microvitec

Microvitec's Chairman James Bailey told the AGM this month that sales in their financial sector for the first half were at "record levels". The start of 1996 was "encouraging" in the display division and "an exciting year is in prospect for the networking division".

Kalamazoo consummates Datapoint deal

Kalamazoo announced in Jan. 96 that it was negotiating to acquire the European motor dealer division of **Datapoint**. This was finalised this month for \$33m (£21.8m). Kalamazoo also announced a placing and open offer to raise £7.5m with the balance of the consideration funded by Kalamazoo's existing cash (which was £4.8m in the last balance sheet we have) and "bank facilities". Given that Kalamazoo is already the motor dealer systems market leader in the UK (with an estimated 40% share), this acquisition will make them market leader in Europe too. Just the kind of "stick to the knitting"-type acquisition we like so much. (And they own all their product IPRs; the development of which has been fully expensed!) SCSi will then account for around 80% of total revenues. The operations acquired add £23.3m revenues, generating £2.75m profit, in the year to 31st July 95. About half these revenues come from Germany.

Kalamazoo forecasts PBT of £5.88m for the year to 31st Mar. 96 - down on the £6.8m last year - largely as a result of the print division. H2 performance is said to be "slightly ahead of the previous year".

One of the effects of this acquisition will be to dilute the holding of the Kalamazoo Trust. As they are prevented from taking up their entitlement under the offer, their shareholding will reduce from c50% to 40.5%. We would suspect that this dilution is one of the more significant aspects of the announcement as it lays to rest any past disagreements as to the future direction of the company.

Sorry Russ

The base price for shares in **Romtec** when they were launched onto AIM in April was 62.5p not 68p (the close price at the end of the first day's trading) as stated in last month's *System House*. This equated to a launch 17 P/E. On 24th May Romtec announced a possible JV with a US research organisation to offer a pan-European sales tracking programme; still sticking to the IT sector. The market reacted well to the both the new issue and the news. Romtec closed May at a 54% premium to the issue price.

Maiden results from Triad exactly as forecast

We produced an in-depth review of one of the rare recipients of a **System House Boring Award - Triad Group** - when they went onto the Stock Exchange in March. Results for the year to 31st Mar. 96 were exactly as forecast in the prospectus. I.e. profits (before float costs) up 125% at £2.4m (PBT = £2.1m) on revenues up 75% at £11.7m. £2.8m of this increased revenue came from the acquisition of **Generic** (IT staff agency) in Oct. 95. But the "old" Triad also increased revenues by 32% and more than doubled profits to £2.1m. EPS was up 115%.

They went to the market at 135p - equivalent to a forecast P/E of 19. Since then the share price has risen by 76% to end May on 238p. I.e. an historic P/E of 32! Beeson Gregory are forecasting profits up 40% at £3.4m for the current year or a P/E of 26.

And bluntly after years of arguing for a re-rating of IT services companies, Triad's faultless record and the 40%+ forecast growth in earnings, we think such ratings are fully justified. Indeed, if it wasn't for outside influences like elections, we might even consider them still too low!

Mega deals

We don't usually comment on new deals but this month US **JP Morgan** has outsourced its IT in a deal worth \$2b over seven years. **CSC** will handle the operations (incl. London), **Andersen Consulting** gets the AM bit and **AT&T** and **Bell Atlantic** get the network. There have now been over 70 outsourcing deals worth >\$200m p.a. The largest to date was the Xerox/EDS deal worth \$3.2 billion over 10 years. In 1989 only two such deals were signed - in 1995, 24 "mega" deals were concluded - Source Dataquest. Then **ICL** together with De La Rue, the Irish Post Office and US Escher won a £1b/8 year project to develop and run the benefits system for the Post Office.

Also this month the Govt. announced that a consortium including **Capita** were on the short-list for the bid for HMSO, which had revenues of £355m and operating losses of £39.7m in 1995. Capita was also short-listed - along with CMG and Integris - to purchase the Govt. Chessington Computer Centre.

Vocalis, an MBO from from **Logica**, is to go for a full listing in the near future. The Vocalis Operatta product automates switchboard operation.

Rolfe & Nolan

Rolfe & Nolan (R&N) shares have more than doubled in the last year. This is not surprising given the latest results for the year to 28th Feb. 96 showing revenues up 20% at £17.1m, PBT up 67% at £2.5m (a tasty 15% margin) and EPS up 84%. R&N is "the leading derivatives and treasury management systems and service provider". Improvements were seen across the board with record trading volumes in the European bureau operations and reduced losses in the US. The Lighthouse product has been installed at Credit Suisse, which resulted in a £800K licence payment and release of £500K held in escrow.

Current trading is said to be "well on target".

Director's costs

When you spend a year producing a 1700 page report only to find that Sunday Business leads on just one minor section - directors pay - under a "Fat Cats" headline and a picture of Kevin Lomax with the caption "Lomax loaded", you can understand our annoyance. To those readers mentioned in the article by Jonathan Moules, we can only offer our condolences.

Our findings on director's pay were really rather positive: • compared to a 7.5% rise in average staff costs, the average highest paid director (HPD) earned just 5% more. This is the first time the increase for directors has been lower than staff in general.

• at an average of £99K, the average HPD's was dead in line with the averages for all other industries according to the recent Sedgwick Noble Lowndes survey.

• although (too) many HPD's remuneration related to "compensation for loss of office" in practically all other cases any increases related to increased performance.

• total directors costs increased by 14% but only because there were more directors as a result of the implementation of the Cadbury recommendations.

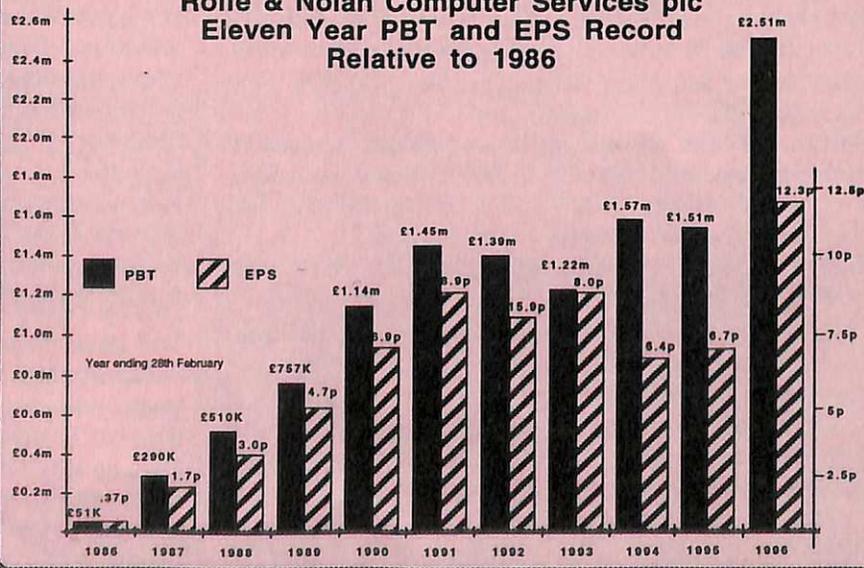
• although Stephen Crown at British Data Management headed our lists this was only due to the inclusion of a £400K dividend which he shared with other shareholders. In Lomax's case, his remuneration of £314K looks positively meagre - although he boosted it to £516K when dividends were included.

Indeed, many of the highest payments were made up mostly of dividends rather than remuneration. Other entries at the top of the list - like Smallbone at Tangent who was paid £399K in 1995 - owned over 90% of the equity anyway.

Indeed the whole message this year is of restraint on the one hand or well deserved reward for success on the other. Certainly not a finding worthy of the Sunday Business treatment.

Footnote: We would, however, like to thank Paul Taylor (Financial Times 24th May 96), Jonathan Green-Armytage (Computer Weekly), Computing and MicroScope, all of 30th May 1996, for their serious and considered reviews of the 1996 Holway Report.

Rolfe & Nolan Computer Services plc
Eleven Year PBT and EPS Record
Relative to 1986



Yet another record month

There really is no stopping the rise in our SCS Index - up another 9% this month. That makes a 31% rise since 1st Jan 96 and a doubling of share prices since 1st Jan 95. This month's star performer was newcomer **Recognition Systems** (p12) with its 57% premium in just the first few days of trading. **MAID** (p7) put on 47% after reporting a six-fold increase in losses. **Wakebourne** managed a 45% recovery after its appalling losses (p10). **MMT Computing** (p3) has doubled in 1996. At the other end of the scale **Firecrest** lost another 20%, thus confirming our concerns over small Internet access providers.

29th May. 96	SCSI Index		2961.88
	FTSE 100		3775.70
	FTSE SmallCap		2230.82
SCSI Index = 1000 on 15th April 1989			
Changes in Indices	CSI Index	FTSE 100	FTSE Small Cap
Month (29/4/96 - 29/5/96)	+8.75%	-0.88%	+0.17%
From 15th Apr 89	+196.19%	+83.86%	
From 1st Jan 90	+221.91%	+59.85%	
From 1st Jan 91	+318.42%	+74.77%	
From 1st Jan 92	+183.47%	+51.45%	
From 1st Jan 93	+85.86%	+32.64%	+60.80%
From 1st Jan 94	+77.40%	+10.45%	+19.38%
From 1st Jan 95	+97.57%	+27.74%	+27.74%
From 1st Jan 96	+31.14%	+2.34%	+14.90%

System House SCSI Share Prices and Capitalisation									
	Share Price 29/5/96 (£p)	Capitalisation 29/5/96 (£m)	Historic P/E	Ratio Cap./Rev.	CSI Index 29/5/96	Share price % move since 29/4/96	Share price % move in 1996	Capitalisation move (£m) since 29/4/96	Capitalisation move (£m) in 1996
Admiral	£2.63	£ 164.10m	32.4	2.51	9505.74	8.68%	60.37%	£13.10m	£62.70m
Azlan	£6.40	£ 172.20m	28.6	1.90	2782.61	5.96%	26.73%	£9.70m	£36.40m
British Data Management	£1.62	£ 40.50m	23.5	2.38	1296.00	-0.61%	30.65%	£0.30m	£9.50m
Capita	£3.69	£ 207.40m	31.4	2.38	11081.08	3.36%	29.47%	£6.80m	£46.90m
Cedadata	£1.95	£ 59.70m	21.1	6.69	1857.14	8.33%	17.47%	£4.60m	£8.90m
Centregold	£0.41	£ 17.60m	Loss	0.25	328.00	-4.65%	-24.07%	£0.90m	£5.60m
Clinical Computing	£0.70	£ 11.90m	Loss	5.38	564.52	0.00%	125.81%	£0.00m	£6.88m
CMG	£6.78	£ 432.80m	32.2	2.20	2337.93	25.09%	106.08%	£86.80m	£222.80m
Coda	£2.42	£ 64.40m	96.8	1.96	1029.79	-6.56%	13.08%	£4.50m	£8.30m
Compel	£2.10	£ 32.00m	17.1	0.46	1680.00	6.33%	11.11%	£1.90m	£3.20m
CFS	£1.00	£ 4.90m	21.0	1.64	1111.11	13.64%	17.65%	£0.59m	£0.73m
Cray Electronics	£0.44	£ 103.10m	Loss	0.39	254.39	1.16%	4.82%	£1.10m	£3.50m
CRT	£1.61	£ 108.80m	24.8	1.50	1788.89	11.03%	40.00%	£10.90m	£31.20m
DCS Group	£1.25	£ 24.00m	19.6	2.76	2083.33	30.21%	66.67%	£5.60m	£9.80m
Delphi Group	£4.80	£ 122.40m	18.8	0.70	1975.31	13.74%	29.73%	£14.80m	£28.40m
Division Group	£0.91	£ 39.90m	Loss	8.26	2275.00	7.06%	-20.87%	£2.60m	£10.60m
DRS Data & Research	£0.36	£ 12.30m	68.4	1.90	327.27	-2.70%	44.00%	£0.40m	£3.75m
Eidos	£8.48	£ 67.00m	Loss	52.34	8480.00	4.69%	22.37%	£3.00m	£12.30m
Electronic Data Processing	£0.98	£ 25.70m	13.0	2.04	3000.61	-15.52%	2.08%	£0.50m	£4.70m
FI Group	£3.99	£ 118.50m	51.6	1.92	1697.87	18.40%	69.79%	£18.40m	£48.70m
Firecrest	£0.60	£ 10.00m	26.1	1.51	1500.00	-20.00%	-50.82%	£2.50m	£10.30m
Fiomerics	£2.20	£ 5.63m	20.0	1.36	1692.31	4.76%	17.02%	£0.25m	£0.82m
Gresham Computing	£0.71	£ 23.20m	30.1	2.94	763.44	1.43%	69.05%	£0.30m	£9.50m
INSTEM	£1.75	£ 7.88m	9.6	0.37	1750.00	9.37%	1.16%	£0.68m	£0.09m
JBA Holdings	£5.29	£ 180.40m	32.4	1.45	3306.25	5.80%	35.29%	£9.90m	£47.10m
Kalamazoo	£1.43	£ 28.30m	12.1	0.47	4085.71	31.19%	24.35%	£6.90m	£5.90m
Kewill	£4.93	£ 61.10m	17.4	1.81	1948.62	4.01%	40.46%	£2.30m	£17.60m
Learmonth & Burchett	£2.33	£ 59.40m	Loss	2.30	1941.67	27.32%	-18.25%	£12.70m	£12.70m
Logica	£6.06	£ 382.10m	25.8	1.53	1660.27	8.60%	32.03%	£30.60m	£94.80m
Lorien	£3.35	£ 19.10m	27.7	0.66	3350.00	36.73%	61.84%	£5.10m	£7.30m
Lynx Holdings	£0.83	£ 79.90m	17.7	2.50	2075.00	0.00%	18.57%	£0.90m	£13.30m
Macro 4	£4.80	£ 99.40m	13.0	3.97	1935.48	10.34%	13.48%	£9.40m	£12.30m
MAID	£3.14	£ 287.90m	Loss	21.11	2854.55	46.73%	35.93%	£91.70m	£76.10m
McDonnell IS (MDIS)	£0.89	£ 89.00m	Loss	0.61	342.31	20.27%	117.07%	£15.00m	£48.50m
Micro Focus	£9.30	£ 140.40m	Loss	1.82	4492.75	-12.26%	64.60%	£19.70m	£55.10m
Microgen	£1.72	£ 67.90m	11.7	0.98	735.04	-3.37%	-3.91%	£2.40m	£2.80m
Microvitec	£0.70	£ 53.40m	22.1	0.97	1707.32	11.11%	42.86%	£5.30m	£16.30m
Misys	£8.39	£ 710.60m	27.9	4.63	2087.06	4.35%	47.19%	£29.60m	£232.90m
MMT	£5.00	£ 58.50m	24.6	4.19	2976.19	35.87%	103.25%	£15.40m	£29.70m
Moorepay	£2.00	£ 15.20m	20.5	3.28	2409.64	-13.04%	26.58%	£2.30m	£3.20m
MR Group	£0.88	£ 49.10m	55.0	1.19	349.21	-2.22%	25.71%	£1.10m	£10.00m
MSB International	£2.35	£ 47.74m	48.0	1.24	1236.84	23.68%	23.68%	£9.14m	£9.14m
OmniMedia	£0.65	£ 16.00m	Loss	58.18	866.67	12.07%	0.00%	£1.70m	£4.40m
On Demand	£1.70	£ 93.70m	Loss	10.66	2179.49	-9.09%	30.77%	£1.70m	£27.40m
Oxford Molecular	£3.57	£ 217.10m	Loss	35.13	4462.50	16.67%	34.21%	£36.10m	£79.40m
P&P	£1.61	£ 129.90m	14.4	0.38	721.97	-4.73%	5.92%	£6.00m	£8.90m
Parity	£2.67	£ 112.70m	25.8	0.88	14833.28	11.25%	52.57%	£11.40m	£38.80m
Pegasus	£3.04	£ 19.20m	21.9	2.99	828.34	22.09%	44.76%	£3.50m	£6.00m
Persona	£2.64	£ 65.50m	16.9	1.23	1650.00	8.20%	-7.04%	£5.00m	£31.10m
Phonelink	£1.95	£ 94.20m	Loss	45.07	1258.06	3.17%	2.63%	£2.90m	£18.30m
Proteus	£0.74	£ 40.30m	Loss	n/a	880.95	15.63%	-38.33%	£19.40m	£1.10m
Quality Software	£3.08	£ 40.00m	59.2	1.87	810.53	10.79%	-53.05%	£5.50m	£41.30m
Radius	£0.77	£ 21.50m	17.6	0.83	557.97	13.24%	45.28%	£2.60m	£6.80m
Real Time Control	£3.12	£ 21.80m	20.6	1.62	6367.35	2.97%	76.27%	£0.60m	£9.40m
Rebus	£1.08	£ 78.60m	18.3	1.38	1227.27	10.20%	22.73%	£5.10m	£12.60m
Recognition Systems	£1.10	£ 29.70m	Loss	44.33	1571.43	57.14%	57.14%	£10.80m	£10.80m
Riva	£0.35	£ 10.60m	350.0	0.15	248.75	25.00%	20.69%	£2.14m	£1.84m
RM	£4.85	£ 86.30m	24.1	1.07	2771.43	0.21%	13.85%	£0.10m	£14.60m
Rolle & Nolan	£3.23	£ 40.40m	26.2	2.36	3845.24	4.53%	20.07%	£1.80m	£6.80m
Romtec	£0.96	£ 4.96m	n/a	1.51	1536.00	26.32%	53.60%	£1.00m	£1.68m
Sage Group	£4.56	£ 489.30m	27.9	4.79	17538.46	1.79%	40.31%	£8.60m	£141.90m
Sanderson Electronics	£1.66	£ 68.70m	17.8	1.19	2825.53	7.79%	16.90%	£4.90m	£10.10m
Sema Group	£6.60	£ 619.10m	26.6	0.91	2075.47	-1.79%	23.13%	£11.20m	£117.40m
Sherwood	£2.83	£ 24.30m	12.9	0.93	2358.33	4.04%	52.97%	£0.90m	£8.40m
Spargo Consulting	£1.55	£ 19.40m	35.0	2.63	1631.58	-8.82%	7.64%	£1.80m	£1.40m
Standard Platforms	£0.15	£ 4.54m	Loss	4.24	64.44	11.54%	-12.12%	£0.47m	£0.62m
Superscape	£6.13	£ 51.50m	Loss	32.39	3095.96	-0.33%	43.22%	£0.20m	£15.50m
Systems Integrated	£1.22	£ 16.30m	n/a	8.58	1060.87	1.67%	6.09%	£0.20m	£0.90m
Total	£0.30	£ 3.00m	31.2	1.31	566.04	7.14%	42.86%	£0.20m	£0.90m
Trace	£0.24	£ 3.38m	9.5	0.17	192.00	4.35%	-40.00%	£0.14m	£2.22m
Triad	£2.38	£ 59.90m	31.5	5.12	1762.96	0.42%	76.30%	£0.20m	£25.90m
Vega Group	£2.85	£ 40.80m	19.6	3.26	2336.07	-18.10%	-20.39%	£9.00m	£10.40m
Virtuality	£2.99	£ 82.80m	Loss	6.48	1758.82	0.00%	20.08%	£0.00m	£13.80m
Wakebourne	£0.29	£ 6.61m	Loss	0.19	161.11	45.00%	65.71%	£2.05m	£2.62m
Zergo	£2.80	£ 25.80m	n/a	3.65	2871.79	0.00%	64.71%	£0.00m	£10.10m

Note: CSI Index set at 1000 on 15th April 1989. Any new entrants to the Stock Exchange are allocated an index of 1000 based on the issue price. The CSI Index is not weighted; a change in the share price of the largest company has the same effect as a similar change for the smallest company.

Hardware maintenance in chronic decline

You can predict the sorry decline of a sector for so long that the continued repetition of the prophecy becomes a little boring.

Kode bought TPM **DCM** from Hillsdown for £3.2m in July 1992. It was a complete disaster and nearly brought Kode to its knees. In Dec. 94, after it had made losses of £2m on revenues of £6m in 1994, Kode had managed to sell DCM to **Tellus** for £1.5m. Kode had to write off £6.4m of goodwill/stocks on its balance sheet and took a £744K exceptional charge on the disposal.

However, it looked exactly the right painful medicine to take. This month DCM called in the receivers after its plans to raise an additional £1m failed. **Technology House** has bought the contract base "for a seven figure sum". Source - *MicroScope* 15th May 1996. **Abtex** has taken over the £20m/3 year Shell contract and **Firstpoint** the contracts at VAMP. Also this month Peter Rigby's **Specialist Computer Centres (SCC)** has acquired **Computer Support (UK) Ltd.** (the TPM part of **Network SI**) for £3m. The operation had revenues of £12m in 1995 and will add 300 staff and 3000 contracts to SCC's base. You may remember that Network SI was an MBO from ACT in May 94 for £14.5m. (See p11) **Digital Computer Services (DCS)** has decided to withdraw from TPM "there is no money to be made from it" said sales director Paul Higgins. He said that competitors were quoting £25 p.a. per PC at present...DCS couldn't do it for less than £75. Source - *MicroScope* 22nd May 1996.

Wakebourne

We will not bore you with a reprise of the **Wakebourne/Maddox**/Wakebourne story. In Feb. 96, Wakebourne sold part of its TPM operation and its **Tetra** reseller operation to **Kalamazoo**. This was followed in April 1996 with the sale of its **Scala** accountancy business to **LSI Computer Systems**. Results for the year to 31st Dec. 95 were largely as bad as we had been led to expect. Revenues were up 4% at £36.7m and a loss before tax of £3.4m was reported (compared with a PBT of £1.87m in 1994). However an operating profit on continuing activities of £440K (1994 = £1.8m) was reported.

We respect any Chairman who can admit "1995 was an exceptionally poor year". So we hope we can have equal respect for and confidence that "the group has made a positive and solid start to the year with results in Q1 1996 ahead of budget. The new business pipeline is growing, particularly in cabling and the newly defined network service and project areas, and accordingly trading prospects over the coming months looks encouraging".

EDS for London quote

So it looks as if we will be adding **EDS** to our SCSI Index before too long. We were rather pleased to see that the float will take place in the summer on both the New York and London markets.

But we were surprised to hear that both Tom Butler and Geoff Carroll - who headed EDS in North and South Europe respectively - resigned simultaneously this month. We know that Butler had been going after some high profile jobs. With Crawford departing CSC, perhaps "mega" outsourcing contract wins do not always mean good news.

Tescom

Tescom is an Israeli software testing company. This month it has announced its intention of an AIM float to raise £3m. Interesting considering that revenues in 1995 were less than £500K. UK customers include the Stock Exchange's Crest system.

System House

Granada Computer Services

The biggest TPM in Europe and the UK is **Granada Computer Services (GCS)**. Gordon Towell from Compel was appointed as European MD last year. Before that we had found it impossible to get any figures out of them during the Forte battle. GCS now tells us that total revenues were up 5% at £138m with UK revenues up 13% at £70m to 30th Sept. 95. Straight hardware maintenance revenues were largely static at £110m.

We have long suggested that GCS is "non-core" within the group. But the last buying spree of DPCE, Mainstay, CFM etc. back in the late 1980s put £200m+ "goodwill" on the balance sheet. Rather more than GCS is likely to be worth methinks!

But this month, GCS has started buying again. First they acquired the field operations of **Alcatel MDS** in Switzerland. Then GCS' disaster recovery operation, which had revenues of c£14m in 1995, acquired **Securordis** "the leading French disaster recovery centre for UNIX systems". No financials were disclosed for either deal.

Then, on the 28th May, GCS agreed a 5 year alliance with **Getronics** basically allowing it to offer a one stop shop for multi vendor support across Europe.

Proteus

As we reported last month, **Proteus** has been rescued by **ML Laboratories**, its CEO Kevin Leach and his investment arm Milner. A 2-for-3 rights issue at 45p raised £9.45m this month.

Since then Proteus shares have performed well; ending May on 74p. Indeed one analyst this month valued Proteus' technology at £70m or 132p per share.

P&P

P&P won a major 3 year managed services contract with Marks & Spencer this month. Although the move away from supply towards services should "result in improved gross margins" in the longer term "the major contracts signed recently with major corporate clients for start-up in the first half of the year or just after have all required initial investment in management and infrastructure". As a result operating profit in the first half is "unlikely to show much increase". P&P's share price took this fairly well with only a 5% fall to 161p in the month.

Persona

You may remember that network distributor **Persona** doubled its size with its £19.9m acquisition of French **Top-Log** in Dec. 95. This month Persona announced a "one-off cost of £500K for redundancies etc.". Otherwise Persona's Chairman Wayne Channon was "very pleased with progress across the group" with Internet related products growing in significance.

MDIS

At one point it had been expected that Canadian SCSI company **GEAC**, which had built a 3.8% stake, might make a take over bid for troubled **MDIS**. However, this month they sold most of the stake with fund managers Schrodgers doubling their stake to nearly 20%. MDIS shares were up 20% as at the end of May 96.

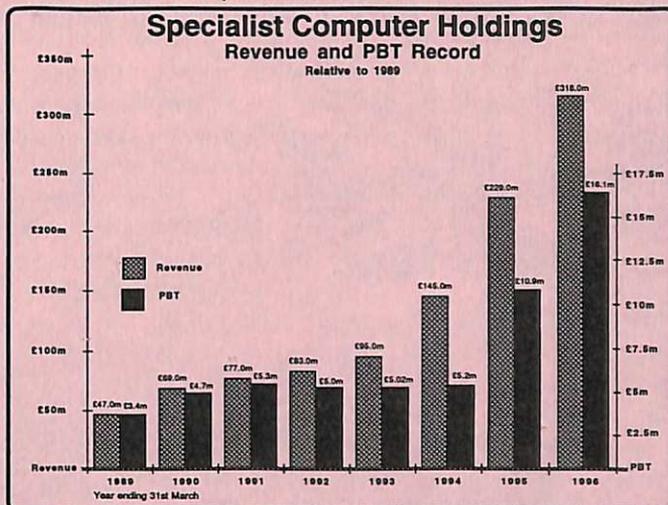
BULL UK

Results for **BULL UK** in Q1 FY1996 showed a continued 17% revenue increase with systems integration and services up a massive 55% and outsourcing business trebled to £10m in the quarter. The "services business continues to go from strength to strength with a number of high profile contracts signed with Welsh Water, Norfolk Constabulary, Eastern Electricity and Southampton CC".

Specialist Computer Holdings "is now the largest privately owned IT group in the UK".

Although by revenue, its rival **Computacenter** beats SCH's £318m (to 31st March 1996) with its £564m revenues to 31st Dec. 95, **SCH's** PBT of £16.1m beats Computacenter's £13m. Computacenter has institutional investors, whereas SCH is still owned almost entirely by Peter Rigby. SCH's results for the year to 31st March 1996 were simply superb. Revenues increased by 39% to £318.4m and PBT was up 48% at £16.1m. SCH's profit margin has increased to 5.0% - about the highest in the sector. Cash of £16m was held at the year end. Growth was right across the board with a "superb" performance at SCC (PC-based systems integration services direct to "blue-chip" UK corporates) where revenues increased from £114m to £157m and PBT was up 55% at £10.5m. With the acquisition this month of **Computer Support (UK) Ltd.** (see page 10) revenues of £250m are expected for SCC in the current year. The retail chain - Byte (now ranked second only to PC World) - did not lose any money but its contribution was "tiny". 11 stores are now trading and revenues increased 67% to £52.4m. The distribution operation (EHC) "the largest UK distributor of personal computers" boosted revenues by 28% and its profits by 53%. There are three smaller activities:- Specialist Computer Education, Specialist Computer Services- payroll/data prep. and laser printing bureaux) and Scotbyte Computer Supplies acquired in 1995. They were all profitable.

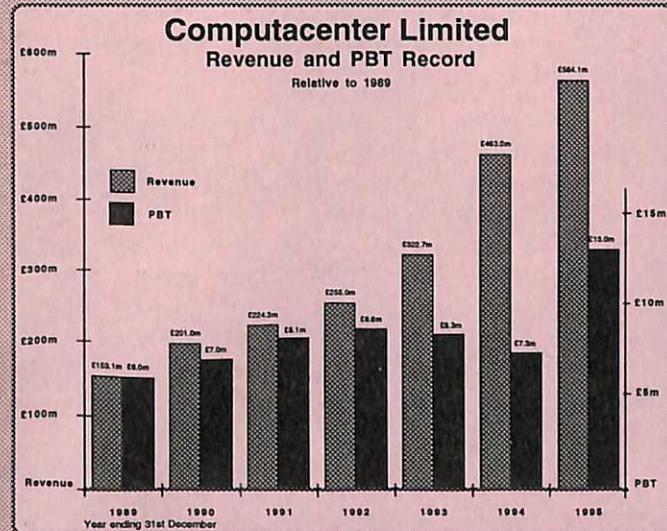
Peter Rigby tells us that £500m is the revenue target for SCH for FY97 - a 45% growth. He aims to be "a £1 billion company at the end of the millennium". Given Rigby's track record there seems every chance he will achieve this. Rigby continues to deny any imminent plans to float preferring to "stay as we are".



Computacenter "is the country's only UK-owned half-billion pound IT company".

We cannot argue with that either. They are also the number one ranked dealer (i.e. by sales of PCs and related products and services direct to end users) in the UK (where £502m of their revenue is earned).

Computacenter was established in 1981 and now employs 1,650 people. Typical clients are large corporate and government organisations. Last year they installed over 130,000 system units. But, as well as the PCs themselves, Computacenter provides a wide range of value added services including installation services, project management, networking services, training and maintenance. They offer services from running help desks to PC and network FM.



Financial results for the year ending 31st December 1995 showed a 22% increase in revenues (including the French operations) to £564m, operating profit up 58% at £13.5m and PBT up 78% at £13.0m.

In our opinion that is another exemplary performance. Indeed, Computacenter has reversed a long term decrease in margins. Operating margin had slipped from 6.2% in 1989 to 1.8% in 1994. It has improved to 2.4% in 1995.

The balance sheet is also very strong with cash of £17.3m (about the same as 1994) at the 1995 year end.

We estimate that around 80% of revenues come from hardware and software resale. Compaq business rose by 37% to £144m (and an estimated 40% of Compaq's sales to large corporate and govt. accounts). Microsoft business grew by 38% to £15.2m.

However, Computacenter's SCSI activities are growing significantly and we estimate represented about £80m of total revenues. Indeed Computacenter claims to be "by far the UK's largest desktop systems integrator" and "one of the UK's leading desktop outsourcing companies with several hundred people working permanently on site". Computacenter is quite successfully turning itself into a SCSI company. For example, Computacenter outsourced desktop support increased revenues by 22% "this represented 55% of our services revenues in 1995". They trained 40,000 delegates and earned £4.3m in 1995.

In October 1995 Computacenter completed a complex £50m Eurobond issue which put a notional value of £110m on the group. "This provided shareholders with the opportunity to realise part of their investment through a share repurchase programme, providing compound growth rates in excess of 30% to our initial investors. As a result, the founders have taken a 55% share in the company, with 33% now held by external investors and 12% by staff - mainly in the form of awarded share options". They had planned a float in 1990 which was aborted. Every time we speak to them we are assured that no further float plans are being contemplated - "we prefer to stay as we are".

But we would suspect the market might well put a higher value than £110m on what has consistently been one of the UK's most successful IT companies - particularly if they can further boost their SCSI revenues.

Visit us in cyberspace Richard Holway Ltd now has its own web site. Not only can you find the full text of the Holway Report press release, but we are supplying a summary of all the top news stories updated everyday. At present it's a free service to, hopefully, attract more subscribers and (incredibly) we have already had our first orders as a result!

Please visit us at holway.co.uk and tell us what you think.

UK welcome to Recognition Systems



Recognition Systems Group plc has become just the fourth SCS1 company to join the main market so far in 1996 via a placing on 29th May

1996 at 70p raising £3.26m net new money. The shares have risen by 50%+ since and we have now added them to our SCS1 index.

Recognition had revenues of £669K in the 12 months to 31st Mar 96 and recorded a loss of £397K. The interims for the six months to 31st Mar. 96 showed revenue of £245K and a further loss of £292K. Now, assuming you are sitting down, the placing values Recognition at £18.9m. But Recognition has fantastic potential.

It has developed intelligent software based on neural computing used for "micro marketing" and "data mining". Favoured by financial institutions, it is supermarket loyalty cards...and even your use of the Internet which will provide enormous opportunities for tailored marketing. Of course, the market is not limited to the UK.

The placing by Albert E Sharp was eight times oversubscribed and Recognition aims to move into profit by H2 FY97. Personally we are delighted that UK investors, as well as US, (see Planning Sciences on this page) understand the value of innovative technology.

US welcome for Planning Sciences



Planning Sciences was founded in the UK in 1983 to "develop, market and support financial modelling software for business planning and analysis". They have since developed

a product called Gentia to provide such operations to distributed PCs. You may rightly criticise us for not featuring them before. That may be because they had revenues of just c£4m in 1994. However, it looks as if revenues have risen by nearly 80% to c£7.2m in the year to 31st Mar 95.

Revenues had nearly doubled in the nine months to 31st Dec. 95 to £8.4m with profits tripled c£450K in the period. This month Planning Sciences decided to bypass the London market and float on NASDAQ even though 48% of revenues in the last full financial year was from the UK. The NASDAQ float went well. The issues was sold at \$16 (£10.67) which valued PS at £90m. Our calculator has difficulties with such P/Es. The share price has risen since.

Comment

We really are delighted that UK SCS1 companies can get such high valuations. Although it's even better when such valuations are achieved in the UK. But do investors know the difference between such companies and "boring" operators like Admiral and Capita?

5.30 pm Wednesday
17th July 1996
Make note to
attend
Richard
Holway's
CSSA
Presentation
at London Portman
Hotel.

Last year nearly 250 of the very top CEOs from our industry attended Richard Holway's annual presentation on the financial state of the industry on behalf of the CSSA. It was considered by many to have been the best "networking event" of the year. So please make a note of this year's date - 17th July. Starting at 5.30 pm, the evening at the London Portman Hotel includes dinner and drinks. Also as usual a FREE place for every one who orders an advance copy of the 1996 Holway Report or £97.50 + VAT from the CSSA.

Holway Report

The 1996 Holway Report will be available from early June. See advance copy order form enclosed.

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System House

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