

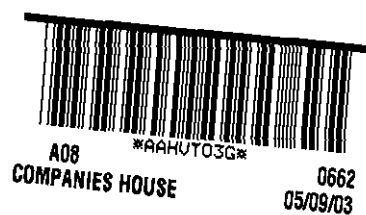
ROLFE & NOLAN PLC

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

28 FEBRUARY 2003

COMPANY REGISTRATION NUMBER: 1157638



ROLFE & NOLAN PLC

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2003

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ROLFE & NOLAN PLC

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2003

The Directors have pleasure in presenting their Report together with the Financial Statements for the year ended 28 February 2003.

Principal activity and review of the business

The principal activity of the Company is the development, licensing and support of its derivatives accounting and administration software products whether supplied to clients directly, or for use on the Company's own computer bureau, or in conjunction with computer facilities management services.

On 5 February 2003, an offer for the entire share capital of the Company was announced on behalf of Hg Investment Managers Limited and the senior management of the Company. This offer was declared wholly unconditional on 27 February 2003. Following the completion of the acquisition, Rolfe & Nolan Plc was removed from the Official List of the London Stock Exchange on 4 April 2003. See note 22 for further details.

Results and dividends

The results for the year ended 28 February 2003 are set out in the Profit and Loss Account on page 5. The loss of £4,018,000 (2002: £5,262,000) has been transferred from reserves. No dividend was paid or has been proposed in the current year (2002: £nil).

Directors

The Directors who served during the year and to date were as follows:

J P Benson	(resigned 27 September 2002)
R N Freeman	
T M Hearley	(resigned 11 March 2003)
C N Day	(resigned 4 March 2003)
D H Hodson	(resigned 4 March 2003)
L M Dee	(appointed 11 March 2003)
N J Humphries	(appointed 4 March 2003)

None of the Directors who held office at 28 February 2003 held any shares in the Company as at that date. Details of options held by Directors over ordinary shares in the Company are as follows:

Director	At 1/3/02	Granted	Exercised	Surrendered/ Lapsed	At 28/2/2003	Exercise Price	Exercise Dates
J Benson	40,000	-	-	-	40,000	209.5p	Nov. 2001 – Nov. 2008
	40,000	-	-	-	40,000	217.5p	July 2002 – July 2009
	70,000	-	-	-	70,000	415.0p	May 2003 – May 2010
R Freeman	9,523	-	-	-	9,523	315.0p	May 1999 – May 2006
	30,477	-	-	-	30,477	290.0p	July 2001 – July 2008
	40,000	-	-	-	40,000	217.5p	July 2002 – July 2009
	70,000	-	-	-	70,000	165.0p	May 2004 – May 2011
	50,000	-	-	-	50,000	99.5p	Nov. 2004 – Nov. 2011

Details of SAYE options held by Directors over ordinary shares in the Company are as follows:

Director	At 1/3/01	Granted	Exercised	Lapsed	At 28/2/2002	Exercise Price	Exercise Dates
J Benson	1,634	-	-	-	1,634	332.0p	May 2003 – Nov. 2003
R Freeman	1,634	-	-	-	1,634	332.0p	May 2003 – Nov. 2003

ROLFE & NOLAN PLC

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For the year ended 28 February 2003

Share capital

Details of the share capital of the Company and changes during the year are set out in Note 15 to the Financial Statements.

Donations

During the year the Group made no political or charitable donations (2002: £nil).

Employees

Employees are kept informed of matters of concern to them as employees by briefing meetings and other notices. Information on financial and economic factors affecting the performance of the Group is made available on a regular basis.

The Group is committed to developing a safe and healthy working environment for all employees consistent with the requirements of the Health and Safety at Work Act. Within the constraints of health and safety, disabled people are given full and fair consideration for appropriate job vacancies. Depending on their skills and abilities, disabled people enjoy the same career prospects as other employees and if employees become disabled every effort is made to ensure their continued employment with appropriate training where necessary.

Policies for recruiting employees are designed to ensure equal opportunities irrespective of colour, ethnic or natural origin, nationality, sex or marital status.

Directors' responsibilities for the financial statements

Company law in the United Kingdom requires the directors of the Company to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing those financial statements, the directors are required to:

- x select suitable accounting policies and then apply them consistently,
- x make judgements and estimates that are reasonable and prudent,
- x prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business; and
- x state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

The Directors consider that suitable accounting policies have been applied consistently and that reasonable and prudent judgements and estimates have been made in the preparation of the Financial Statements for the year ended 28 February 2003.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and which 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ROLFE & NOLAN PLC

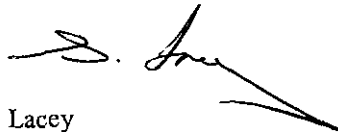
CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 28 February 2003

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985 and a resolution will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD OF DIRECTORS



S Lacey
Secretary
1/9 City Road
London
EC1Y 1AE

13 May 2003

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ROLFE & NOLAN PLC

We have audited the financial statements of Rolfe & Nolan Plc for the year ended 28 February 2003 which comprise the principal accounting policies, the consolidated profit and loss account, the balance sheets, the consolidated statement of total recognised gains and losses, the consolidated cash flow statement and notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the group is not disclosed.

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

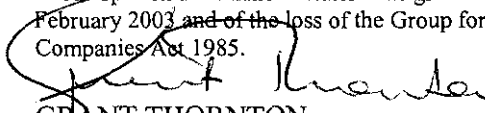
BASIS OF OPINION

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group'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 financial statements give a true and fair view of the state of affairs of the Company and the Group as at 28 February 2003 and of the loss of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

LONDON

13 May 2003

Consolidated Profit and Loss Account
for the year ended 28 February 2003

		2003			2002		
		Before operating exceptionals and goodwill amortisation	Operating exceptionals and goodwill amortisation (Note 5)	Total	Before operating exceptionals and goodwill amortisation	Operating exceptionals and goodwill amortisation (Note 5)	Total
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	2	22,182	-	22,182	23,584	-	23,584
Operating expenses	3,5	20,977	5,073	26,050	21,431	7,103	28,534
Operating profit / (loss)		1,205	(5,073)	(3,868)	2,153	(7,103)	(4,950)
Net interest payable	6	(159)	-	(159)	(317)	-	(317)
Profit / (loss) on ordinary activities before taxation		1,046	(5,073)	(4,027)	1,836	(7,103)	(5,267)
Tax on loss on ordinary activities	7			9			5
Loss on ordinary activities after taxation	16			(4,018)			(5,262)

All operations are continuing.

The accompanying notes form an integral part of these Financial Statements.

Consolidated Statement of Total Recognised Gains and Losses

for the year ended 28 February 2003

	2003	2002
	£'000	£'000
Loss attributable to ordinary shareholders	(4,018)	(5,262)
Exchange adjustments on foreign currency net investments	(341)	32
Total recognised gains and losses for the year	(4,359)	(5,230)
Prior year adjustment	-	858
Total gains and losses recognised since the last annual report	(4,359)	(4,372)

Reconciliation of Movements in Group Shareholders' Funds

for the year ended 28 February 2003

	2003	2002
	£'000	£'000
Loss on ordinary activities after taxation	(4,018)	(5,262)
Exchange adjustments on foreign currency net investments	(341)	32
New share capital issued	462	1,226
Release of the capital reserve	-	(50)
Net reduction in shareholders' funds	(3,897)	(4,054)
Opening shareholders' funds	5,210	9,264
Closing shareholders' funds	1,313	5,210

Balance Sheets


at 28 February 2003

	Notes	GROUP		COMPANY	
		2003	2002	2003	2002
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	8	1,015	5,324	-	-
Tangible assets	9	887	1,200	-	-
Investments	10	-	250	-	250
Investment in subsidiary undertakings	11	-	-	3,844	8,407
Investment in own shares	12	90	179	90	179
		1,992	6,953	3,934	8,836
Current assets					
Debtors - due within one year	13	5,084	9,296	3,474	4,809
Debtors - due after more than one year	13	847	1,238	-	-
Cash at bank and short term deposits		5,605	2,046	-	-
		11,536	12,580	3,474	4,809
Creditors: amounts falling due within one year	14	(8,338)	(8,531)	(501)	(563)
Net current assets		3,198	4,049	2,973	4,246
Total assets less current liabilities		5,190	11,002	6,907	13,082
Creditors: amounts falling due after more than one year	14	(3,877)	(5,792)	(2,925)	(3,887)
Net assets		1,313	5,210	3,982	9,195
Capital and reserves					
Called up share capital	15	1,518	1,451	1,518	1,451
Share premium account	16	6,308	5,913	6,308	5,913
Other reserves	16	465	465	465	465
Profit and loss account	16	(6,978)	(2,619)	(4,309)	1,366
Equity shareholders' funds		1,313	5,210	3,982	9,195

The accompanying notes form an integral part of these Financial Statements.

The financial statements were approved by the Board of Directors on 13 May 2003 and were signed on its behalf by:

R Freeman

 Director

Consolidated Cash Flow Statement

for the year ended 28 February 2003

	Notes	2003	2002
		£'000	£'000
Net cash inflow from operating activities	19	5,160	714
Returns on investments and servicing of finance			
Interest received		102	100
Interest paid		(266)	(415)
Interest element of finance lease payments		(6)	(12)
		(170)	(327)
Tax (paid) / recovered		(94)	30
Capital expenditure			
Purchase of tangible fixed assets	9	(485)	(749)
		(485)	(749)
Acquisitions and disposals			
Sale of Capital Markets division		368	932
Purchase of subsidiary undertakings and deferred consideration		-	(588)
		368	344
Equity dividends paid			(2)
Cash inflow before financing and management of liquid resources		4,779	10
Financing			
Proceeds from issue of shares		-	3
Decrease in bank loans		(877)	(645)
Capital element of finance lease repayments		(55)	(116)
		(932)	(758)
Increase / (decrease) in cash	20	3,847	(748)

The accompanying notes form an integral part of these Financial Statements.

Notes to the Accounts

for the year ended 28 February 2003

1. PRINCIPAL ACCOUNTING POLICIES

The Group's principal accounting policies are set out below. They have been applied consistently throughout the period and remain unchanged from the previous period. The Financial Statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

Basis of consolidation

The Group Financial Statements consolidate those of the Company and, where material, its subsidiary undertakings as referred to in Note 11 of the Financial Statements for the year ended 28 February 2003. New subsidiary undertakings are consolidated from the date of their acquisition. The results of subsidiary undertakings disposed of during the year are consolidated to the date of their disposal.

Where appropriate, advantage is taken of the merger relief provisions of section 131 of the Companies Act 1985 in respect of shares issued to acquire subsidiary undertakings.

Sales, profits and balances arising between Group companies are eliminated in the consolidated Financial Statements.

Goodwill

For acquisitions after 1 March 1998 goodwill, representing the excess of the fair value of the consideration over the fair value of the identifiable net assets of the subsidiary undertakings acquired, is capitalised as an intangible asset in accordance with FRS 10. The goodwill is amortised over its estimated useful economic life.

For acquisitions prior to 1 March 1998 goodwill arising was written off against reserves. On the disposal of such undertakings goodwill previously written off is included in the profit or loss on disposal.

Turnover

Turnover represents amounts invoiced to customers, net of sales taxes, for goods and services.

Revenue from licence sales is recognised based on the stage of completion of each installation with due regard for contract terms, anticipated future costs and outstanding vendor obligations. Total revenue is only recognised when there are no significant vendor obligations remaining and the collection of the resulting receivable is considered probable.

Maintenance and software support fees are recognised over the period of the contract on a straight-line basis. Turnover relating to future periods and payments received in advance of services performed are deferred and released to the profit and loss account over the relevant period.

Professional services such as implementation, training and consultancy are recognised when the services are performed.

Depreciation

Depreciation is calculated on a straight-line basis to write off the cost less the estimated residual value of fixed assets over their expected useful economic lives. The periods generally applicable are:

Computer facilities	2-5 years
Furniture, fixtures, fittings and office equipment	4-7 years
Short leasehold improvements	minimum remaining period of the lease

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are recognised to the extent that they are regarded as recoverable.

Notes to the Accounts

for the year ended 28 February 2003

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Development expenditure

Development expenditure is charged to profits in the period in which it is incurred.

Foreign currencies

Profit and loss accounts of overseas subsidiary undertakings are translated at average exchange rates for the year. Assets and liabilities denominated in foreign currencies are translated into sterling at rates prevailing at the balance sheet date. Differences arising from the translation, at closing rates, of the net investment in overseas subsidiary undertakings, less the applicable foreign currency borrowings raised to finance the investments, are taken to reserves. Exchange differences on trading and other items are taken to the profit and loss account.

Investments

Investments are included at cost less amounts written off.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are included at cost less amounts written off.

Investment in own shares

Shares in Rolfe & Nolan Plc, held by the Rolfe and Nolan Employee Trust, were historically shown at cost. Following the announcement on 27th February that the offer for share capital of the Company had been declared unconditional, the shares were written down to their realisable value.

Leased assets

Assets acquired under finance leases are recorded as tangible fixed assets together with corresponding obligations to pay future rentals. Leasing payments are regarded as consisting of a capital element which reduces the outstanding future rentals and an interest element which is charged against profits. All other leases and the total payments made under them are charged against profits on a straight-line basis over the period of the lease.

Pension costs

The Group makes contributions to pension plans in the UK and overseas which are charged against profits in the period to which they relate. The UK scheme is operated as a money purchase scheme. Overseas pension plans are provided by contributions to government or insured schemes. The assets of the UK scheme are held by the Trustees and are kept separate from those of the Group.

Notes to the Accounts

for the year ended 28 February 2003

2. SEGMENTAL ANALYSIS

Turnover relates to the principal activity of the Group and consists of computer software charges, including bureau charges, together with related hardware revenues.

	Turnover		Operating profit/(loss)		Net assets	
	2003 £'000	2002 £'000	2003 £'000	2002 £'000	2003 £'000	2002 £'000
By origin:						
Europe	12,807	13,620	398	1,579	(1,877)	2,954
North America	8,026	8,708	665	787	1,516	2,068
Asia Pacific	1,349	1,256	142	(213)	231	248
	<u>22,182</u>	<u>23,584</u>	<u>1,205</u>	<u>2,153</u>	<u>(130)</u>	<u>5,270</u>
Goodwill and amortisation			(4,211)	(5,047)	1,015	5,324
Operating exceptionals			(862)	(2,056)	-	-
Net debt			-	-	1,815	(3,238)
Deferred acquisition costs			-	-	(1,387)	(2,146)
Operating loss / Net assets			<u>(3,868)</u>	<u>(4,950)</u>	<u>1,313</u>	<u>5,210</u>

Turnover by destination is not significantly different from turnover by origin in either the current or previous year.

3. OPERATING PROFIT / (LOSS)

Operating profit / (loss) is stated after charging:

	2003 £'000	2002 £'000
Auditors' remuneration	81	72
Other services provided by auditors	85	84
Operating lease costs - plant and equipment	255	273
- property	627	951
Depreciation - owned tangible fixed assets	676	772
- finance leased assets	47	65
Operating exceptionals and goodwill amortisation (Note 5)	5,073	7,103

4. DIRECTORS AND EMPLOYEES

	2003 £'000	2002 £'000
(a) Staff costs during the year were as follows:		
Wages and Salaries	11,119	11,776
Social Security costs	957	1,076
Other pension costs	493	443
	<u>12,569</u>	<u>13,295</u>

(b) The average number of employees of the Group during the year was 260 (2002: 286).

(c) Directors' remuneration, including benefits, was as follows:

	2003 £'000	2002 £'000
Non-executive directors' fees	75	75
Emoluments for management	257	326
Pension contributions	58	69
	<u>390</u>	<u>470</u>
Compensation for loss of office	347	-
	<u>737</u>	<u>470</u>

(d) The remuneration of the highest paid director, including benefits, was as follows:

	2003 £'000	2002 £'000
Emoluments for management	188	130
Pension contributions	31	26
	<u>219</u>	<u>156</u>

During the year the Company operated a Group Personal Pension Scheme to which it contributes on behalf of members. One Director participates in a money purchase pension scheme.

Notes to the Accounts

for the year ended 28 February 2003

5. OPERATING EXCEPTIONALS AND GOODWILL AMORTISATION

	2003 £'000	2002 £'000
Redundancy and reorganisation provision	244	479
Writedown of investment in own shares (note 15)	89	-
Provision for National Insurance on unapproved share options	-	(25)
Loss on disposal of fixed assets	20	-
Provision for costs of management buy-out (note 22)	509	-
Project Merlin costs	-	1,602
Revision to carrying value of goodwill in Contac Software Engineering Pte. Ltd. (Note 8)	2,849	4,000
Writedown of investment in and advance payment to ITSECCO Holdings Limited	500	-
Goodwill amortisation	862	1,047
	5,073	7,103

During the year £1,509,000 was spent on Project Merlin and this has been included within Operating Expenses. Expenditure on the project was treated as exceptional in the previous year as the investment related to the system's functional specification and technical architecture. Following the successful acceptance by major customers of the Project's concept and design, further development of Merlin henceforth is to be treated as part of continuing operations.

The adjustment in respect of ITSECCO Holdings Limited comprises £250,000 in respect of the carrying value of the investment (note 10) and £250,000 advance payment that was previously shown under other debtors and recovery of which is now in doubt.

6. NET INTEREST PAYABLE

	2003 £'000	2002 £'000
(Payable):		
On bank overdraft repayable on demand	(68)	(87)
On term loans	(191)	(316)
On finance leases	(6)	(12)
Other	(13)	(5)
Receivable:		
Bank and short term deposits	119	103
	(159)	(317)

7. TAXATION

	2003 £'000	2002 £'000
The tax credit/(charge) represents:		
<i>Current tax</i>		
UK corporation tax at 30%	-	(1)
Overseas tax	(25)	(30)
Adjustments in respect of prior years:		
UK corporation tax	192	-
Overseas tax	(1)	(5)
	166	(36)
<i>Deferred tax</i>		
Origination and reversal of timing differences		
UK	81	130
Overseas	(238)	(89)
	9	5

7. TAXATION (continued)

The current tax charge for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2003 £'000	2002 £'000
Loss on ordinary activities before tax	(4,027)	(5,267)
Loss on ordinary activities at standard UK rate of corporation tax of 30%	1,208	1,580
Effects of:		
Expenses not deductible for tax purposes (primarily goodwill amortisation and impairment)	(1,155)	(1,197)
Depreciation for the period in excess of capital allowances	(91)	(130)
Utilisation of tax losses	106	26
Losses not utilised	(21)	(122)
Adjustments in respect of prior years	191	(5)
Difference in rates on overseas earnings	3	(6)
Foreign exchange differences	33	-
US goodwill amortisation	(164)	(164)
Other timing differences	55	(18)
	166	(36)

8. INTANGIBLE FIXED ASSETS

Group	Goodwill £'000
Cost	
At 1 March 2002	11,559
Adjustment to purchase consideration of the RanOrder product	(271)
Exchange variation	(327)
At 28 February 2003	10,961
Amortisation	
At 1 March 2002	6,235
Revision to carrying value of investment in Contac Software Engineering Pte. Ltd.	2,849
Provided in the year	862
At 28 February 2003	9,946
Net book value at 28 February 2003	1,015
Net book value at 28 February 2002	5,324

Following an impairment review of the investment in Contac Software Engineering Pte. Ltd ('Contac'), the Board determined that the entire goodwill relating to Contac should be written off.

The goodwill cost relating to the RanOrder product included an amount of deferred contingent consideration, based on sales for the period to 9 July 2002. This sales target was not reached and the goodwill cost has been adjusted accordingly.

The balance of the goodwill relates to the purchases in 1999 of the intellectual property rights of the RANOrder and the e-Route software products. These continue to be written off over six years.

Notes to the Accounts
for the year ended 28 February 2003

9. TANGIBLE FIXED ASSETS

	Computer facilities £'000	Fixtures and fittings £'000	Short leasehold improvements £'000	Total £'000
Group				
Cost				
At 1 March 2002	7,478	1,089	1,217	9,784
Additions	475	1	9	485
Disposals	(583)	(34)	(45)	(662)
Exchange adjustments	(231)	(32)	(25)	(288)
At 28 February 2003	7,139	1,024	1,156	9,319
Depreciation:				
At 1 March 2002	6,556	978	1,050	8,584
Provided in the year	620	52	51	723
Disposals	(583)	(34)	(25)	(642)
Exchange adjustments	(193)	(26)	(14)	(233)
At 28 February 2003	6,400	970	1,062	8,432
Net book value at 28 February 2003	739	54	94	887
Net book value at 28 February 2002	922	111	167	1,200

Included under computer facilities is equipment held under finance leases the net book value of which was £nil at 28 February 2003 (2002: £47,000). The depreciation charge for the year for this equipment was £47,000 (2002: £65,000).

10. INVESTMENTS

	Group		Company	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Cost brought forward	250	-	250	-
Additions	-	250	-	250
Writedown of investment in ITSECCO Holdings Limited	(250)	-	(250)	-
Cost at 28 February	-	250	-	250

Following an impairment review at 28 February 2003, the Board decided to write off the value of the investment in ITSECCO Holdings Limited.

11. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	Company	
	2003	2002
	£'000	£'000
Cost / valuation brought forward	8,407	14,221
Additions	-	-
Adjustment to purchase consideration	-	(1,761)
Revision to carrying value (note 8)	(4,563)	(4,000)
Exchange variation on deferred payments	-	(53)
Cost / valuation at 28 February	3,844	8,407

Details of the Company's principal subsidiaries are shown on page 19.

12. INVESTMENT IN OWN SHARES

	Group		Company	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Shares held by Rolfe & Nolan Employee Trust	90	179	90	179

The market value of these shares at 28 February 2003 was £90,000 (2002: £61,000). The nominal value of the shares is £9,002. Following the announcement on 27th February 2003 that the offer for share capital of the Company had been declared unconditional, the shares were written down to their realisable value.

Notes to the Accounts
for the year ended 28 February 2003

13. DEBTORS

	Group		Company	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	3,769	7,100	-	-
Deferred consideration on sale of Capital Markets division	-	368	-	-
Amounts owed by group undertakings	-	-	3,474	4,809
Prepayments and accrued income	1,315	1,828	-	-
	5,084	9,296	3,474	4,809

Amounts falling due after more than one year

Prepayments and accrued income	160	339	-	-
Deferred tax assets (see below)	687	899	-	-
	847	1,238	-	-

Deferred tax assets

On losses carried forward in the USA	247	540	-	-
On accelerated depreciation and other timing differences in the UK	440	359	-	-
	687	899	-	-

A deferred tax asset has not been recognised in respect of losses being carried forward in Rolfe & Nolan Asia Pacific and in Rolfe & Nolan Plc as the recovery of these is uncertain. At the year end, the total amount of such losses was £2.3m (2002: £1.1m)

14. CREDITORS

	Group		Company	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Bank overdraft and current proportion of term loans	869	1,143	-	-
Trade creditors	970	1,106	-	-
Deferred acquisition consideration	462	462	462	462
Current taxation	47	313	-	-
Social security and other taxes	631	615	-	1
Dividends	2	2	2	2
Accruals and deferred income	5,357	4,835	37	98
Obligations under finance leases	-	55	-	-
	8,338	8,531	501	563

Amounts falling due after more than one year:

Term loans due between one and two years	1,603	1,096	1,000	500
Term loans due between two and five years	1,317	2,990	1,000	2,000
Deferred acquisition consideration due between one and two years	462	759	462	462
Deferred acquisition consideration due between two and five years	463	925	463	925
Other creditors due in over five years	32	22	-	-
	3,877	5,792	2,925	3,887

Notes to the Accounts

for the year ended 28 February 2002

14. CREDITORS (continued)

Obligations under finance leases are secured by fixed charges over the assets concerned.

The Company has issued all-monies guarantees in favour of Lloyds TSB Bank PLC as security for borrowings under the overdraft facility. The bank borrowings of the US subsidiary are guaranteed by a standby Letter of Credit issued by Lloyds TSB Commercial on behalf of the Company.

The term loan taken out by Rolfe & Nolan Systems Ltd. to fund the RANorder acquisition is secured by an unlimited all monies guarantee from the Company. The balance outstanding at 28 February 2003 was US\$2,100,000 (approximately £1,333,249). The facility limit at 28 February 2003 was US\$2,100,000 (approximately £1,333,249). Interest is payable quarterly and is fixed at a rate of 4.18168% until February 2004. After that date interest is payable quarterly at a rate of 1.25% over Lloyds TSB Bank Plc's US\$ short-term offered rate. The loan is repayable in six-monthly instalments every February and August until August 2005. The next repayment is of US\$300,000, the next two of US\$400,000, and the final two of US\$500,000.

The term loan taken out to fund the Contac Software Engineering Pte. Ltd. acquisition is secured by unlimited debentures from the Company, Rolfe & Nolan International Ltd. and Rolfe & Nolan Systems Ltd. and an all-monies guarantee from the Company, Rolfe & Nolan International Ltd., Rolfe & Nolan Systems Ltd. and Rolfe & Nolan Systems Inc. The facility and the balance outstanding at 28 February 2003 was £2,000,000. Interest is payable quarterly at 1.25% over Lloyds TSB base rate on the balance outstanding at 1.25% over Lloyds TSB Bank Plc's base rate. The next instalment of £1,000,000 is payable on 1 March 2004 and the final instalment of £1,000,000 is payable on 1 March 2005.

15. SHARE CAPITAL

	2003		2002	
	Authorised	Allotted called up and fully paid	Authorised	Allotted called up and fully paid
	£'000	£'000	£'000	£'000
20,000,000 ordinary shares of 10p each (2002: 20,000,000)	2,000		2,000	
15,185,625 ordinary shares of 10p each (2002: 14,500,440)		1,518		1,451
685,185 shares, with a nominal value of £68,519 were allotted during the year:				
	Number	Consideration £	Number	Consideration £
Shares issued pursuant to the Share Option Schemes.	-	-	2,194	3,450
Shares issued in settlement of the Deferred Consideration for the acquisition in February 2000 of Contac Software Engineering Pte. Ltd.	685,185	68,519	389,149	1,221,926
	685,185	68,519	391,343	1,225,376

Rolfe & Nolan Employee Trust

The Company operates an Employee Trust ("the Trust"), the purpose of which was to hold shares in the Company to be subsequently awarded to Directors and other staff as part of the long term incentive packages of those employees. At 28 February 2003 the Trust held 90,017 shares in the Company.

Following the announcement on 27 February 2003 that the offer for the share capital of the Company had been declared unconditional (see note 22), the shares held by the Trust were written down to their realisable value. After the year end the shares were sold for cash.

Notes to the Accounts

for the year ended 28 February 2003

16. RESERVES

	Share premium account £'000	Other reserves £'000	Profit and loss account £'000
Group			
At 1 March 2002	5,913	465	(2,619)
Retained loss for the year	-	-	(4,018)
Arising on shares issued in the year	395	-	-
Amounts released	-	-	-
Exchange adjustments	-	-	(341)
At 28 February 2003	6,308	465	(6,978)
Company			
At 1 March 2002	5,913	465	1,366
Retained loss for the year	-	-	(5,598)
Arising on shares issued in the year	395	-	-
Exchange adjustments	-	-	(77)
At 28 February 2003	6,308	465	(4,309)

The cumulative amount of goodwill arising from acquisitions accounted for in the years ending before 1 March 1998 which has been written off to group reserves was £2,418,000 (2001: £2,418,000)

In accordance with the exemption allowed by section 230 of the Companies Act 1985, the Company has not presented its own profit and loss account. The loss after tax of the Company for the year amounted to £5,598,000 (2001: loss £5,089,000) before dividends from subsidiaries and to shareholders.

17. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Neither the Company nor the Group had entered into contracts for any capital commitments at 28 February 2003 (2002: £nil)

The Group had a contingent liability in respect of guarantees given on equipment leases of Rolfe & Nolan Systems Inc amounting to \$17,520 (approximately £11,123) at 28 February 2003. The comparative figure at 28 February 2002 was \$128,032 (approximately £90,520). Since the year end no further guarantees have been given.

18. OPERATING LEASE COMMITMENTS

At 28 February 2003 annual commitments under operating leases were as follows:

	Property 2003 £'000	Other 2003 £'000	Property 2002 £'000	Other 2002 £'000
Group				
Operating leases which expire:				
Within one year	-	19	7	130
In the second to fifth years inclusive	-	208	257	124
After five years	673	-	435	-
	673	227	699	254

Notes to the Accounts

for the year ended 28 February 2003

19. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOW

	2003	2002
	£'000	£'000
Operating profit before operating exceptional items	1,205	2,153
Depreciation	723	837
Decrease / (Increase) in debtors	3,560	(699)
Decrease in creditors	(328)	(1,577)
Net cash inflow from operating activities	5,160	714

20. ANALYSIS OF NET DEBT

	1 March 2002	Cash flow	Exchange Movement	28 February 2003
	£'000	£'000	£'000	£'000
Cash	2,046	3,538	21	5,605
Bank overdrafts	(739)	309	65	(365)
	1,307	3,847	86	5,240
Finance leases	(55)	55	-	0
Term loans	(4,490)	877	188	(3,425)
	(4,545)	932	188	(3,425)
Total	(3,238)	4,779	274	1,815

Deposits at 28 February 2003 were all on overnight maturity and are, therefore, treated as cash.

21. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2003	2002
	£'000	£'000
Increase/(decrease) in cash for the year	3,847	(748)
Cash outflow from decrease in lease financing	55	116
Change in net debt resulting from cash flows	3,902	(632)
Repayment of term loans	877	645
Exchange movement	274	(35)
Movement in net debt in the year	5,053	(22)
Net debt at 1 March	(3,238)	(3,216)
Net debt at 28 February	1,815	(3,238)

22. POST BALANCE SHEET EVENT

On 5 February 2003, an offer for the entire share capital of the Company at a price of £1 per share was announced to the London Stock Exchange on behalf of Maia Holdings Limited, a company owned by HG Investment Managers Limited and the senior management of the Company. This offer was declared wholly unconditional on 27 February 2003. Following the completion of the acquisition, Rolfe & Nolan Plc was removed from the Official List of the London Stock Exchange on 4 April 2003.

The Company is no longer listed on the London Stock Exchange as at the date of approval of the financial statements. As a consequence certain disclosures which are required to be made by listed companies are no longer pertinent and have not been made.

23. CONTROLLING RELATED PARTIES

The largest and smallest group of undertakings, including the Company, for which group accounts have been drawn up is that headed by Rolfe & Nolan Plc. Copies of the group accounts can be obtained at Lowndes House, 1/9 City Road, London EC1Y 1AE.

At 28 February 2003, Maia Holdings Limited had declared its offer for the share capital of Rolfe and Nolan Plc unconditional. At this date it had received acceptances from shareholders representing 53.4% of the share capital of the Company. The first accounts for Maia Holdings Limited are to be drawn up for the period ending 28 February 2004.

PRINCIPAL SUBSIDIARY UNDERTAKINGS

Company	Country of Incorporation	% Ord. shares held
Rolfe & Nolan Systems Ltd.	Great Britain	*100
Rolfe & Nolan Computer-Services GmbH	Germany	100
Rolfe & Nolan S.r.l.	Italy	100
Rolfe & Nolan Systems Inc.	USA	*100
Contac Software Engineering Pte. Ltd.	Singapore	*100
Rolfe & Nolan (Malaysia) Sdn Bhd	Malaysia	100
Rolfe & Nolan (Asia Pacific) Pte Ltd.	Singapore	100
Rolfe & Nolan (Hong Kong) Ltd.	Hong Kong	100
Rolfe & Nolan International Ltd.	Great Britain	*100

Rolfe & Nolan International Ltd. is a holding company. The principal activity of each of the other subsidiary undertakings is the development, licensing and support of the Group's derivatives accounting and administration software products.

Shareholdings marked * are directly owned by Rolfe & Nolan Plc and the remainder are held through subsidiary companies.