

ACT SIGMEX LIMITED

Report and Financial Statements

31 May 1995



ACT SIGMEX LIMITED

DIRECTORS' REPORT

The Directors present their report and audited financial statements for the 14 months ended 31 May 1995.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company was the integration and marketing of Meteorological Information Systems (METIS). The company ceased to trade during the period and now acts as an intermediate holding company and property agent.

RESULTS

The results of the Company for the period are set out on page 4. The directors do not recommend the payment of a dividend. The loss of £1,052,612 (1994 - £1,042,818) has been added to the accumulated deficit.

DIRECTORS AND THEIR INTERESTS

The Directors who served during the period and the interests of those serving at the end of the period in the shares of the ultimate parent company, Misys plc, (1994 - ACT Group plc) were as follows:

		Misys plc Ordinary shares of 5p each 31 May 1995	ACT Group plc Ordinary shares of 10p each 31 March 1994
M J Hart	(resigned 26 January 1995)	n/a	177,055
H N Parr	(resigned 7 November 1994)	n/a	-
R G Spiers	(resigned 1 July 1994)	n/a	-
B M Winfield	(resigned 30 June 1995)	61	279

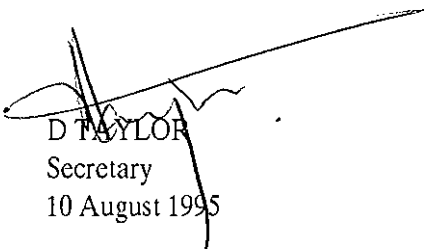
No Director had any interest in shares of the Company and other group undertakings other than disclosed above.

R K Graham and D Taylor were appointed directors of the company on 30 June 1995.

AUDITORS

Touche Ross & Co. were appointed following the acquisition of ACT Group plc by Misys plc and have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board.


D TAYLOR
Secretary
10 August 1995

ACT SIGMEX LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required to prepare financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for the period to that date. The requirements are specified in the Companies Act 1985 and in applicable accounting standards. It is also the Directors' responsibility to:

- * maintain adequate accounting records;
- * safeguard the assets of the Company;
- * prevent and detect fraud and other irregularities;
- * prepare financial statements on the going concern basis, unless it is inappropriate;

The Directors confirm that suitable accounting policies consistently applied and supported by reasonable and prudent judgements and estimates have been used in the preparation of the financial statements and that applicable accounting standards have been followed.

AUDITORS' REPORT TO THE MEMBERS OF ACT SIGMEX LIMITED

We have audited the financial statements on pages 4 to 12 which have been prepared under the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

As described on page 2 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.


Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 May 1995 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Touche Ross & Co
Chartered Accountants and Registered Auditors
Colmore Gate
2 Colmore Row
Birmingham
B3 2BN

6 March 1996

ACT SIGMEX LIMITED
PROFIT AND LOSS ACCOUNT
14 months ended 31 May 1995

	Note	14 months ended 31 May 1995 £	Year ended 31 March 1994 £
TURNOVER		191,213	1,038,991
Cost of sales		(128,108)	(696,099)
GROSS PROFIT		63,105	342,892
Operating costs			
Administrative expenses		(1,296,792)	(1,833,910)
OPERATING LOSS	2	(1,233,687)	(1,491,018)
Interest	5	(21,600)	(26,800)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,255,287)	(1,517,818)
Tax on loss on ordinary activities	6	202,675	475,000
LOSS FOR THE PERIOD	14	(1,052,612)	(1,042,818)

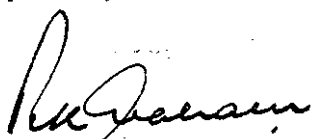
The results for the period reflect trading from discontinued operations.

There were no gains or losses for the periods other than the loss for the financial periods above. Accordingly, no statement of total recognised gains and losses is given.

ACT SIGMEX LIMITED
BALANCE SHEET
31 May 1995

	Note	31 May 1995 £	£	31 March 1994 £	£
FIXED ASSETS					
Tangible assets	7		—		293,048
Investments	8		7,991		7,991
			<u>7,991</u>		<u>301,039</u>
CURRENT ASSETS					
Stocks	9		—		9,305
Debtors	10	258,122		973,157	
Cash at bank and in hand		29,918		1,461	
		<u>288,040</u>		<u>983,923</u>	
CREDITORS: amounts falling due within one year	11	<u>(9,270,699)</u>		<u>(9,206,918)</u>	
NET CURRENT LIABILITIES			<u>(8,982,659)</u>		<u>(8,222,995)</u>
			<u>(8,974,668)</u>		<u>(7,921,956)</u>
CAPITAL AND RESERVES					
Share capital	13		100		100
Profit and loss account	14		(8,974,768)		(7,922,056)
EQUITY SHAREHOLDER'S DEFICIT	15		<u>(8,974,668)</u>		<u>(7,921,956)</u>

Approved by the Board of Directors on 10 August 1995 and signed on its behalf by



R K GRAHAM, Director

ACT SIGMEX LIMITED
NOTES TO THE FINANCIAL STATEMENTS
14 months ended 31 May 1995

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Tangible fixed assets

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset, on a straight line basis over its expected useful life. The rates applied from the date of purchase are:

Short leasehold property	over lease term
Furniture, fittings & equipment	15% – 50% per annum

Investments

Investments are shown at cost less provision for permanent diminution in value.

Stocks

Stocks are valued at the lower of cost and net realisable value. Where contract revenue is deferred, the related costs are treated as work in progress (net of any progress payments received) and released when revenue is recognised.

Deferred taxation

Deferred taxation is calculated using the liability method on all timing differences, at the rate at which it is anticipated the timing difference will reverse. Deferred taxation assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

Pensions

Retirement benefits for the present employees of the company are funded by contributions from the company and employees to pension schemes operated by ACT Group plc. For final salary schemes, pension costs charged to the profit and loss account are based on actuarial valuations and are calculated so as to spread the costs of providing the pensions over the period of the employees' service. For money purchase schemes, pension contributions are charged to the profit and loss account as they are made. Further details of the group's pension schemes appear in the financial statements of ACT Group plc.

Income recognition

Turnover represents amounts invoiced to customers (net of value added tax) for goods and services. Revenue from sales of hardware and packaged software products is recognised when the product is despatched unless more onerous acceptance provisions have been agreed with the customer, in which case date of acceptance is the point where income is recognised. Bespoke contracts are taken to profit when the project has reached the point of practical completion. Contracted income invoiced in advance for fixed periods is taken to income in equal monthly instalments over the period of the contract. Contractual retentions are recognised upon receipt of cash.

Leasing

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term. Any premium or discount on the acquisition of a lease is spread over the lease term.

Research and Development

Research and development expenditure, including the cost of software products developed in-house, is expensed in the year in which it is incurred.

ACT SIGMEX LIMITED
NOTES TO THE FINANCIAL STATEMENTS
14 months ended 31 May 1995

4. DIRECTORS' EMOLUMENTS

	14 months ended 31 May 1995 £	Year ended 31 March 1994 £
Management Remuneration	56,351	117,527
Compensation for loss of office	65,829	-
Pension Costs	4,311	-
	<u>126,491</u>	<u>117,527</u>
Remuneration of the Chairman	<u>-</u>	<u>-</u>
Remuneration of the highest paid Director	<u>36,885</u>	<u>70,558</u>

	14 months ended 31 May 1995 Number	Year ended 31 March 1994 Number
Scale of other directors' remuneration		
£ 0 - £ 5,000	1	2
£ 15,001 - £ 20,000	1	-
£ 45,001 - £ 50,000	-	1
£ 70,001 - £ 75,000	-	1

5. INTEREST

	14 months ended 31 May 1995 £	Year ended 31 March 1994 £
Interest receivable	-	(2,600)
Other interest payable	21,600	29,400
	<u>21,600</u>	<u>26,800</u>

ACT SIGMEX LIMITED
NOTES TO THE FINANCIAL STATEMENTS
14 months ended 31 May 1995

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	14 months ended 31 May 1995 £	Year ended 31 March 1994 £
Based on the loss for the period		
Corporation tax at 33% (1994 – 33%)	202,675	475,000

The taxation credit for the period is lower than normal due to the existence of certain expenditure for which no tax relief may be available.

7. TANGIBLE FIXED ASSETS

	Short leasehold property £	Furniture, fittings and equipment £	Total £
Cost			
At 1 April 1994	30,841	677,931	708,772
Disposals	(30,841)	(677,931)	(708,772)
At 31 May 1995	–	–	–
Accumulated depreciation			
At 1 April 1994	9,483	406,241	415,724
Charge for the period	–	36,739	36,739
Disposals	(9,483)	(442,980)	(452,463)
At 31 May 1995	–	–	–
Net book value			
At 31 May 1995	–	–	–
At 31 March 1994	21,358	271,690	293,048

ACT SIGMEX LIMITED
NOTES TO THE FINANCIAL STATEMENTS
14 months ended 31 May 1995

8. INVESTMENTS

	Shares in subsidiary undertakings £
Cost	
At 31 March 1994 and 31 May 1995	20,367
Provision for diminution in value	
At 31 March 1994 and 31 May 1995	(12,376)
Net book value	
At 31 March 1994 and 31 May 1995	7,991

The company owns all of the issued share capital, which consists entirely of ordinary shares of the following companies:

	Country of incorporation
ACT Sigmex BV	The Netherlands
ACT Sigmex GmbH	Germany

ACT Sigmex BV principal activity is the integration and marketing of Meteorological Information Systems (METIS). ACT Sigmex GmbH is dormant.

In the opinion of the directors the aggregate value of the company's investment is not less than the underlying net assets of the subsidiary undertakings. The company is a wholly owned subsidiary of Misys plc and has consequently taken advantage of S228 Companies-Act 1985 not to prepare group financial statements.

9. STOCKS

	31 May 1995 £	31 March 1994 £
Work in progress	—	9,305

ACT SIGMEX LIMITED
NOTES TO THE FINANCIAL STATEMENTS
14 months ended 31 May 1995

10. DEBTORS

	31 May 1995 £	31 March 1994 £
Trade debtors	18,165	411,048
Other debtors	10,750	3,700
Prepayments and accrued income	26,442	83,409
Corporation tax recoverable	202,765	475,000
	<u>258,122</u>	<u>973,157</u>

11. CREDITORS

	31 May 1995 £	31 March 1994 £
Amounts falling due within one year		
Bank overdraft	—	283,667
Trade creditors	7,643	284,134
Amounts due to group undertakings	9,131,836	8,473,212
Other taxation and social security	—	2,686
Other creditors	81,220	79,252
Accruals	50,000	83,967
	<u>9,270,699</u>	<u>9,206,918</u>

12. DEFERRED TAXATION

	31 May 1995 £	31 March 1994 £
The unprovided assets are as follows:		
Depreciation in excess of capital allowances	—	26,500
Other timing differences	17,856	—
	<u>17,856</u>	<u>26,500</u>

13. SHARE CAPITAL

	31 May 1995 £	31 March 1994 £
Authorised, allotted and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

ACT SIGMEX LIMITED
NOTES TO THE FINANCIAL STATEMENTS
14 months ended 31 May 1995

14. PROFIT AND LOSS ACCOUNT

	£
At 1 April 1994	(7,922,056)
Loss for the period	(1,052,612)
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At 31 May 1995	(8,974,768)
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15. RECONCILIATION OF SHAREHOLDER'S DEFICIT

	31 May 1995 £	31 March 1994 £
Loss for the financial period	(1,052,612)	(1,042,818)
Opening shareholder's deficit	(7,921,956)	(6,879,138)
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Closing shareholder's deficit	(8,974,668)	(7,921,956)
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16. FINANCIAL COMMITMENTS

Operating lease commitments

The annual commitments under non-cancellable operating leases in respect of land and buildings expiring after five years is £256,500.

17. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Misys plc, a company registered in England. Misys plc acquired ACT Group plc, the previous ultimate parent company on 5 April 1995. Copies of the group financial statements of Misys plc may be obtained from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.