

Company Registration Number 2338540

**SESAME SERVICES LIMITED  
(FORMERLY MISYS IFA SERVICES LIMITED)**

**Report and Financial Statements**

**31 May 2004**



# SESAME SERVICES LIMITED (FORMERLY MISYS IFA SERVICES LIMITED)

## DIRECTORS' REPORT

The Directors present their annual report and audited financial statements for the year ended 31 May 2004.

### CHANGE OF NAME

On 31 July 2003 the company changed its name from Misys IFA Services Limited to Sesame Services Limited.

### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activities of the Company is that of intermediate parent company within the Misys group, and to promote central resources to a group of networks of Independent Financial Advisers. The Company continues to trade in line with the Director's expectations.

As part of the restructuring within the Sesame group of companies, Sesame Services Limited purchased the trade and assets of DBS Mortgage Services Limited and Misys IFA Desktop Solutions on 31 July 2004. The principal activities of the Company are being an intermediate parent company within the Misys group, and to promote central resources to a group of networks of Independent Financial Advisers. The company also develops and sells desktop software for Independent Financial Advisers. The company also provides administrative services relating to mortgages. The Company continues to trade in line with the Director's expectations.

### RESULTS AND DIVIDENDS

The results and dividends of the Company for the year are set out in detail on page 6. The Directors do not recommend the payment of a dividend for the year (2003 : £nil). Losses of £79,343,000 (2003 : profits of £76,984,000) have been transferred to reserves.

### DIRECTORS AND THEIR INTERESTS

The Directors who served during the year and the interests of those serving at the end of the year in the shares of the ultimate parent company, Misys plc, were as follows:

	Misys Plc	
	Ordinary shares of 1p each	
	2004	2003
		or date of appointment
K J Budge (resigned 24 July 2003)	N/a	N/a
M Couzens	7,750	3,951
P N C Gale	76,012	55,468
J R Uttley (resigned 21 July 2003)	N/a	N/a
M T Wadelin	18,241	16,555
J G Sussens (resigned 24 July 2003)	N/a	N/a
C Bryant ( appointed 15 January 2004)	11,541	18,820
M Davis (appointed 15 January 2004)	-	-
C Macpherson (appointed 15 January 2004)	-	-
S Young (appointed 15 January 2004)	-	-

# SESAME SERVICES LIMITED (FORMERLY MISYS IFA SERVICES LIMITED)

## DIRECTORS' REPORT

### Interests in share options

The options held by directors over ordinary 1p shares in Misys plc were as follows:

	2003	Granted in year	Exercised in year	Lapsed in year	2004
M Couzens	113,086	62,878	-	-	175,964
P N C Gale	226,183	95,912	35,217	-	286,878
M T Wadelin	160,036	71,810	32,134	2,200	197,512
C Bryant	263,168	50,000	-	-	313,168
M Davis	70,000	-	-	-	70,000
C Macpherson	-	30,000	-	-	30,000
S Young	37,772	-	-	-	37,772

50,000 options shown above were granted to both M Couzens and M T Wadelin and 60,000 options were granted to P N C Gale on 23 July 2003 at an option price of 264p under the Misys 2000 Share Option plan. 50,000 and 30,000 options were granted to C Bryant and C Macpherson respectively on 9 March 2004 at an option price of 227p.

6,439 options were granted under both the Misys Annual Award Plan - Deferred award and the Misys Annual Award Plan - Matching award to M Couzens on 23 July 2003 at an option price of 0p.

9,248 options were granted under both the Misys Annual Award Plan - Deferred award and the Misys Annual Award Plan - Matching award to M Wadelin on 23 July 2003 at an option price of 0p.

16,571 options were granted under both the Misys Annual Award Plan - Deferred award and the Misys Annual Award Plan - Matching award to P Gale on 23 July 2003 at an option price of 0p.

3,314 and 2,770 options were granted to M Wadelin and P Gale respectively on 19 August 2003 at an option price of 211p under the Misys 2001 Sharesave Scheme.

During the year both P Gale and M Wadelin exercised 16,666 options with an option price of 205p on 28 August 2003 and 2 September 2003 when the Market Values of a Misys share were 274p and 282p respectively.

P Gale and M Wadelin exercised 1,564 and 516 options on 4 August 2003 and 15 August 2003 respectively with an option price of 0p on when the Market Values of a Misys share were 272.5p and 274p respectively.

M Wadelin exercised 568 options on 11 August with an option price of 0p when the Market Value of a Misys share was 263.75p.

P Gale and M Wadelin exercised 14,312 and 14,384 options respectively with an option price of 0p on 9 October 2003 when the Market Value of a Misys share was 312.25p.

P Gale exercised 2,675 options with an option price of 0p on 19 May 2004 when the Market Value of a Misys share was 200.25p.

M Wadelin held 2,200 options under the Misys 1992 SAYE Share Option Scheme which lapsed on 30 September 2003.

## SESAME SERVICES LIMITED (FORMERLY MISYS IFA SERVICES LIMITED)

### DIRECTORS' REPORT

#### Interests in Share Plans

The interests held by directors over ordinary 1p shares in Misys plc were as follows:

		2003 (or date of appointment if later)	Awarded in Year	Exercised in Year	Lapsed in Year	2004 Total
	Plan					
C Bryant	Misys Annual Award Plan	614	-	-	-	614
M Wadelin	Misys Annual Award Plan	1,514	-	1,015	-	499
P Gale	Misys Annual Award Plan	1,564	-	1,564	-	-

During the

Full details of the Share Option Schemes and Share Plans included above can be found in the Annual Report of the ultimate parent company, Misys plc, which is publicly available.

#### EMPLOYEES

It is the policy of the Company that disabled people, whether registered or not, should receive full and fair consideration for all job vacancies for which they are suitable applicants. Employees who become disabled during their working life will be retained in employment wherever possible and will be given help with any necessary rehabilitation and retraining. The Company is prepared to modify procedures or equipment, wherever this is practicable, so that full use can be made of an individual's abilities.

The Company seeks to engage all employees in both its short and long term goals. This is achieved through a number of communication methods such as senior management briefings, focus groups, newsletters and, increasingly, through the use of intranet technology.

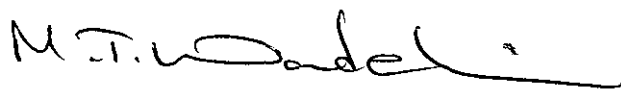
#### PAYMENTS TO SUPPLIERS

It is the Company's policy to agree terms and conditions for its business transactions with its suppliers. The Company seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has abided by its contractual obligations. The trade creditors of the Company at 31 May 2004 represent 31 days (2003: 39 days) as a proportion of the total amount invoiced by suppliers during the year.

#### AUDITORS

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the next annual general meeting.

Approved by the Board of Directors on 27 September 2004 and signed on its behalf by:



M T WADELIN, Director

## **SESAME SERVICES LIMITED (FORMERLY MISYS IFA SERVICES LIMITED)**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# SESAME SERVICES LIMITED (FORMERLY MISYS IFA SERVICES LIMITED)

## INDEPENDENT AUDITORS' REPORT

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### Independent auditors' report to the members of Sesame Services Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes, which have been prepared in accordance with the statement of accounting policies.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and financial statements in accordance with applicable 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 issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

### Basis of audit 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 the company's affairs at 31 May 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**

Chartered Accountants and Registered Auditors

Southwark Towers

32 London Bridge Street

London

SE1 9SY

27 September 2004

# **SESAME SERVICES LIMITED (FORMERLY MISYS IFA SERVICES LIMITED)**

## **PROFIT AND LOSS ACCOUNT**

**Year ended 31 May 2004**

	Note	2004 £'000	2003 £'000
<b>TURNOVER</b>	1	53,023	31,036
Cost of sales	2	(33,808)	-
<b>GROSS PROFIT</b>		<u>19,215</u>	<u>31,036</u>
<b>Operating costs</b>			
Administrative expenses	2	(150,850)	(29,977)
<b>OPERATING (LOSS) / PROFIT</b>	2	<u>(131,635)</u>	<u>1,059</u>
Profit on disposal of subsidiary undertakings		-	76,703
Income from shares in group undertakings		51,903	-
<b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<u>(79,732)</u>	<u>77,762</u>
Other interest receivable and similar income		695	27
Interest payable and similar charges	5	(3)	(74)
<b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(79,040)</u>	<u>77,715</u>
Tax on (loss) / profit on ordinary activities	6	(303)	(731)
<b>RETAINED (LOSS) / PROFIT FOR THE YEAR</b>	14	<u><u>(79,343)</u></u>	<u><u>76,984</u></u>

The results for the year reflect trading from continuing operations. There are no gains and losses for the years other than the retained (loss) / profit for the financial years above. Accordingly, no statement of total recognised gains and losses is given.

There are no differences between the loss on ordinary activities before tax and the retained loss for the year stated above and their historical cost equivalents.

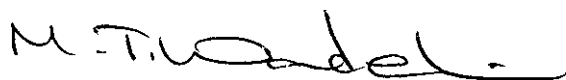
**SESAME SERVICES LIMITED (FORMERLY MISYS IFA SERVICES LIMITED)**

**BALANCE SHEET**

**31 May 2004**

	Note	2004 £'000	2003 £'000
<b>FIXED ASSETS</b>			
Intangible assets	7	13,925	-
Investments	8	61,146	192,522
Tangible fixed assets	9	1,721	1,023
		<u>76,792</u>	<u>193,545</u>
<b>CURRENT ASSETS</b>			
Debtors	10	116,989	167,871
Cash at bank and in hand		18,704	30,163
		<u>135,693</u>	<u>198,034</u>
<b>CREDITORS: amounts falling due within one year</b>	11	(120,290)	(221,068)
<b>NET CURRENT ASSETS / (LIABILITIES)</b>		<u>15,403</u>	<u>(23,034)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>92,195</u>	<u>170,511</u>
<b>CREDITORS: amounts falling due after more than one year</b>	11	-	(33)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	12	(1,753)	(693)
<b>NET ASSETS</b>		<u><u>90,442</u></u>	<u><u>169,785</u></u>
<b>CAPITAL AND RESERVES</b>			
Share capital	13	5,599	5,599
Share premium account	14	85,999	85,999
Profit and loss account	14	(1,156)	78,187
<b>TOTAL EQUITY SHAREHOLDER'S FUNDS</b>	15	<u><u>90,442</u></u>	<u><u>169,785</u></u>

The financial statements on pages 6 to 16 were approved by the Board of Directors on 27 September 2004 and signed on its behalf by



M T WADELIN, Director



# SESAME SERVICES LIMITED (FORMERLY MISYS IFA SERVICES LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2004

### 1. STATEMENT OF 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:

Furniture, fittings & equipment - 10% - 25% per annum

Motor vehicles - 25% per annum

#### Deferred taxation

Deferred tax is provided using the full provision method following the Company's adoption of FRS 19 "Deferred Tax". Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax in the future. Resultant deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### Turnover

Turnover represents management charges receivable from other group undertakings and the provision of services to their members (excluding value added tax).

*Turnover also represents revenue in relation to the development and sale of desktop software for independent financial advisers. Revenue from maintenance and support contracts is recognised rateably over the period of the contract. Electronic data interchange and remote processing services (transaction processing) are recognised as the work is performed. Professional services, such as implementation, training and consultancy, are recognised when the services are performed. Revenue from mortgage arrangements is recognised on receipt of commissions or fees from lenders.*

#### Leasing

Fixed assets held under finance leases are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under leases are included as liabilities in the balance sheet. The interest elements of the lease obligations are charged to the profit and loss account over the period of the leases and represent a constant proportion of the balance of capital repayments outstanding.

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.

#### Pensions

The Company operates a defined contribution pension scheme covering some of its employees. The scheme is part of the Misys plc group scheme, which is a money purchase scheme. The costs of the pension scheme are charged to the profit and loss account as incurred. In addition, the Company operates a defined benefit pension scheme for one Director. The scheme is part of the Misys plc group scheme, which is a closed scheme.

# SESAME SERVICES LIMITED (FORMERLY MISYS IFA SERVICES LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2004

### 1. STATEMENT OF ACCOUNTING POLICIES (continued)

#### Investments

Investments are shown at cost less provision considered necessary for any impairment. The need for any impairment write-down is assessed by comparison of the carrying value of the asset against the higher of net realisable value or value in use. The value in use is determined from estimated discounted future cash flows. Discount rates used are based on the cost of capital. Income from shares in group undertakings is recognised on a dividend proposed basis.

#### Intangible assets - goodwill

Goodwill on acquisitions comprises the excess of the fair value of the purchase consideration over the fair value of identifiable assets and liabilities acquired. This is amortised over 5 years on a straight line basis in line with group policy.

### 2. OPERATING (LOSS) / PROFIT

	2004 £'000	2003 £'000
Operating (loss) / profit is arrived at after charging / (crediting):		
Depreciation of owned assets	708	542
Depreciation of assets held under finance leases	20	43
Operating leases - plant and machinery	252	267
- land and buildings	565	507
Exceptional item - provision against investments	124,928	-
- provision against intercompany balances	1,045	-
- forgiveness of intercompany loan	(6,000)	-
Auditors' remuneration - audit services	143	74
Auditors' remuneration - non-audit services	<u>68</u>	<u>49</u>

As part of the restructure during the year, Sesame Services Limited has purchased the mortgage business from DBS Mortgages Limited. This has given rise to a cost of sale which did not have a comparative in the prior year.

As the acquired businesses (Misys IFA Desktop Solutions and DBS Mortgage Services) have been completely merged with the company's existing operations it is not possible to separately identify the results of these acquisitions as required by FRS 3 - Reporting Financial Performance.

### 3. EMPLOYEES

	2004 Number	2003 Number
The average number of staff employed by the company was as follows:		
Sales staff	64	26
Administrative and Management staff	<u>573</u>	<u>457</u>
	<u>637</u>	<u>483</u>
	2004	2003
	£'000	£'000
Employee costs during the year amounted to:		
Wages and salaries	18,061	14,254
Social security costs	1,890	1,395
Other pension costs	763	504
	<u>20,714</u>	<u>16,153</u>

# **SESAME SERVICES LIMITED (FORMERLY MISYS IFA SERVICES LIMITED)**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 May 2004**

### **3. EMPLOYEES (continued)**

The Company is unable accurately to identify its share of the underlying assets and liabilities of the defined benefit scheme. Accordingly, the Company has accounted for its contribution to the defined benefit section on the basis of contributions payable during the period. During the year the Company made contributions to the defined benefit scheme of £13,000 (2003: £39,000).

Disclosure relating to the Defined Benefit Scheme are contained within the Misys plc financial statements.

### **4. DIRECTORS' EMOLUMENTS**

	2004 £'000	2003 £'000
Management remuneration	468	647
Compensation for loss of office	-	28
Pension costs for 7 (2003 : 5) Directors	41	74
	<u>509</u>	<u>749</u>
Remuneration of the highest paid Director, excluding pension contributions of £16,000 (2003 : £39,000)	<u>131</u>	<u>217</u>

### **5. INTEREST PAYABLE AND SIMILAR CHARGES**

	2004 £'000	2003 £'000
Finance lease interest payable	-	15
Loan Note Interest	3	59
	<u>3</u>	<u>74</u>

### **6. TAX ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES**

	2004 £'000	2003 £'000
Corporation tax at 30% (2003 : 30%)	<u>303</u>	<u>731</u>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004 £'000	2003 £'000
(Loss) / Profit on ordinary activities before tax	<u>(79,040)</u>	<u>77,715</u>
(Loss) / Profit on ordinary activities at the standard rate of UK corporation tax of 30%	(23,712)	23,315
Effects of:		
Capital related transactions	1,959	(22,960)
Non taxable UK dividend income	(15,571)	-
Non-deductible expenditure	8	139
Goodwill written off	835	-
Non provided timing differences	792	93
Group relief for no consideration	35,992	-
Other adjustments	-	144
	<u>303</u>	<u>731</u>

The company has not recognised a deferred tax asset of £1,046,000 (2003: £273,000) as its use is uncertain or is not currently anticipated due to losses within the group.

**SESAME SERVICES LIMITED (FORMERLY MISYS IFA SERVICES LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 May 2004**

**7. INTANGIBLE ASSETS - GOODWILL**

	<b>Total £'000</b>
<b>Cost</b>	
At 1 June 2003	-
Acquisitions	16,710
At 31 May 2004	<u>16,710</u>
	<b>Total £'000</b>
<b>Amortisation</b>	
At 1 June 2003	-
Charge for the year	2,785
At 31 May 2004	<u>2,785</u>
<b>Net book value</b>	
At 31 May 2004	<u>13,925</u>
At 31 May 2003	<u>-</u>

The goodwill arose on the purchase of the trade and assets from Misys IFA Desktop Solutions Limited and DBS Mortgages Limited, as part of the reorganisation within the group. As part of the reorganisation the company also purchased the fixed assets of DBS Financial Management Plc.

**The purchase of trade and assets was made up as follows:**

	<b>DBS Financial Management Limited £'000</b>	<b>DBS Mortgage Services Limited £'000</b>	<b>Misys IFA Desktop Solutions Limited £'000</b>	<b>Total £'000</b>
Fixed Assets	249	28	136	413
Debtors	-	2,418	7,886	10,304
Cash at bank and at hand	-	2,408	148	2,556
Creditors	-	(1,605)	(10,870)	(12,475)
Deferred income	-	-	(116)	(116)
Value of assets transferred	<u>249</u>	<u>3,249</u>	<u>(2,816)</u>	<u>682</u>
Cash consideration	249	14,532	2,611	17,392
Goodwill	<u>-</u>	<u>11,283</u>	<u>5,427</u>	<u>16,710</u>

No fair value adjustments were made as the book value was considered to be materially the same as the fair value of the assets.

**SESAME SERVICES LIMITED (FORMERLY MISYS IFA SERVICES LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 May 2004**

**8. INVESTMENTS**

		Group Undertakings £'000	Total £'000
<b>Cost</b>			
At 1 June 2003		192,522	192,522
Additional investment		1	1
At 31 May 2004		<u>192,523</u>	<u>192,523</u>
		Group Undertakings £'000	Total £'000
<b>Provision against investment</b>			
At 1 June 2003		-	-
Increase in provision		131,377	131,377
At 31 May 2004		<u>131,377</u>	<u>131,377</u>
<b>Net book value</b>			
At 31 May 2004		<u>61,146</u>	<u>61,146</u>
At 31 May 2003		<u>192,522</u>	<u>192,522</u>
<b>The investments comprise:</b>	<b>Cost £'000</b>	<b>Provision £'000</b>	<b>NBV £'000</b>
DBS Financial Management plc	88,281	(81,778)	6,503
Financial Options Services Limited	27,900	(18,191)	9,709
ie group Limited	26,658	(16,013)	10,645
Assuresoft 2 Limited	18,483	(188)	18,295
Sesame General Insurance Services Limited	15,900	(1,739)	14,161
DBS Mortgage Services Limited	14,000	(13,467)	533
Countrywide Independent Advisers Limited	1,300	-	1,300
Sesame Group India Pvt Limited	1	(1)	-
At 31 May 2004	<u>192,523</u>	<u>(131,377)</u>	<u>61,146</u>

Group accounts are not prepared as Sesame Services Limited is a wholly owned subsidiary of Misys plc, which produces publicly available consolidated financial statements. The principal activity of all the above companies is the supply of services to Independent Financial Advisers. The investment represents 100% of the ordinary share capital of each company. All companies are incorporated in Great Britain and registered in England and Wales.

**SESAME SERVICES LIMITED (FORMERLY MISYS IFA SERVICES LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 May 2004**

**9. TANGIBLE FIXED ASSETS**

	Furniture, fittings and equipment £'000	Motor Vehicles £'000	Total £'000
<b>Cost</b>			
At 1 June 2003	4,042	147	4,189
Additions	1,066	-	1,066
Disposals	(1,051)	(101)	(1,152)
Transfers	2,316	-	2,316
At 31 May 2004	<u>6,373</u>	<u>46</u>	<u>6,419</u>
<b>Accumulated depreciation</b>			
At 1 June 2003	3,103	63	3,166
Charge for the year	708	20	728
Disposals	(1,039)	(60)	(1,099)
Transfers	1,903	-	1,903
At 31 May 2004	<u>4,675</u>	<u>23</u>	<u>4,698</u>
<b>Net book value</b>			
At 31 May 2004	<u>1,698</u>	<u>23</u>	<u>1,721</u>
At 31 May 2003	<u>939</u>	<u>84</u>	<u>1,023</u>

Included in the above analysis are fixed assets held under finance leases with a net book value of £23,000 (2003 :£84,000). The depreciation of assets held under finance leases amounts to £20,000 (2003: £43,000).

During the year the company purchased assets (including tangible fixed assets) from Misys IFA Desktop Solutions Limited, DBS Mortgages Limited and DBS Financial Management Limited. These assets were transferred in at net book value and are shown above as transfers.

**10. DEBTORS**

	2004 £'000	2003 £'000
Trade debtors	2,260	2,245
Amounts owed by group undertakings	113,676	164,771
Other debtors	-	10
Prepayments and accrued income	1,053	845
	<u>116,989</u>	<u>167,871</u>

**SESAME SERVICES LIMITED (FORMERLY MISYS IFA SERVICES LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 May 2004**

**11. CREDITORS**

	<b>2004</b>	<b>2003</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling due within one year</b>		
Trade creditors	3,354	1,408
Corporation tax	222	4,215
Amounts due to group undertakings	106,870	204,383
Loan notes	32	87
Other taxation and social security	1,168	726
Other creditors	100	633
Obligations under finance leases	23	48
Accruals and deferred income	8,521	9,568
	<u>120,290</u>	<u>221,068</u>
<b>Amounts falling due after more than one year</b>		
Obligations under finance leases repayable between two and five years	-	33
Total creditors	<u>120,290</u>	<u>221,101</u>

**12. PROVISIONS FOR LIABILITIES AND CHARGES**

	<b>Dilapidations</b>	<b>Legal charges</b>	<b>Other</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
As at 1 June 2003	-	693	-	693
Charged / (credited) to the profit and loss account	753	(448)	1,000	1,305
Utilised	-	(245)	-	(245)
<b>As at 31 May 2004</b>	<u>753</u>	<u>-</u>	<u>1,000</u>	<u>1,753</u>

**13. SHARE CAPITAL**

	<b>2004</b>	<b>2003</b>
	<b>£'000</b>	<b>£'000</b>
<b>Authorised</b>		
1,000,001 A Ordinary shares of £1 each	1,000	1,000
4,598,590 B Ordinary shares of £1 each	4,599	4,599
	<u>5,599</u>	<u>5,599</u>
<b>Allotted and fully paid</b>		
1,000,001 A Ordinary shares of £1 each	1,000	1,000
4,598,590 B Ordinary shares of £1 each	4,599	4,599
	<u>5,599</u>	<u>5,599</u>

Holders of A ordinary shares are entitled to attend and vote at general meetings but holders of B ordinary shares are only entitled to attend and vote if the business of the meeting involves a reduction in share capital or a variation of class rights.

The rights attaching to the shares are as follows:

- "A" Ordinary shareholders are entitled to 1% of any dividends paid or of surplus assets on winding up.
- "B" Ordinary shareholders are entitled to 99% of any dividends paid or of surplus assets on winding up.

**SESAME SERVICES LIMITED (FORMERLY MISYS IFA SERVICES LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 May 2004**

**14. RESERVES**

	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 June 2003	85,999	78,187	164,186
Loss for the year	-	(79,343)	(79,343)
At 31 May 2004	<u>85,999</u>	<u>(1,156)</u>	<u>84,843</u>

**15. RECONCILIATION OF SHAREHOLDER'S FUNDS**

	2004 £'000	2003 £'000
(Loss) / Profit for the financial year	(79,343)	76,984
New share capital issued	-	88,620
(Deduction from) / net additions to shareholder's funds	(79,343)	165,604
Opening shareholder's funds	169,785	4,181
Closing shareholder's funds	<u>90,442</u>	<u>169,785</u>

**16. FINANCIAL COMMITMENTS**

The annual commitments under non-cancellable operating leases are as follows:

	Land and buildings		Other	
	2004 £'000	2003 £'000	2004 £'000	2003 £'000
Operating leases which expire:				
Within one year	-	12	55	51
Between two and five years	138	60	11	58
After five years	362	472	-	-
	<u>500</u>	<u>544</u>	<u>66</u>	<u>109</u>

**17. ULTIMATE PARENT COMPANY AND GROUP TRANSACTIONS**

The Company's immediate parent company is Sesame Group Limited (formerly Financial Options Group Limited), a company registered in England and Wales. The Company's ultimate parent company is Misys plc, a company registered in England and Wales. Misys plc is the parent undertaking of the largest and smallest group for which group financial statements are drawn up. Copies of the group financial statements of Misys plc may be obtained from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

The Company has taken advantage of the exemption under FRS8 Related Party Transactions not to disclose transactions with group undertakings since Misys plc is the beneficial owner of all of the equity share capital of the Company.

Under the terms of the acquisition of Financial Options Group Limited by the Company in August 1999, the Company issued loan notes, which formed part of the consideration. K J Budge, who was a Director of the Company (resigned 24 July 2003) was a shareholder in Financial Options Group Limited at the date of acquisition and received loan notes. At 1 June 2003 K J Budge held interests in loan notes of £16,382. These were redeemed in full during the year.



**SESAME SERVICES LIMITED (FORMERLY MISYS IFA SERVICES LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 May 2004**

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**17. ULTIMATE PARENT COMPANY AND GROUP TRANSACTIONS (continued)**

Common control exists between Assureweb Limited and Sesame Services Limited and therefore these are related parties as per FRS 8. During the year, the company purchased from Assureweb Limited £310,000 (2003: £nil) of services and supplied services to Assureweb Limited amounting to £468,000 (2003: £79,000). At the financial year end, £155,000 (2003: £38,000) was owed to Sesame Services Limited by Assureweb Limited. This amount is included within debtors.

The Company is a wholly owned within the Misys group and its results are included in the financial statements of Misys plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing the cash flow statement under the terms of FRS 1 (Revised 1996).