

Company Registration Number 3259295

MISYS INTERNATIONAL BANKING SYSTEMS (CIS) LIMITED
(formerly Midas-Kapiti International (CIS) Limited)

Report and Financial Statements

31 May 2002



MISYS INTERNATIONAL BANKING SYSTEMS (CIS) LIMITED
(formerly Midas-Kapiti International (CIS) Limited)
DIRECTORS' REPORT

The Directors present their annual report and audited financial statements for the year ended 31 May 2002.

PRINCIPAL ACTIVITY

The principal activity of the Company is to supply computer software and consultancy services for the international banking market. The Company changed its name on 28/09/01 from Midas-Kapiti International (CIS) Ltd.

REVIEW OF THE BUSINESS

For the year ended May 2002 the company recorded a gross profit of £4.1m on a turnover of £5.5m. The reduction in turnover was mainly due to reduced service revenues with the resultant change in product mix improving the gross margin percentage. That, combined with reduced year on year costs created increased net profit.

The Directors are confident that the company will continue to grow in the foreseeable future.

RESULTS AND DIVIDENDS

The results of the Company for the year are set out in detail on page 5. The Directors do not recommend the payment of a dividend. (2001 : £600,000) . Profits of £770,000 (2001 : Losses of £228,000) have been transferred to the reserves brought forward.

OVERSEAS BRANCHES

MKI CIS Limited operates through an overseas branch in the CIS.

DIRECTORS AND THEIR INTERESTS

The Directors who served during the period 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:

R K Graham
F P Helsby
J G Sussens

R K Graham and J G Sussens are Directors of the ultimate parent company, Misys plc, and their interest in shares, share option schemes and the Misys Share Incentive Plan are shown in the financial statements of that company.

	Misys plc	
	Ordinary shares of 1p each	
	2002	2001
F P Helsby	5,021	3,977

The options held by the Directors as at 31 May 2002 over shares of the ultimate parent company, Misys plc, were as follows:

	Performance Related	Non - Performance Related	Savings Related	2002 Total	2001 Total
F P Helsby	142,655	76,490	4,400	223,545	181,047

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DIRECTORS' REPORT

On 1 June 2001, 10,908 performance related options granted to F P Helsby on 14 November 2000 at an option price of 645p, lapsed.

F P Helsby was granted 53,406 performance-related options at an exercise price of 343p on 26 July 2001.

The number of rights held by Directors to acquire shares of the ultimate parent company, Misys plc, in relation to annual and matching awards in the Misys Share Incentive Plan was as follows:

	Annual Award		Matching Award	
	2002	2001 or date of appointment	2002	2001 or date of appointment
F P Helsby	23,790	23,790	23,790	23,790

The following Directors held share awards under the Misys Annual Award Plan at 31 May 2002:

	Annual Award	Matching Award	Deferred Award
F P Helsby	-	2,036	2,036

During the year the following awards were transferred to F P Helsby, 1017 Matching Awards and 1832 Annual Awards on 2 August 2001. On 24 October 2001 F P Helsby exercised 1017 Deferred awards. The market value on each of these dates was 388p and 257p respectively. The awards were originally based on a share price of 533p.

No Director had any interest in shares of the Company or any other group undertaking except as disclosed above.

Details of all the Share Option Schemes, the Misys Share Incentive Plan and the Misys Annual Award Plan together with performance criteria, where applicable, are disclosed in the Report and Financial Statements of the ultimate parent company, Misys plc.

AUDITORS

PricewaterhouseCoopers 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 on 12 July 2002 and signed on its behalf by:



F P HELSBY
 Director

MISYS INTERNATIONAL BANKING SYSTEMS (CIS) LIMITED
(formerly Midas-Kapiti International (CIS) Limited)
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 May 2002 and that applicable accounting standards have been followed

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to 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 of fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF
MISYS INTERNATIONAL BANKING SYSTEMS (CIS) LIMITED
(formerly Midas-Kapiti International (CIS) Limited)

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

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 on page 3.

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.

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.

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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London
18th July 2002

MISYS INTERNATIONAL BANKING SYSTEMS (CIS) LIMITED**(formerly Midas-Kapiti International (CIS) Limited)****PROFIT AND LOSS ACCOUNT****Year Ended 31 May 2002**

		2002	2001
	Note	£'000	£'000
TURNOVER		5,493	6,493
Cost of sales		<u>(1,416)</u>	<u>(2,103)</u>
GROSS PROFIT		4,077	4,390
Administrative expenses		<u>(3,048)</u>	<u>(3,638)</u>
OPERATING PROFIT	2	1,029	752
Interest	4	<u>121</u>	<u>(30)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,150	722
Tax on profit on ordinary activities	5	<u>(380)</u>	<u>(350)</u>
PROFIT FOR THE YEAR		<u>770</u>	<u>372</u>
Dividends		-	(600)
PROFIT /(LOSS) RETAINED FOR THE FINANCIAL YEAR		<u><u>770</u></u>	<u><u>(228)</u></u>

The results for the year reflect trading for continuing operations. There are no gains and losses for the period other than the results for the financial period above. Accordingly, no statement of total recognised gains and losses is given.


There is no difference between the profit on ordinary activities before tax and the retained profit for the years stated above and their historical cost equivalents.

MISYS INTERNATIONAL BANKING SYSTEMS (CIS) LIMITED
 (formerly Midas-Kapiti International (CIS) Limited)
BALANCE SHEET

31 May 2002

	Note	2002 £'000	2001 £'000
FIXED ASSETS			
Tangible assets	6	13	23
CURRENT ASSETS			
Stock - work in progress		203	146
Debtors	7	6,152	2,489
Cash at bank or in hand		<u>871</u>	<u>1,288</u>
		7,226	3,923
CREDITORS: Amounts falling due within one year	8	<u>(6,335)</u>	<u>(3,812)</u>
NET CURRENT ASSETS		<u>891</u>	<u>111</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		904	134
		<u>904</u>	<u>134</u>
CAPITAL AND RESERVES			
Share capital	10	-	-
Profit and loss account	11	904	134
EQUITY SHAREHOLDER'S FUNDS	12	<u>904</u>	<u>134</u>

Approved by the Board of Directors on 12 July 2002 and signed on its behalf by



F P HELSBY, Director

MISYS INTERNATIONAL BANKING SYSTEMS (CIS) LIMITED

(formerly Midas-Kapiti International (CIS) Limited)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2002

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards and the accounting policies below which have been consistently applied.

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	over lease term
Furniture, fittings & equipment	10% - 25% per annum
Motor vehicles	25% per annum

Stocks

Stock are valued at the lower of cost and net realisable value.

Revenue recognition

Revenue from systems is recognised upon delivery to a customer when there are no significant vendor obligations remaining and the collection of the resulting receivable is considered probable. In instances where a considerable vendor obligation exists, revenue recognition is delayed until the obligation has been satisfied. Recurring licence fees are recognised rateably over the period of the contract. Electronic data interchange and remote processing services are recognised monthly as work is performed. Professional services, such as implementation, training and consultancy, are recognised when the services are performed.

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.

Deferred taxation

Deferred taxation 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.

MISYS INTERNATIONAL BANKING SYSTEMS (CIS) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2002

1. ACCOUNTING POLICIES (Continued)

Foreign exchange

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date or at rates specified in related forward contracts. Transactions in foreign currencies are translated at the rate ruling at the date of each transaction or at rates specified in related forward contracts. Exchange differences arising from settlement of trading indebtedness are included in operating profit.

Pensions

Misys, the ultimate parent company, operates a defined contribution pension scheme covering senior staff. The costs of the pension scheme are charged to the profit and loss account as incurred.

Cash Flow Statement

The company is a wholly owned subsidiary of Misys plc, a company registered in England. Misys plc has produced publicly available consolidated financial statements which contain a cashflow statement prepared in accordance with Financial Reporting Standard 1 ("FRS 1"). The Company has therefore taken advantage of the exemption from preparing a cashflow statement under the terms of FRS 1.

MISYS INTERNATIONAL BANKING SYSTEMS (CIS) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2002

2. OPERATING PROFIT

	2002	2001
	£'000	£'000
Operating profit is arrived at after charging:		
Depreciation of owned assets	13	18
Operating leases - land and buildings	86	124
Auditors remuneration - audit services	1	1
Auditors remuneration - non-audit services	<u>69</u>	<u>136</u>

3. EMPLOYEES AND DIRECTORS

	2002	2001
	Number	Number
The average number of persons employed by the Company was as follows:		
Programming and Engineering staff	3	3
Administrative and Management staff	<u>7</u>	<u>9</u>
	<u>10</u>	<u>12</u>

	2002	2001
	£'000	£'000
Employee costs during the year amounted to:		
Wages and salaries	810	704
Social security costs	86	116
Pension costs	<u>-</u>	<u>10</u>
	<u>896</u>	<u>830</u>

None of the Directors received any remuneration in relation to their services to the Company during the year.

MISYS INTERNATIONAL BANKING SYSTEMS (CIS) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2002

4. INTEREST

	2002 £'000	2001 £'000
Amount receivable from/ (payable to) Group undertakings	<u>121</u>	<u>(30)</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002 £'000	2001 £'000
Corporation tax at 30% (2001 : 30%)	<u>380</u>	<u>350</u>

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

	2002 £000	2001 £000
Profit on ordinary activities before tax	<u>1,150</u>	<u>722</u>
Tax at standard rate of UK corporation tax of 30%	345	217
<i>Effects of:</i>		
Non provided timing differences	11	35
Other adjustments	24	98
	<u>380</u>	<u>350</u>

6. TANGIBLE FIXED ASSETS

	Short term Leasehold Property £'000	Furniture, fittings and equipment £'000	Total £'000
Cost			
At 1 June 2001	2	99	101
Additions	1	2	3
Disposals	-	-	-
At 31 May 2002	<u>3</u>	<u>101</u>	<u>104</u>
Accumulated depreciation			
At 1 June 2001	1	77	78
Charge for the year	1	12	13
Disposals	-	-	-
At 31 May 2002	<u>2</u>	<u>89</u>	<u>91</u>
Net book amount			
At 31 May 2002	<u>1</u>	<u>12</u>	<u>13</u>
At 31 May 2001	<u>1</u>	<u>22</u>	<u>23</u>

MISYS INTERNATIONAL BANKING SYSTEMS (CIS) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2002

7. DEBTORS

	2002	2001
	£'000	£'000
Trade debtors	633	385
Amounts owed by group undertakings	5,356	1,896
Other debtors	17	75
Prepayments	80	55
Accrued income	66	78
	<u>6,152</u>	<u>2,489</u>

8. CREDITORS: Amounts falling due within one year

	2002	2001
	£'000	£'000
Trade creditors	215	451
Amount payable to group undertakings	2,950	1,039
Corporation tax	1,027	652
Social security and other taxation	36	-
Accruals and deferred income	2,107	1,670
	<u>6,335</u>	<u>3,812</u>

9. DEFERRED TAX

The following deferred tax assets have not been recognised as their use is uncertain or is not currently anticipated due to losses within the group:

	2002	2001
	£'000	£'000
The unprovided liabilities/(unrecognised assets) are as follows:		
Accelerated capital allowances	(8)	8
Other timing differences	(11)	(55)
	<u>(19)</u>	<u>(47)</u>

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2002

10. SHARE CAPITAL

	2002 £	2001 £
Authorised		
1,000 Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid		
2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

11. PROFIT AND LOSS ACCOUNT

	£'000
At 1 June 2001	134
Profit for the year	770
At 31 May 2002	<u>904</u>

12. RECONCILIATION OF SHAREHOLDER'S FUNDS

	2002 £'000	2001 £'000
Profit/(Loss) for the year	770	(228)
Opening shareholder's funds	134	362
Closing shareholder's funds	<u>904</u>	<u>134</u>

13. FINANCIAL COMMITMENTS

The annual commitments under non-cancellable operating leases in respect of land and buildings expiring within one year is £58,000, and between two and five years is £14,000 (2001: £78,000 between two and five years).

MISYS INTERNATIONAL BANKING SYSTEMS (CIS) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2002

14. ULTIMATE PARENT COMPANY AND GROUP TRANSACTIONS

The Company's ultimate parent company is Misys plc, a company registered in England. 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 FRS 8 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.