

Summit Systems International Limited

(Registered Number 3379663)

**Annual Report for the Year Ended
31 May 2006**



Summit Systems International Limited

Directors' Report for the year ended 31 May 2006

The Directors present their annual report and audited financial statements for the year ended 31 May 2006.

Principal Activity

The principal activity of the Company is to supply computer software and consultancy services for the international banking and financial trading markets.

Business Review

The Directors consider that the results of the Company for the year were satisfactory, and the Directors are confident that the Company is well positioned to achieve greater growth in the forthcoming financial year. No significant change in the activities of the Company is envisaged in the forthcoming year.

Provision of information to auditors

So far as each Director is aware, there is no relevant audit information of which the Company's auditors were unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Results and Dividends

The Company's profit for the financial year is £252,000 (2004: loss of £318,000). No interim dividend was paid during the year (2005: nil). The Directors do not recommend the payment of a final dividend (2005: £nil). The results of the Company for the year are set out on page 6.

Directors and Their Interests

Interest in Shares

The Directors of the Company who held office during the year and their interests in the share capital of the ultimate parent company, Misys plc, at the year-end are as follows:

	Misys plc	
	Ordinary shares of 1p each	
	2006	2005 or Date of appointment
I Martin	*	*
M Cappell	**	**
Misys Corporate Director Ltd	***	***
R L Ham	31,385	26,365
K R Stonell	13,666	13,666
M Sargent	-	-

* Ivan Martin was a director of the ultimate holding company, Misys plc and his interests in shares, share options and share plans are shown in the financial statements of Misys plc. He resigned from his director function on 31 December 2005.

** Mark Cappell resigned from the company on 9 June 2005.

*** Misys Corporate Director Ltd did not have any interest in shares of the Company or any other group undertakings, which require disclosure under the provisions of the Companies Act 1985.

Keith Robert Stonell was appointed Director of the Company on 13 January 2006.

Murray Sargent was appointed Director of the Company on 22 May 2006.

Summit Systems International Limited

Directors' Report for the year ended 31 May 2006 (continued)

Interests in Share Option Schemes

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

	Granted in Year	Exercised in Year	Lapsed in Year	2006 Total	2005 Total
R L Ham	15,000	(13,166)	-	305,678	303,844
KR Stonell	-	(25,495)	-	139,400	164,895
M Cappell	-	-	-	30,000	30,000

On 28 July 2005, 15,000 options were granted to R L Ham under the Misys 2004 Share Award Plan at a nil cost option price. On 29 July 2005, 6,583 options were exercised under the Misys Annual Award Plan – Deferred Award, and 6,583 options were exercised under the Misys Annual Award Plan – Matching Award.

During the year Keith Robert Stonell exercised 25,495 options with an option price of 156p on 28th February 2006 when the Market Value of a Misys share was 237.75p.

Auditors

PricewaterhouseCoopers LLP 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 7 September 2006 and signed on its behalf by



Keith Stonell
Director

Summit Systems International Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report, including, as described below, the financial statements.

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 2006 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 and detection of fraud and other irregularities.

Approved by the Board of Directors on September 2006 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'K Stonell', written over a horizontal line.

Keith Stonell
Director

Summit Systems International Limited

Independent Auditors' Report to the Members of Summit Systems International Limited

We have audited the financial statements of Summit Systems International Limited for the year ended 31 May 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). 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 report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

Summit Systems International Limited

Independent Auditors' Report to the Members of Summit Systems International Limited (Continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 May 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
London

† September 2006

Summit Systems International Limited

Profit And Loss Account for the year ended 31 May 2006

	Note	2006 £'000	2005 £'000
Turnover		9,252	8,102
Cost of sales		(2,868)	(2,864)
Gross Profit		6,384	5,238
Administrative expenses		(5,965)	(5,529)
Operating Profit / (Loss)	3	419	(291)
Interest Receivable		103	73
Profit / (Loss) on ordinary activities before taxation		522	(218)
Tax on Profit / (Loss) on ordinary activities	6	(270)	(100)
Retained Profit / (Loss) for the year	12	252	(318)

The results for the year reflect trading from continuing operations. There are no gains and losses for the years other than those disclosed in the Profit and Loss account. Accordingly, no statement of total recognised gains and losses is given.

There is no difference between the profit / (loss) on ordinary activities before taxation and the retained profit / (loss) for the financial years stated above and their historical cost equivalents.

The notes to the Financial Statements are on pages 8 to 14.

Summit Systems International Limited

Balance Sheet as at 31 May 2006

	Note	£'000	2006 £'000	2005 £'000
Fixed Assets				
Tangible Fixed assets	7	448	534	
			448	534
Current Assets				
Debtors	8	7,405	4,728	
Cash at bank and in hand		1,107	820	
			8,512	5,548
Creditors: amounts falling due within one year	9		(7,456)	(4,830)
Net Current Assets			1,056	718
Total Assets Less Current Liabilities			1,504	1,252
Net Assets			1,504	1,252
Capital And Reserves				
Share capital	11		-	-
Profit and loss account	12		1,504	1,252
Equity Shareholder's Funds	13		1,504	1,252

Approved by the Board of Directors on 7 September 2006 and signed on its behalf by



Keith Stonell
Director

Summit Systems International Limited

Notes to the Financial Statements Year Ended 31 May 2006

1 Accounting Policies

a) Accounting convention

The financial statements are prepared under the going concern basis the historical cost convention and in accordance with applicable Accounting Standards. The principal accounting policies which have been consistently applied are set out below.

b) Change in Accounting Policies

The Company has adopted FRS 21 'Events after the Balance Sheet Date', and the presentation requirements of FRS 25 'Financial Instruments: Disclosure and Presentation', in these financial statements. The adoption of the standards represents a change in accounting policy which has had no impact on the prior year figures.

c) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

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:

Fixtures and fittings	10% - 25% per annum
Computer equipment	25% per annum

d) 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.

e) Revenue recognition

Revenue from system sales is recognised when a signed contract exists, delivery to a customer has occurred with no significant vendor obligations remaining and where 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. No revenue is recognised for multiple element products if an element of the contract remains undelivered and is essential to the functionality of the elements already delivered.

Services revenue comprises revenues for maintenance, transaction processing and professional services. Maintenance fees are recognised rateably over the period of the contract. Revenue from professional services, such as implementation, training and consultancy, is recognised as the services are performed.

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Notes to the Financial Statements Year Ended 31 May 2006 (continued)

1 Accounting Policies (continued)

f) Cash flow

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 consolidated cash flow statement. The company has, therefore, taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

g) Leases

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.

h) Pensions

The Company utilises the Misys plc defined contribution pension scheme covering the majority of its employees. The cost of the pension scheme is charged to the profit and loss account as incurred.

i) Foreign currencies

Assets and liabilities denominated in foreign currencies are converted at the rates of exchange ruling at the balance sheet date or at the rates specified in related derivative instruments. Transactions in foreign currencies are converted at the rate ruling at the date of each transaction or at the rates specified in related financial instruments. Exchange differences are included in the profit and loss account where they relate to trading transactions.

2 Segmental Reporting

No geographical analysis has been presented as turnover derives from sales to one segment only, being UK and Ireland.

3 Operating Profit / (Loss)

	2006 £'000	2005 £'000
Operating profit / (loss) is arrived at after charging:		
Depreciation of tangible fixed assets - owned	144	200
Operating lease rentals - Other	18	216
Foreign exchange gain, net of losses	(66)	(5)
Auditors' remuneration - audit services	11	4

Summit Systems International Limited

Notes to the Financial Statements Year Ended 31 May 2006 (continued)

4 Employees

	2006 Number	2005 Number
The average number of persons employed by the Company was as follows:		
Processing staff	37	44
Administrative and Management staff	5	6
	42	50
	2006 £'000	2005 £'000
Employee costs during the year amounted to:		
Wages and salaries	2,433	2,401
Social security costs	389	360
Other pension costs	64	85
	2,886	2,846

5 Directors' Emoluments

	2006 £'000	2005 £'000
Directors' remuneration	197	214
Pension costs for Director (2005: 2)	18	10
Remuneration of the highest paid Director, excluding money purchase pension contributions of £18,125 (2005: £6,000)	197	156

The emoluments of Mr Ham and Mr Sargent are paid by other group companies. Their services to this Company and to a number of fellow subsidiaries within the banking division are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to other group companies. Accordingly, the above details include no emoluments in respect of Mr Ham and Mr Sargent.

Summit Systems International Limited

Notes to the Financial Statements Year Ended 31 May 2006 (continued)

6 Tax on Profit / (Loss) on Ordinary Activities

a) Analysis of charge in period	2006 £'000	2005 £'000
UK Corporation tax at 30% (2005: 30%)	270	100
The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:		
b) Factors affecting tax charge in period	2006 £'000	2005 £'000
Profit / (Loss) on ordinary activities before tax	522	(218)
Tax charge / (credit) on profit / (loss) on ordinary activities at a standard rate of UK corporation tax of 30%	157	(65)
Effects of:		
Non provided timing differences	49	98
Capital related transactions	-	15
Non deductible expenditure	74	39
Other adjustments (overseas tax suffered)	-	13
Benefit of losses Brought Forward	(10)	-
Current tax charge for the period (note 6 (a))	270	100

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Notes to the Financial Statements Year Ended 31 May 2006 (continued)

7 Tangible Fixed Assets

	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
Cost			
As at 1 June 2005	686	444	1,130
Additions	40	18	58
Disposals	(8)	(2)	(10)
As at 31 May 2006	718	460	1,178
Accumulated depreciation			
As at 1 June 2005	(485)	(111)	(596)
Charge for the year	(95)	(49)	(144)
Disposals	8	2	10
As at 31 May 2006	(572)	(158)	(730)
Net book value			
At 31 May 2006	146	302	448
At 31 May 2005	201	333	534

8 Debtors

	2006 £'000	2005 £'000
Trade debtors	2,487	2,020
Amounts owed by group undertakings	4,471	2,352
Withholding tax receivable	154	142
Other debtors	51	29
Accrued Income	181	-
Prepayments	61	185
	7,405	4,728

Of the amounts owed by group undertakings, above, £2,255k (2005: £2,337k), are interest bearing. These have attracted interest between 4.6% and 4.8% during the year, are unsecured and are not repayable on demand.

The remaining balances owed by group undertakings are non interest bearing, unsecured and are not repayable on demand.

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Notes to the Financial Statements Year Ended 31 May 2006 (continued)

9 Creditors: Amounts falling due within one year

	2006 £'000	2005 £'000
Trade creditors	122	232
Amounts due to group undertakings	2,836	1,258
Corporation tax	270	87
Other taxation and social security	501	338
Other Creditors	4	-
Deferred Income	3,088	2,347
Accruals	635	568
	<u>7,456</u>	<u>4,830</u>

The amounts due to group undertakings above are non interest bearing, unsecured and are not repayable on demand.

10 Deferred Tax

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

	2006 £'000	2005 £'000
Accelerated capital allowances	191	164
Other timing differences	39	38
	<u>230</u>	<u>202</u>

11 Share Capital

	2006 £'000	2005 £'000
Authorised		
1,000 Ordinary Shares of £1 each	<u>1</u>	<u>1</u>
Allotted, called up and fully paid		
2 Ordinary Shares of £1 each	<u>-</u>	<u>-</u>

12 Reserves

	£'000
As at 1 June 2005	1,252
Profit for the year	252
<u>As at 31 May 2005</u>	<u>1,504</u>

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Notes to the Financial Statements Year Ended 31 May 2006 (continued)

13 Reconciliation of Shareholder's Funds

	2006 £'000	2005 £'000
Profit / (Loss) for the year	252	(318)
Opening shareholder's funds	1,252	1,570
Closing shareholder's funds	1,504	1,252

14 Financial Commitments

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

Land and Buildings	2006 £'000	2005 £'000
Operating leases which expire:		
Within one year	-	18
In more than one year but less than five years	-	-
	-	18

15 Contingent Liabilities

The Company, together with several other wholly owned subsidiaries of Misys plc, guarantees the credit facilities of the group. Misys plc entered into a new credit facility in March 2005, the new liability being US\$850m, running until March 2010. In July 2005 the Company became one of the guarantors of this facility. The details of these facilities are disclosed in further detail in the Annual Report of Misys plc for the year ended 31 May 2006. The liability outstanding at 31 May 2006 was £199m (31 May 2005: £nil).

16 Ultimate Parent Company and Group Transactions

The Company's immediate parent company is Misys B & S Division Limited.

The Company's ultimate parent company and controlling party 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 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.