

Company Registration Number 03458083

IFA NETWORK CONSULTANCY SERVICES LIMITED

Report and Financial Statements

31 May 2001



IFA NETWORK CONSULTANCY SERVICES LIMITED

DIRECTORS' REPORT

The Directors present their annual report and audited financial statements for the period ended 31 May 2001.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the Company continues to be that of providing compliance and support services to independent financial advisers. The trade is being transferred to another group company next year.

The company's balance sheet as detailed on page 7 shows a satisfactory position, with shareholders' funds amounting to £28,000.

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 (2000 : £Nil).

DIRECTORS AND THEIR INTERESTS

	Misys plc	
	Ordinary shares of 1p	
	2001	2000 or date of appointment
N P Ansell	0	0
K J Budge	0	0
I Martin	75,184	24,648

IFA NETWORK CONSULTANCY SERVICES LIMITED

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS (continued)

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

	Performance related options	Savings related options	2001 Total	2000 or date of appointment Total
K J Budge	22,146	3,520	25,666	25,666
I Martin	125,412	6,124	131,536	84,996
N P Ansell	18,407	3,232	21,639	21,639

K J Budge and N P Ansell were granted 3,520 and 3,232 savings-related options at an exercise price of 522p per share on 29 August 2000. K J Budge, N P Ansell and I Martin were granted 20,000, 18,407 and 40,861 performance-related options respectively at an exercise price of 658p per share on 4 August 2000.

K J Budge and I Martin were granted 2,146 and 5,679 performance related options respectively at an exercise price of 694p per share on 9 October 2000.

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		
	At 31 May-01	At 1 Jun-00 or date of appointment	At 31 May-01	Exercised	At 1 Jun-00 or date of appointment
I Martin	11,490	11,490	21,100	6,749	27,849

The maximum potential number of rights held by Directors to acquire shares of the ultimate parent company, Misys plc, in relation to long term performance awards in the Misys Share Incentive Plan is as follows:

	2001	Exercised	2000 or date of appointment
I Martin	51,810	40,235	92,045

Under the Misys Annual Award Plan the following director was granted share awards as follows:

	Date	Annual Award	Matching Award	Deferred Award
I Martin	02-Aug-99	4,221	7,035	7,035
	04-Aug-00	3,590	5,984	5,984
	09-Oct-00			831

Under the Misys 1998 Long-Term Share Incentive Plan, I Martin was granted on 27 October 1998 the maximum potential number of 36,976 rights to acquire shares based on a share price of 406p for which the performance criteria commenced on 1 June 1998. He was also granted on 2 August 1999 the maximum potential number of 29,549 rights to acquire shares based on a share price of 533p for which the performance criteria commenced on 1 June 1999, on 4 August 2000 the maximum potential number of 27,240 rights to acquire shares based on a share price of 658p and on 9 October 2000 the maximum potential number of 3,786 rights to acquire shares based on a share price of 694p, for which the performance criteria commenced on 1 June 2000.

The results for the year ended 31 May 2001 entitled I Martin to participate in The Misys Annual Award Plan. The number of shares under each of the three awards, deferred, annual and matching, will not be determined until after the announcement of the results for the Misys Group on 19 July 2001.

IFA NETWORK CONSULTANCY SERVICES LIMITED
DIRECTORS' REPORT

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 11 July 2001 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'K J BUDGE', written over the printed name.

K J BUDGE, Director

IFA NETWORK CONSULTANCY SERVICES 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.

IFA NETWORK CONSULTANCY SERVICES LIMITED

AUDITORS' REPORT

We have audited the financial statements on pages 6 to 10.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 4, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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.

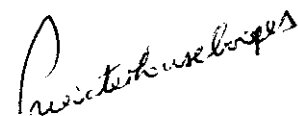
Basis of opinion

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 2001 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
1 Embankment Place
London
WC2N 2RH

11 July 2001

IFA NETWORK CONSULTANCY SERVICES LIMITED
PROFIT AND LOSS ACCOUNT
8 Months Ended 31 May 2001

	Note	2001 £'000	12 Months to 30 Sept 2000 £'000
TURNOVER	1	53	100
Cost of sales		(48)	(95)
GROSS PROFIT		5	5
Administrative expenses		(1)	(16)
OPERATING PROFIT/(LOSS)	2	4	(11)
Interest receivable and similar income		1	-
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		5	(11)
Tax on profit / (loss) on ordinary activities	3	(2)	2
PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		3	(9)
Dividends		-	-
PROFIT / (LOSS) FOR THE PERIOD	9	3	(9)

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

IFA NETWORK CONSULTANCY SERVICES LIMITED
BALANCE SHEET

31 May 2001

	Note	2001 £'000	As at 30 Sept 2000 £'000
CURRENT ASSETS			
Debtors	5	30	20
Cash at bank and in hand		-	28
		<u>30</u>	<u>48</u>
CREDITORS: amounts falling due within one year	6	(2)	(23)
		<u>28</u>	<u>25</u>
NET CURRENT ASSETS			
		<u>28</u>	<u>25</u>
NET ASSETS		<u>28</u>	<u>25</u>
CAPITAL AND RESERVES			
Share capital	7	-	-
Profit and loss account	8	28	25
		<u>28</u>	<u>25</u>
EQUITY SHAREHOLDERS' FUNDS	9	<u>28</u>	<u>25</u>

Approved by the Board of Directors on 11 July 2001 and signed on its behalf by:


K J BUDGE, Director

IFA NETWORK CONSULTANCY SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
8 Months ended 31 May 2001

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover, represents the amount derived from the provision of services which fall within the company's ordinary activities.

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

The Company operates a defined contribution pension scheme covering some of its employees. The costs of the pension scheme are charged to the profit and loss account as incurred.

Leases

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. Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

2. OPERATING PROFIT / (LOSS)

	8 Months to 31 May 2001 £'000	12 Months to 30 Sept 2000 £'000
Operating profit / (loss) is arrived at after charging:		
Depreciation on owned assets	-	6
Operating leases- plant and machinery	-	2
Auditors' remuneration	-	-
	<u> </u>	<u> </u>

Auditors' remuneration is borne by IFA Network Ltd., a fellow subsidiary.

IFA NETWORK CONSULTANCY SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
8 Months ended 31 May 2001

3. TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES	8 Months to 31 May 2001 £'000	12 Months to 30 Sept 2000 £'000
Corporation tax at 30% (2000 : 31%)	1	(2)
	<u>1</u>	<u>(2)</u>
4. DIRECTORS AND EMPLOYEES	8 Months to 31 May 2001 Number	12 Months to 30 Sept 2000 Number
The average number of staff employed by the company was as follows:		
Management and administration	-	-
	<u>-</u>	<u>-</u>
Employee costs during the year amounted to:	8 Months to 31 May 2001 £'000	12 Months to 30 Sept 2000 £'000
Wages and salaries	-	6
Social security costs	-	1
Other pension costs	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>7</u>
5. DEBTORS	2001 £'000	30 Sept 2000 £'000
Debtors due within one year		
Amounts owed by group undertakings	30	-
Corporation tax recoverable	-	2
Prepayments and accrued income	-	18
	<u>30</u>	<u>20</u>
	<u>30</u>	<u>20</u>
6. CREDITORS	2001 £'000	30 Sept 2000 £'000
Amounts falling due within one year		
Amounts owing to group undertakings	-	23
Other creditors	2	-
	<u>2</u>	<u>-</u>
	<u>2</u>	<u>23</u>

IFA NETWORK CONSULTANCY SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
8 Months ended 31 May 2001

7. SHARE CAPITAL

	2001 £'000	30 Sept 2000 £'000
Authorised		
50,000 (2000 : 50,000) Ordinary shares of £1 each	<u>50</u>	<u>50</u>
Allotted and fully paid		
1 (2000 : 1) Ordinary shares of £1 each	<u>-</u>	<u>-</u>

8. PROFIT AND LOSS ACCOUNT

	£'000
At 30 September 2000	25
Profit for the period	3
At 31 May 2001	<u>28</u>

9. RECONCILIATION OF SHAREHOLDERS' FUNDS

	2001 £'000	2000 £'000
Profit / (loss) for the financial period	3	(9)
Opening shareholders' funds	25	34
Closing shareholders' funds	<u>28</u>	<u>25</u>

10. 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 CF4 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.