

INTELLIGENT PROCESSING SOLUTIONS LIMITED
(FORMERLY ALNERY NO. 2043 LIMITED)

Report and Accounts
31 December 2000



Intelligent Processing Solutions Limited (formerly Alnery No.2043 Limited)

Registered No. 04007855

DIRECTORS

D Cartwright	(Appointed 8 November 2000)
J Green	(Appointed 15 August 2000)
J Little	(Appointed 15 August 2000)
M McCutcheon	(Appointed 15 August 2000)
D O'Brien	(Appointed 1 December 2000)
A Ramsden	(Appointed 15 August 2000; Resigned 8 November 2000)
J Smith	(Appointed 15 August 2000)
R Whatford	(Appointed 15 August 2000)
Alnery Incorporation No.2 Limited	(Appointed 25 May 2000; Resigned 15 August 2000)

SECRETARY

G Reeves	(Appointed 15 August 2000)
Alnery Incorporation No.1 Limited	(Appointed 25 May 2000; Resigned 15 August 2000)

AUDITORS

Ernst & Young
Apex Plaza
Reading
Berkshire
RG1 1YE

BANKERS

HSBC
133 Regent Street,
LONDON
W1A 4BQ

SOLICITORS

Allen & Overy
One New Change
London
EC4M 9QQ

REGISTERED OFFICE

Bakers Court
Bakers Road
Uxbridge
Middlesex
UB8 1RG

Intelligent Processing Solutions Limited (formerly Alnery No.2043 Limited)

DIRECTORS' REPORT

The directors submit their report and accounts for the period ended 31 December 2000.

RESULTS AND DIVIDENDS

The result for the period to 31 December 2000 amounted to neither a profit nor a loss.

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company was incorporated on 5 June 2000 as Alnery No.2043 Limited. On 7 August 2000, the company's name was changed to Intelligent Processing Solutions Limited. The company commenced trading on 4 December 2000.

Intelligent Processing Solutions Limited carries out wholesale cheque clearing and settlement services on behalf of major UK banks and other financial services customers. The company has a leading market position in these outsourcing activities and over the next few years the aim will be to increase the share of this business still further. A significant investment programme has commenced, designed both to improve operational efficiency and to meet the future business needs of customers. The company's strategic intent is to leverage its expertise and scale to diversify into the wider transaction processing market, notably in the areas of remittance processing, image services and electronic transaction processing.

DIRECTORS AND THEIR INTERESTS

The directors of the company are listed on page 1.

The directors at 31 December 2000 had no interests, nor options, in the ordinary share capital of the company at the beginning or end of the period. As permitted by Statutory Instrument 1985 No. 802 they are not required to disclose their interests and options in the ordinary share capital of the ultimate parent undertaking.

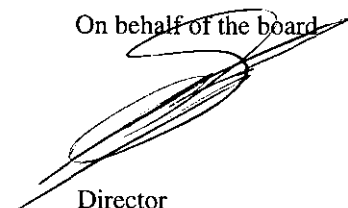
AUDITORS

Ernst & Young were appointed as first auditors of the company.

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of Ernst & Young as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Ernst & Young has stated that, during 2001, it is intending to transfer its business to a limited liability partnership, incorporated under the Limited Liability Partnership Act 2000, to be called Ernst & Young LLP. If this happens, it is the current intention of the Directors to use their statutory powers to treat the appointment of Ernst & Young as extending to Ernst & Young LLP.

On behalf of the board



Director

Intelligent Processing Solutions Limited (formerly Alnery No.2043 Limited)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, 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 accounts; and
- prepare the accounts 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 to enable them to ensure that the accounts 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.

REPORT OF THE AUDITORS

to the members of Intelligent Processing Solutions Limited

We have audited the accounts on pages 5 to 10, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

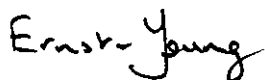
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 2000 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Registered Auditor
Reading

19 April 2001

Intelligent Processing Solutions Limited (formerly Alnery No.2043 Limited)

PROFIT AND LOSS ACCOUNT

For the 7 month period ended 31 December 2000

		<i>7 Month period to 31 December 2000</i>
	<i>Notes</i>	<i>£'000</i>
TURNOVER	2	7,968
Cost of sales		(4,607)
GROSS PROFIT		3,361
Administrative costs		(3,382)
OPERATING LOSS	3	(21)
Bank interest receivable		21
PROFIT RETAINED FOR THE FINANCIAL PERIOD		-

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the result for the period.

A statement of the movement on reserves can be found in note 9.

Intelligent Processing Solutions Limited (formerly Alnery No.2043 Limited)

BALANCE SHEET

At 31 December 2000

		2000
	Notes	£'000
CURRENT ASSETS		
Debtors	7	18,933
Cash		20,325
		<hr/>
		39,258
CREDITORS: amounts falling due within one year	8	21,758
		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		17,500
		<hr/>
CAPITAL AND RESERVES		
Called up share capital	9	-
Share premium account	10	17,500
Profit and loss account	11	-
		<hr/>
Equity shareholders' funds		17,500
		<hr/>

Approved by the board on

Director



Intelligent Processing Solutions Limited (formerly Alnery No.2043 Limited)

CASH FLOW STATEMENT

For the 7 month period ended 31 December 2000

	<i>7 Month period to 31 December 2000</i>	
	<i>Notes</i>	<i>£'000</i>
NET CASH INFLOW FROM OPERATING ACTIVITIES	11	20,311
RETURNS ON INVESTMENT AND SERVICING OF FINANCE		
Interest received		14
INCREASE IN CASH		<u>20,325</u>

The company has no debt. The cash inflow of £20,325,000 therefore represents the change in net debt in the period.

Intelligent Processing Solutions Limited (formerly Alnery No.2043 Limited)

NOTES TO THE ACCOUNTS

At 31 December 2000

1 ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date, and the resulting exchange differences are dealt with in the determination of the company's results for the financial year.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences, which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing difference will reverse.

Deferred tax assets are only recognised and carried forward if recovery without replacement by equivalent debit balances is reasonably certain.

2 TURNOVER

Turnover comprises the invoice value of goods and services supplied by the company to third parties and group companies, stated exclusive of value added tax.

The turnover and results before taxation are attributable to one continuing activity, the provision of cheque clearing and settlement services. Turnover is analysed by market below and is not materially different from turnover by destination:

	<i>7 Month period ended 31 December 2000 £'000</i>
United Kingdom	7,968

Turnover includes sales to other companies within the Unisys group of £1,426,000.

3 OPERATING LOSS

This is stated after charging:

	<i>7 Month period ended 31 December 2000 £'000</i>
Operating lease rentals – land and buildings	1
Auditors remuneration - audit services	3

Intelligent Processing Solutions Limited (formerly Alnery No.2043 Limited)

NOTES TO THE ACCOUNTS

At 31 December 2000

4 DIRECTORS' REMUNERATION AND STAFF COSTS

No director received any remuneration in respect of services to the company during the period.

5 STAFF COSTS

The company did not employ any staff during the period.

6 TAXATION

There was no tax on ordinary activities arising in the current period.

7 DEBTORS

	2000 £'000
Trade debtors	424
Amounts owed by group undertakings	18,502
Other debtors	7
	<u>18,933</u>

8 CREDITORS: amounts falling due within one year

	2000 £'000
Amounts owed to group undertakings	2,200
Accruals and deferred income	19,558
	<u>21,758</u>

9 SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	2000 No.	2000 £'000	2000 No.	2000 £'000
Ordinary shares of £1 each	200	-	200	-

During the year 49 ordinary shares of 100p each were issued to Lloyds TSB Bank plc, Barclays Investment Growth (Isle of Man) Limited and Unisys Limited. Unisys Limited then purchased a further 53 ordinary shares of 100p each, at a premium of £17,499,947.

Intelligent Processing Solutions Limited (formerly Alnery No.2043 Limited)

NOTES TO THE ACCOUNTS

At 31 December 2000

10 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital £'000</i>	<i>Share premium account £'000</i>	<i>Profit and loss account £'000</i>	<i>Total £'000</i>
Issuance of shares	-	17,500	-	17,500
Result for the period	-	-	-	-
At 31 December 2000	-	17,500	-	17,500

11 RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<i>7 month period ended 31 December 2000 £'000</i>
Operating loss	(21)
Increase in operating debtors	(1,426)
Increase in operating creditors	21,758
	20,311

12 TRANSACTIONS WITH DIRECTORS

No director had any interest in any transaction carried out by the company during the period.

13 TRANSACTIONS WITH RELATED PARTIES

There were no transactions during the period with related parties that require disclosure under FRS8.

14 ULTIMATE PARENT UNDERTAKING

The parent undertaking for the largest group of undertakings for which group accounts are drawn up and of which the company is a member is Unisys Corporation incorporated in the State of Delaware, United States of America. Unisys Corporation is a public company listed on the New York Stock Exchange. The directors consider Unisys Corporation to be the company's controlling party and is the ultimate parent company.

The parent undertaking of the smallest such group and immediate parent company is Unisys Limited registered in England. Accounts of both companies are available from the Company Secretary, Unisys Limited, Bakers Court, Bakers Road, Uxbridge, Middlesex, UB8 1RG.