

MVI Systems Limited

Directors' Report and Financial Statements

Year Ended 30 September 2003

Registered Number: 4043172



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DIRECTORS AND OTHER INFORMATION

Board of Directors

Appian Technology plc

Secretary and Registered Office

D Hearn
Appian House
Unit 4
Wessex Road
Bourne End
Buckinghamshire
SL8 5DT

Registered Number: 4043172

Solicitors

TLT
One Redcliff Street
Bristol
BS99 7JZ

Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
George's Quay
Dublin 2

DIRECTORS' REPORT

The directors submit their report together with the audited financial statements for the year ended 30 September 2003.

Statement of directors' responsibilities

Company law requires the directors' to prepare financial statements for each financial year that 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 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 30 September 2003 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial situation 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.

Books of account

The measures taken to secure compliance with the company's obligations to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons. The books of account are kept at the company's premises at Appian House, Unit 4, Wessex Road, Bourne End, Buckinghamshire, SL8 5DT.

Principal activities and review of the business

The company was formed to protect the name "MVI Systems", but since incorporation the company has not traded.

Subsequent events

There have been no material events since the balance sheet date.

Health and safety

It is the policy of the company to ensure the health and welfare of its employees by maintaining a safe place and system of work. This policy, which is set out in the safety statement required by the Safety, Health and Welfare at Work Act, 1989 is in place.

Directors

The names of the persons who were directors at any time during the year ended 30 September 2003 are set out below.

P Ryan	(resigned 18 July 2003)
M Duffin	(resigned 18 July 2003)
Appian Technology plc	(appointed 18 July 2003)

Directors' and secretary's shareholdings

The directors and secretary in office at 30 September 2003 have no beneficial interests, including family interests, in the share capital of the company. Their interest in the company's parent Appian Technology plc at 30 September 2003 is shown in the financial statements of Appian Technology plc. A copy of these accounts are available on request from Appian House, Unit 4, Wessex Road, Bourne End, Buckinghamshire, SL8 5DT.

DIRECTORS' REPORT - continued

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the board



D. Hearn

16 February 2004

PricewaterhouseCoopers

P.O. Box 1283

George's Quay

Dublin 2

Telephone +353 (0) 1 678 9999

Facsimile +353 (0) 1 704 8600

Internet www.pwc.com/ie**Independent auditors report to the members of MVI Systems Limited**

We have audited the financial statements which comprise the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the 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 generally 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 if in 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.

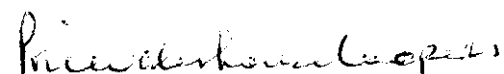
Basis of audit opinion

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 30 September 2003 and have been properly prepared in accordance with the Companies Act 1985.

**PricewaterhouseCoopers****Chartered Accountants and Registered Auditors**

Dublin

16 February 2004

ACCOUNTING POLICIES

The significant accounting policies adopted by the company are as follows:

Basis of accounting

The financial statements are prepared under the historical cost convention in accordance with applicable accounting standards generally accepted in the UK. Accounting standards generally accepted in the UK in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants of England and Wales and issued by the Accounting Standards Board.

BALANCE SHEET

30 September 2003

	Notes	2003 Stg£	2002 Stg£
Current assets			
Amounts due from Group Undertakings		<u>2</u>	<u>2</u>
Net current assets		<u>2</u>	<u>2</u>
Total assets less current liabilities		<u>2</u>	<u>2</u>
Capital and reserves			
Called up share capital	3	2	2
Profit and loss account		<u>-</u>	<u>-</u>
Equity shareholders' funds	4	<u>2</u>	<u>2</u>

On behalf of the board

P Ryan

D Hearn

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting period

The financial statements have been prepared for the year ended 30 September 2003.

2 Holding company

The parent and ultimate parent undertaking is Appian Technology plc, which is incorporated in the United Kingdom. Group financial statements are prepared for Appian Technology plc and can be obtained from its premises at Appian House, Unit 4, Wessex Road, Bourne End, Buckinghamshire, SL8 5DT.

The company has availed of the exemptions in Financial Reporting Standard No 8 - "Related Party Disclosures" of disclosing transactions with entities within Appian Technology plc group, whose group financial statements are publicly available.

3 Share capital

	Authorised Stg£	Allotted and fully paid Stg£
At 30 September 2002 and 2003, ordinary shares of £1 each	<u>100</u>	<u>2</u>

4 Reconciliation of movement in shareholder funds

	Share capital Stg£
At 30 September 2002 and 2003	<u>2</u>

5 Approval of the financial statements

The directors approved the financial statements on 16 February 2004.