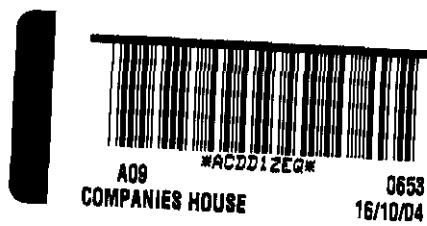


**Company Registration Number 4314360**

**MISYS PORTFOLIO HOLDINGS LIMITED**

**Report and Financial Statements**

**For the Year Ended 31 May 2004**



# MISYS PORTFOLIO HOLDINGS LIMITED

## DIRECTORS' REPORT

The Directors present their annual report and audited financial statements for the year ended 31 May 2004.

### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company acts as a holding and finance company within the Misys Group. No significant change in the activities of the Company is envisaged in the forthcoming year. The Directors believe that the Company has operated satisfactorily during the period.

### RESULTS AND DIVIDENDS

The results of the Company for the year are set out in detail on page 5. No interim dividend was paid (2003 : £nil). The Directors do not recommend the payment of a final dividend (2003 : £nil).

### DIRECTORS AND THEIR INTERESTS

#### Interest in Shares

The Directors of the Company 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	
		2004	2003
		(or date of appointment)	
J Cook		10,660	10,716
R L Ham		18,492	7,320
H Evans	(appointed 7 April 2004)	*	96,210
J P McMahon	(appointed 7 April 2004)	*	85,562

\* H Evans and J P McMahon are Directors of the ultimate parent company, Misys plc, and their interest in shares, share options and share plans are shown in the financial statements of that company.

R K Graham was a director of the Company from the beginning of the year until his resignation on 7 April 2004.

#### Interest in Share Options Schemes

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

	2003	Granted in year	Exercised in year	Lapsed in year	2004
J Cook	108,593	33,892	-	-	142,485
R L Ham	158,966	115,936	14,238	-	260,664

The 115,936 options shown above were granted to R L Ham as follows :

- 50,000 granted on 23 July 2003 at 264p under the Misys 2000 Share option Plan
- 50,000 granted on 9 March 2004 at 198p under the Misys 2000 Share option Plan
- 13,166 granted on 23 July 2003 at nil under the Misys Annual Award Plan
- 2,770 granted on 19 August 2003 at 211p under the Misys 2001 Sharesave Scheme

The 33,892 options shown above were granted to J Cook as follows :

- 30,000 granted on 23 July 2003 at 264p under the Misys 2000 Share option Plan
- 3,892 granted on 19 August 2003 at 211p under the Misys 2001 Sharesave Scheme

**MISYS PORTFOLIO HOLDINGS LIMITED  
DIRECTORS' REPORT**

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During the year R L Ham exercised 14,238 options with an option price of nil on 6 November 2003 when the Market Value of a Misys share was 299p.

None of the Directors held options which lapsed during the year.

Full details of the Share Option Schemes included above can be found in the Annual Report of the ultimate parent company, Misys plc, which is publicly available.

**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 30 September 2004 and signed on its behalf by

A handwritten signature in black ink, appearing to be 'RLH', written in a cursive style.

R L HAM, Director

**MISYS PORTFOLIO HOLDINGS LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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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 period 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 that disclose with reasonable accuracy at any time the financial position of the Company;

Safeguard the assets of the Company;

Take reasonable steps to prevent and detect fraud and other irregularities; and,

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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF  
MISYS PORTFOLIO HOLDINGS LIMITED**

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We have audited the financial statements which comprise the profit and loss account, the balance sheet and 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 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 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.

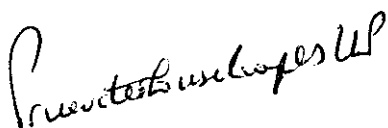
**Basis of audit opinion**

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 31 May 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London

30 September 2004

**MISYS PORTFOLIO HOLDINGS LIMITED**  
**PROFIT AND LOSS ACCOUNT**

Year Ended 31 May 2004

	Note	2004 £000	2003 £000
Other operating charges		(2)	-
<b>OPERATING LOSS</b>	2	(2)	-
Income from shares in group undertakings and similar income		37,500	50,000
Net interest payable	3	(50,943)	(51,791)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(13,445)	(1,791)
Tax credit on loss on ordinary activities	4	15,007	15,150
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED PROFIT FOR THE YEAR</b>	10	<u>1,562</u>	<u>13,359</u>

All operations are continuing. There were no gains or losses for the year apart from those disclosed in the profit and loss account, accordingly, no statement of total recognised gains and losses is given.


There are no differences between the loss on ordinary activities before taxation and the retained profit for the financial years stated above and their historical cost equivalents.

**MISYS PORTFOLIO HOLDINGS LIMITED**  
**BALANCE SHEET**

**31 May 2004**

	Note	2004 £000	2003 £000
<b>FIXED ASSETS</b>			
Investments	5	750,000	750,000
<b>CURRENT ASSETS</b>			
Debtors	6	76,458	61,945
<b>CREDITORS: amounts falling due within one year</b>	7	(17,393)	(17,302)
<b>NET CURRENT ASSETS</b>		<u>59,065</u>	<u>44,643</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>809,065</u>	<u>794,643</u>
<b>CREDITORS: amounts falling due after more than one year</b>	8	(750,000)	(750,000)
		<u><u>59,065</u></u>	<u><u>44,643</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	52,275	39,415
Profit and loss account	10	6,790	5,228
<b>EQUITY SHAREHOLDER'S FUNDS</b>	11	<u><u>59,065</u></u>	<u><u>44,643</u></u>

Approved by the Board of Directors on 30 September 2004 and signed on its behalf by



R L Ham  
Director

**MISYS PORTFOLIO HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 May 2004**

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**1. ACCOUNTING POLICIES**

The Company is a wholly owned subsidiary of Misys plc and its results, assets and liabilities are included in the consolidated financial statements of that company, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 (revised 1996).

**Accounting convention**

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

**Foreign currencies**

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

**Investments**

Investments held as fixed assets are stated at cost less provision considered necessary for any impairment. The need for any impairment write-down is assessed by comparison of the carrying value of the asset against the higher of net realisable value or value in use. The value in use is determined from estimated discounted future cash flows. Discount rates used are based on cost of capital.

**Derivative financial instruments**

Derivative financial instruments are used solely by the Company to reduce or eliminate foreign exchange or interest rate risks for the Misys plc group. Derivative instruments used include interest rate swaps. Derivative instruments are considered to be hedges because they are used to reduce the risk profile of an existing underlying exposure in accordance with Misys Group's risk management policies. When instruments are used for hedging purposes, the instrument's impact on profit is deferred until the underlying hedged item is recognised in the profit and loss account. In the Company's accounts the impact of interest rate swaps is recognised in the profit and loss account as the interest accrues.

**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 substantially enacted at the balance sheet date.

**2. OPERATING LOSS**

Auditors' remuneration has been borne by a fellow subsidiary undertaking during both the current and prior year. The Company does not have any employees. The Directors received no remuneration in respect of qualifying services.



**MISYS PORTFOLIO HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 May 2004**

**3. NET INTEREST PAYABLE**

	<b>2004</b>	<b>2003</b>
	<b>£000</b>	<b>£000</b>
External interest receivable	19,144	20,864
Interest receivable from group undertakings	560	7
External interest payable	(15,296)	(17,462)
Interest payable to group undertakings	(55,351)	(55,200)
	<u>(50,943)</u>	<u>(51,791)</u>

**4. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES**

	<b>2004</b>	<b>2003</b>
	<b>£000</b>	<b>£000</b>
Tax credit on loss on ordinary activities	<u>15,007</u>	<u>15,150</u>

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

Loss on ordinary activities before tax	<u>13,445</u>	<u>1,791</u>
Tax on loss on ordinary activities at the standard rate of UK corporation tax of 30%	4,034	537
Dividends from UK subsidiaries not taxable	11,250	15,000
Non deductible expenditure	(277)	-
Other adjustments	-	(387)
Current tax credit for the period	<u>15,007</u>	<u>15,150</u>

The Company has surrendered the benefit of tax losses to another group company for consideration of £15,007,000.

There is an unprovided deferred tax asset at 31 May 2004 of £2,570,000 (2003 : £2,570,000).

**5. INVESTMENTS**

	<b>Shares in group undertakings £000</b>
<b>Cost and net book value</b>	
At 1 June 2003	750,000
Additions	-
At 31 May 2004	<u>750,000</u>

The Company's investments comprise 25% of the ordinary share capital of Misys Group Holding Limited, registered in England. This company is a holding company within the Misys Group. In the opinion of the Directors, the value of the Company's investment is not less than the recoverable amount.

**MISYS PORTFOLIO HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 May 2004**

**6. DEBTORS**

	2004	2003
	£000	£000
Amounts owed by group undertakings falling due within one year	56,923	41,867
Other debtors	4,528	4,928
Corporation tax debtor	15,007	15,150
	<u>76,458</u>	<u>61,945</u>

The corporation tax debtor represents payments due from other group companies for group relief.

**7. CREDITORS: Amounts falling due within one year**

	2004	2003
	£000	£000
Bank overdraft	1	51
Accruals	3,930	3,791
Amounts owed to group undertakings	13,462	13,460
	<u>17,393</u>	<u>17,302</u>

**8. CREDITORS: Amounts falling due after one year**

	2004	2003
	£000	£000
Amounts due to group undertakings	750,000	750,000
	<u>750,000</u>	<u>750,000</u>

The loan is interest bearing at a fixed rate of 7.36% with a maturity date of 3 December 2006.

**9. CALLED UP SHARE CAPITAL**

	2004	2003
	£000	£000
<b>Authorised</b>		
200,000,000 Ordinary shares of £100 each	20,000,000	20,000,000
<b>Allotted, issued and partly paid</b>		
1,500,001 Ordinary shares of £100 each	52,275	39,415

Cash calls of £12,860,000 (2003: £26,400,000) were made on the partly paid share capital in March 2004.

**10. PROFIT AND LOSS ACCOUNT RESERVE**

	£000
At 1 June 2003	5,228
Loss for the year	1,562
At 31 May 2004	<u>6,790</u>

**MISYS PORTFOLIO HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year Ended 31 May 2004**

**11. RECONCILIATION OF SHAREHOLDER'S FUNDS**

	<b>2004</b>	<b>2003</b>
	<b>£000</b>	<b>£000</b>
Opening shareholder's funds	44,643	4,884
Calls on share capital during the year	12,860	26,400
(Loss) / Profit for the year	1,562	13,359
Closing shareholder's funds	<u>59,065</u>	<u>44,643</u>

**12. ULTIMATE PARENT COMPANY AND GROUP TRANSACTIONS**

The Company's ultimate parent company and controlling party is Misys plc, a company registered in England and Wales. 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.