

Misys Eagleye Limited

Registered numbered: (4205366)

Annual Report For the year ended 31 May 2005



Misys Eagleye Limited

Directors' Report For the year ended 31 May 2005

The Directors present their report and audited financial statements of the Company for the year ended 31 May 2005.

Principal activities

The principal activity of the Company is to develop and sell regulatory software to the capital markets industry.

Review of the business

The Eagleye product that is currently being developed has now been successfully sold and the Directors expect further sales of the product to follow in the future.

Results and dividends

The Company's loss for the financial year is £451,000 (period ending 31 May 2004: £800,000 loss) No interim dividend was paid during the year (period ending 31 May 2004: nil). The directors do not recommend the payment of a final dividend (period ending 31 May 2004: nil). The results of the company are set out on page 5.

Going concern

The company is trading at a loss and has a deficiency of capital. A letter of support has been received from Misys Plc, the immediate and ultimate parent company, stating that this company will provide continuing financial support as necessary to enable the company to meet its obligations as and when they fall due for a period of at least 12 months from the date of this report. Accordingly, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

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	
	2005	2004
K G Hughes	10,773	10,707
C T Pedder	4,916	-
R L Ham (appointed 14 October 2004)	25,598	18,492

B Moloney resigned as a director on 14 October 2004.

Misys Eagleye Limited

Directors' Report

For the year ended 31 May 2005 (Continued)

Interests in Share Option Schemes

The options held by Directors over ordinary 1p shares in Misys Plc were as follows:

	2004 (or date of appointment if later)	Granted in Year	Exercised in Year	Lapsed in Year	2005
K G Hughes	139,565	20,000	-	42,723	116,842
C T Pedder	125,000	106,666	-	-	231,666
R L Ham (appointed 14 October 2004)	263,844	40,000	-	-	303,844

Interest in Share Plans

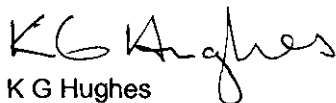
No interests in share plans were held by Directors over ordinary 1p shares in Misys Plc as at 31 May 2005. (2004:nil)

Full details of the Misys Plc Share options Schemes and Share plans mentioned 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 20 December 2005 and signed on its behalf by:



K G Hughes
Director

Misys Eagleye Limited

Directors' Report

For the year ended 31 May 2005 (Continued)

Statement of Directors' Responsibilities

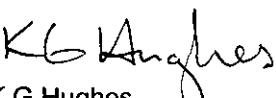
The Directors are responsible for preparing the annual report, including as described below, the financial statements.

Company law requires the Directors to prepare financial statements for each financial year 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 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 2005 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 position 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.

Approved by the Board of Directors on 20 December 2005 and signed on its behalf by:


K G Hughes
Director

Misys Eagleye Limited Independent Auditors' Report To The Members Of Misys Eagleye Limited

We have audited the financial statements which comprise the profit and loss account, 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 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 in to 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.

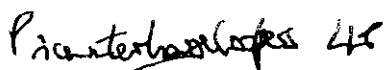
Basis of audit opinion

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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of company at 31 May 2005 and of the loss of the company 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
20 December 2005

Misys Eagleye Limited

Profit and loss account for the year ended 31 May 2005

	<i>Note</i>	12 months ended 31 May 2005 £'000	9 months ended 31 May 2004 £'000
Turnover		40	70
Cost of sales		(2)	-
Gross profit		38	70
Administrative expenses		(714)	(1,270)
Operating loss and loss on ordinary activities before tax	3	(676)	(1,200)
Tax on loss on ordinary activities	6	225	400
Retained loss for the financial year	11	(451)	(800)

The results for the year reflect trading from continuing operations.

There are no gains or losses for the financial periods other than the losses for the financial periods stated above. Accordingly, no statement of total recognised gains and losses is given.

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

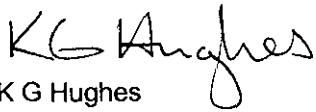
The notes to the Financial Statements are on pages 7 to 13.

Misys Eagleye Limited

Balance sheet as at 31 May 2005

	Note	As at 31 May 2004	As at 31 May 2005
Fixed assets			
Tangible fixed assets	7	17	29
Current assets			
Debtors	8	232	426
Cash at bank and in hand		27	110
		259	536
Creditors: amounts falling due within one year	9	(3,965)	(3,803)
Net current liabilities		(3,706)	(3,267)
Total assets less current liabilities and net liabilities		(3,689)	(3,238)
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	(3,690)	(3,239)
Equity shareholders' deficit	12	(3,689)	(3,238)

Approved by the Board of Directors on 20 December 2005 and signed on its behalf by:


K G Hughes
Director

Misys Eagleye Limited

Notes to the Financial Statements For the year ended 31 May 2005

1 Accounting Policies

a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 1985. The principal accounting policies are set out below.

b) Going concern

The company is trading at a loss and has a deficiency of capital. A letter of support has been received from Misys Plc, the immediate and ultimate parent company, stating that this company will provide continuing financial support as necessary to enable the company to meet its obligations as and when they fall due for a period of at least 12 months from the date of this report. Accordingly, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

c) Revenue recognition

Turnover arising from the sale of software and related services represents amounts invoiced to customers for goods and services in the year, net of sales taxes.

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. 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.

d) Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis so as to write off the cost less estimated residual value of each asset, over its expected useful life. The rates applied from the date of purchase are:

Leasehold improvements	Over the term of the lease
Office furniture and other equipment	10% - 25% per annum
Motor vehicles	10% - 25% per annum

e) Deferred taxation

Deferred tax 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.

Misys Eagleye Limited

Notes to the Financial Statements

For the year ended 31 May 2005 (Continued)

1 Accounting Policies (Continued)

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.

f) Research and development

Research and development expenditure, including the costs of software products internally developed, is expensed in the year in which it is incurred.

g) Pensions

The Company participates in the Misys plc defined contribution pension schemes. These contributions are determined on a Misys Group basis and charged to the profit and loss account as incurred.

h) Foreign exchange

Transactions in foreign currencies are translated at the rate ruling at the date of each transaction or at rates specified in related forward contracts. Exchange differences arising from settlement of trading indebtedness are included in the profit and loss account as incurred.

i) Cash flow statements

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 cash flow statement prepared in accordance with Financial Reporting Standard 1 (FRS 1). The company has, therefore, taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

2 Segmental reporting

No geographical analysis has been presented as turnover derives from sales in Europe only.

3 Operating loss

Operating loss is stated after charging:

	12 months ended 31 May 2005 £'000	9 months ended 31 May 2004 £'000
Depreciation of fixed assets		
- owned assets	14	6
Auditor's remuneration – audit services	7	3

Misys Eagleye Limited

Notes to the Financial Statements For the year ended 31 May 2005 (Continued)

4 Employees

	12 months ended 31 May 2005 Number	9 months ended 31 May 2004 Number
The average number employed by the Company was:		
Sales and administration	1	2
Programming and support	7	9
	8	11

	12 months ended 31 May 2005 Number	9 months ended 31 May 2004 Number
Employee costs during the year amounted to:		
Wages and salaries	481	644
Social security costs	63	76
Other pensions costs	4	-
	548	720

5 Directors' remuneration

	12 months ended 31 May 2005	9 months ended 31 May 2004
Directors' emoluments	-	169

The emoluments of the highest paid Director were nil in the year (period ending 31 May 2004: £112,323). The Company did not contribute to any retirement benefit scheme of the Directors.

Details of share options granted to the Directors can be found in the Directors' Report. No director exercised any option during the period (9 months ended 31 May 2004: £nil).

Misys Eagleye Limited

Notes to the Financial Statements For the year ended 31 May 2005 (Continued)

6 Tax on loss on ordinary activities

(a) Analysis of tax credit in the period

	12 months ended 31 May 2005 £'000	9 months ended 31 May 2004 £'000
Current tax:		
UK corporation tax on loss for the year	225	400

The tax assessed for the period is higher than the standard rate of corporation tax based on loss before tax for the following reasons:

(b) Factors affecting the tax credit in the period

	12 months ended 31 May 2005 £'000	9 months ended 31 May 2004 £'000
Loss on ordinary activities before taxation	(676)	(1,200)
Tax on loss on ordinary activities at the standard rate of UK tax of 30%	203	360
Effects of:		
Non provided timing differences	13	(12)
Tax losses surrendered to Group company for which no payment was received	-	-
Non deductible expenditure	(1)	-
UK research and development tax credit	10	52
Current tax credit for the period (note 6 (c))	225	400

The deferred tax asset on pre-acquisition losses carried forward of £511,000 has not been recognised as there is insufficient evidence the asset will be recoverable. Further deferred tax assets of £10,000 arising from other timing differences have not been recognised as their use is uncertain or is not currently anticipated due to losses elsewhere within the Group.

Misys Eagleye Limited

Notes to the Financial Statements For the year ended 31 May 2005 (Continued)

7 Tangible fixed assets

	Leasehold Improvements	Furniture, fixtures and fittings	Total
	£'000	£'000	£'000
Cost			
At 1 June 2004	9	33	42
Additions	-	2	2
Disposals	-	(5)	(5)
At 31 May 2005	9	30	39
Depreciation			
At 1 June 2004	2	11	13
Charge for the year	3	11	14
Disposals	-	(5)	(5)
At 31 May 2005	5	17	22
Net book value			
At 31 May 2005	4	13	17
At 31 May 2004	7	22	29

8 Debtors

	31 May 2005 £'000	31 May 2004 £'000
Trade debtors	-	23
Corporation tax	225	400
Indirect tax	-	3
Prepayments	7	-
	232	426

Misys Eagleye Limited

Notes to the Financial Statements For the year ended 31 May 2005 (Continued)

9 Creditors: amounts falling due within one year

	31 May 2005 £'000	31 May 2004 £'000
Trade creditors	-	41
Amounts due to group undertakings	3,926	3,551
Deferred income	2	-
Accruals	37	211
	<u>3,965</u>	<u>3,803</u>

Amounts due to group undertakings are unsecured, do not attract interest and are repayable on demand.

10 Share capital

	31 May 2005 £'000	31 May 2004 £'000
Authorised		
1,000,000 Ordinary shares of 10 pence each	100	100
Allotted and fully paid		
15,260 Ordinary shares of 10 pence each	1	1

11 Reserves

	Profit and loss account £'000
As at 1 June 2004	(3,239)
Retained loss for the year	(451)
As at 31 May 2005	<u>(3,690)</u>

Misys Eagleye Limited

Notes to the Financial Statements

For the year ended 31 May 2005 (Continued)

12 Reconciliation of Shareholders' Funds

	31 May 2005 £'000	31 May 2004 £'000
Loss for the financial year	(451)	(800)
Opening Shareholders Funds	(3,238)	(2,438)
Closing Shareholders Funds	(3,689)	(3,238)

13 Ultimate parent company

The parent company of both the largest and smallest group in which Misys Eagleye Limited is included in consolidated accounts is that of Misys plc.

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 CF14 3UZ.

The Company has taken advantage of the exemption under FRS8 Related Party Transactions not to disclose related party transactions with group undertakings since Misys Plc is the beneficial owner of all of the equity share capital of the Company.