

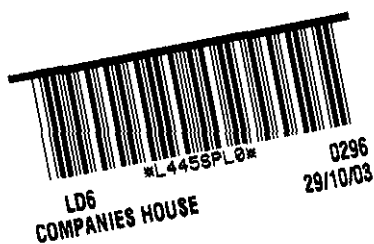
**REGISTRAR OF  
COMPANIES**

**Temenos UK Limited**

Report and Financial Statements

Year ended

31 December 2002



**BDO**

BDO Stoy Hayward  
Chartered Accountants

# **TEMENOS UK LIMITED**

## **Annual report and financial statements for the year ended 31 December 2002**

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Directors

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### **Directors**

A Andreades  
K Goodall  
D Arnott

### **Secretary and registered office**

K Goodall, 5<sup>th</sup> Floor, 71 Fenchurch Street, London, EC3M 4TD.

### **Company number**

1972767

### **Auditors**

BDO Stoy Hayward, 8 Baker Street, London, W1U 3LL.

## **TEMENOS UK LIMITED**

### **Report of the directors for the year ended 31 December 2002**

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The directors present their report together with the audited financial statements for the year ended 31 December 2002.

#### **Results and dividends**

The profit and loss account is set out on page 5 and shows the loss for the year.

The directors do not recommend payment of a dividend (2001 - £Nil).

#### **Principal activities, trading review and future developments**

The principal activity of the company is the provision of software implementation support services to Temenos clients in the United Kingdom and overseas as well as the provision of software development and marketing support services to other Temenos Group companies.

#### **Directors**

The directors of the company during the year were:

A Andreades  
J Koukis (resigned 31 January 2003)  
K Goodall

No director had any beneficial interest in the shares of the company as defined by the Companies Act 1985.

D Arnott was appointed as a director on 6 May 2003.

#### **Directors' responsibilities**

Company law requires the directors to prepare financial statements 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 financial statements, 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 financial statements; and
- prepare the financial statements 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 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.

## TEMENOS UK LIMITED

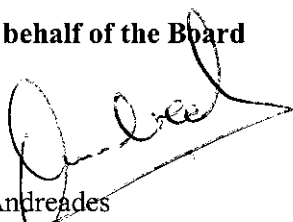
### Report of the directors for the year ended 31 December 2002 (*Continued*)

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#### Employees

The management of the company is committed to involving employees through regular consultation and communication of matters relevant to them. The company is committed to a policy of recruitment and promotion based upon aptitude and ability. Management pursues the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by the company.

On behalf of the Board



A Andreades  
Director

Date

22/8/2003

## **TEMENOS UK LIMITED**

### **Report of the independent auditors**

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#### **To the shareholders of Temenos UK Limited**

We have audited the financial statements of Temenos UK Limited for the year ended 31 December 2002 on pages 5 to 16 which have been prepared under the accounting policies set out on pages 7 and 8.

#### *Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom 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.

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 with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *Basis of audit opinion*

We conducted our audit in accordance with United Kingdom 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.

**TEMENOS UK LIMITED**

**Report of the independent auditors (*Continued*)**

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*Opinion*

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*BDO Stoy Hayward*

**BDO STOY HAYWARD**

*Chartered Accountants  
and Registered Auditors  
London*

Date *29 August 2003*

**TEMENOS UK LIMITED****Profit and loss account for the year ended 31 December 2002**

|                                                                |             | <b>Year ended<br/>31 December<br/>2002<br/>£'000</b> | <b>18 months<br/>ended<br/>31 December<br/>2001<br/>£'000</b> |
|----------------------------------------------------------------|-------------|------------------------------------------------------|---------------------------------------------------------------|
|                                                                | <b>Note</b> |                                                      |                                                               |
| <b>Turnover</b>                                                | 2           | <b>30,599</b>                                        | 46,271                                                        |
| Administrative expenses                                        |             | <b>(32,750)</b>                                      | (44,688)                                                      |
|                                                                |             |                                                      |                                                               |
| <b>Operating (loss)/profit</b>                                 | 3           | <b>(2,151)</b>                                       | 1,583                                                         |
| Other interest receivable and similar income                   | 4           | <b>13</b>                                            | 29                                                            |
| Interest payable and similar charges                           | 5           | <b>(19)</b>                                          | (20)                                                          |
|                                                                |             |                                                      |                                                               |
| <b>(Loss)/profit on ordinary activities before taxation</b>    |             | <b>(2,157)</b>                                       | 1,592                                                         |
| Taxation on (loss)/profit on ordinary activities               | 8           | <b>(33)</b>                                          | (319)                                                         |
|                                                                |             |                                                      |                                                               |
| <b>(Loss)/profit on ordinary activities<br/>after taxation</b> | 16          | <b>(2,190)</b>                                       | 1,273                                                         |

All recognised gains and losses are included in the profit and loss account.

There is no movement in shareholders' funds other than the result for the year.

All amounts in both the current and preceding period relate to continuing activities.

The notes on pages 7 to 16 form part of these financial statements.

# TEMENOS UK LIMITED

## Balance sheet at 31 December 2002

|                                                                | Note | 2002<br>£'000 | 2002<br>£'000 | 2001<br>£'000 | 2001<br>£'000 |
|----------------------------------------------------------------|------|---------------|---------------|---------------|---------------|
| <b>Fixed assets</b>                                            |      |               |               |               |               |
| Tangible assets                                                | 9    |               | 2,387         |               | 2,909         |
| <b>Current assets</b>                                          |      |               |               |               |               |
| Debtors                                                        | 10   | 13,959        |               | 13,954        |               |
| Cash at bank and in hand                                       |      | 635           |               | 2,278         |               |
|                                                                |      | <u>14,594</u> |               | <u>16,232</u> |               |
| <b>Creditors: amounts falling due within one year</b>          | 11   | <u>15,291</u> |               | <u>15,220</u> |               |
| <b>Net current (liabilities)/assets</b>                        |      |               | (697)         |               | 1,012         |
| <b>Total assets less current liabilities</b>                   |      |               | <u>1,690</u>  |               | <u>3,921</u>  |
| <b>Creditors: amounts falling due after more than one year</b> | 12   |               | <u>5</u>      |               | <u>46</u>     |
|                                                                |      |               | <u>1,685</u>  |               | <u>3,875</u>  |
| <b>Capital and reserves</b>                                    |      |               |               |               |               |
| Called up share capital                                        | 14   |               | 2,199         |               | 2,199         |
| Share premium account                                          | 15   |               | 816           |               | 816           |
| Profit and loss account                                        | 15   |               | (1,330)       |               | 860           |
| <b>Shareholders' funds – equity</b>                            |      |               | <u>1,685</u>  |               | <u>3,875</u>  |

The financial statements were approved by the Board on 22/8/2003

A Andreades  
Director

The notes on pages 7 to 16 form part of these financial statements.

## TEMENOS UK LIMITED

### Notes forming part of the financial statements for the year ended 31 December 2002

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#### 1 Accounting policies

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

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cash flow statement because more than 90% of its voting rights are controlled by Temenos Group AG which produces publicly available consolidated financial statements in which the company is a member.

During the year the company has adopted FRS 19 'Deferred Tax' for the first time. The effect on the financial statements of applying this policy is shown in note 13.

The following principal accounting policies have been applied:

##### *Turnover*

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

##### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, evenly over their expected useful lives. It is calculated at the following annual rates:

|                                  |                                                                   |
|----------------------------------|-------------------------------------------------------------------|
| Leasehold improvements           | - Over the period of the lease up to a maximum period of 10 years |
| Computer equipment               | - 33⅓% on cost                                                    |
| Fixtures, fittings and equipment | - 10-20% on cost                                                  |
| Motor vehicles                   | - 25% on cost                                                     |

##### *Foreign currency translation*

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

##### *Pensions*

The pension costs charged in the financial statements represent the contributions payable by the company during the year in respect of the company's defined contribution scheme.

##### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

##### *Leased assets*

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

# TEMENOS UK LIMITED

## Notes forming part of the financial statements for the year ended 31 December 2002 (Continued)

### 1 Accounting policies (Continued)

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

### 2 Turnover

|                            | Year ended<br>31 December<br>2002<br>£'000 | 18 months<br>ended<br>31 December<br>2001<br>£'000 |
|----------------------------|--------------------------------------------|----------------------------------------------------|
| <b>Geographical market</b> |                                            |                                                    |
| Europe (including UK)      | 27,577                                     | 41,637                                             |
| Africa                     | 46                                         | 698                                                |
| Asia/Pacific               | 2,918                                      | 1,680                                              |
| The Americas               | 58                                         | 2,057                                              |
| Other                      | -                                          | 199                                                |
|                            | <u>30,599</u>                              | <u>46,271</u>                                      |

### 3 Operating (loss)/ profit

|                                                      | Year ended<br>31 December<br>2002<br>£'000 | 18 months<br>ended<br>31 December<br>2001<br>£'000 |
|------------------------------------------------------|--------------------------------------------|----------------------------------------------------|
| This has been arrived at after charging/(crediting): |                                            |                                                    |
| Depreciation                                         | 758                                        | 890                                                |
| Profit on disposal of fixed assets                   | -                                          | (5)                                                |
| Auditors' remuneration – audit services              | 25                                         | 25                                                 |
| (Profit)/loss on foreign currency                    | (469)                                      | 9                                                  |
| Operating lease rentals - plant and machinery        | 313                                        | 220                                                |
| - other                                              | 1,926                                      | 1,628                                              |
|                                                      | <u>1,926</u>                               | <u>1,628</u>                                       |

Depreciation includes £27,000 (2001 - £74,000) charged on assets held under finance leases and hire purchase contracts.

**TEMENOS UK LIMITED**

**Notes forming part of the financial statements for the year ended 31 December 2002 (Continued)**

**4 Other interest receivable and similar income**

|               | Year ended<br>31 December<br>2002<br>£'000 | 18 months<br>ended<br>31 December<br>2001<br>£'000 |
|---------------|--------------------------------------------|----------------------------------------------------|
| Bank interest | 13                                         | 29                                                 |

**5 Interest payable and similar charges**

|                       | Year ended<br>31 December<br>2002<br>£'000 | 18 months<br>ended<br>31 December<br>2001<br>£'000 |
|-----------------------|--------------------------------------------|----------------------------------------------------|
| On bank overdrafts    | -                                          | 2                                                  |
| Finance lease charges | 4                                          | 10                                                 |
| Other interest        | 15                                         | 8                                                  |
|                       | <u>19</u>                                  | <u>20</u>                                          |

**6 Employees**

|                                                                                       | Year ended<br>31 December<br>2002<br>£'000 | 18 months<br>ended<br>31 December<br>2001<br>£'000 |
|---------------------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------------|
| Staff costs consist of:                                                               |                                            |                                                    |
| Wages and salaries                                                                    | 12,523                                     | 16,128                                             |
| Social security costs                                                                 | 1,264                                      | 1,698                                              |
| Other pension costs (see note 18)                                                     | 850                                        | 1,040                                              |
|                                                                                       | <u>14,637</u>                              | <u>18,866</u>                                      |
| The average monthly number of employees, including directors,<br>during the year was: | Number                                     | Number                                             |
| Management and supervisory                                                            | 24                                         | 29                                                 |
| Other                                                                                 | 229                                        | 236                                                |
|                                                                                       | <u>253</u>                                 | <u>265</u>                                         |

# TEMENOS UK LIMITED

## Notes forming part of the financial statements for the year ended 31 December 2002 (Continued)

### 7 Directors

|                                                                   | Year ended<br>31 December<br>2002<br>£'000 | 18 months<br>ended<br>31 December<br>2001<br>£'000 |
|-------------------------------------------------------------------|--------------------------------------------|----------------------------------------------------|
| Directors' emoluments consist of:                                 |                                            |                                                    |
| Remuneration and other benefits                                   | 139                                        | 343                                                |
| Payments to defined contribution pension scheme                   | 9                                          | 14                                                 |
|                                                                   | <u>148</u>                                 | <u>357</u>                                         |
| Emoluments of the highest paid director:                          |                                            |                                                    |
| Emoluments                                                        | <u>93</u>                                  | <u>258</u>                                         |
| Amounts paid to the company's defined contribution pension scheme | <u>6</u>                                   | <u>8</u>                                           |

There were 2 (2001 – 2) directors in the company's defined contribution scheme during the year.

### 8 Taxation on (loss)/profit on ordinary activities

|                                     | Year ended<br>31 December<br>2002<br>£'000 | 18 months<br>ended<br>31 December<br>2001<br>£'000 |
|-------------------------------------|--------------------------------------------|----------------------------------------------------|
| a) Analysis of charge in period     |                                            |                                                    |
| Current tax                         |                                            |                                                    |
| UK current year taxation            | -                                          | 278                                                |
| Underprovision from previous period | <u>33</u>                                  | <u>41</u>                                          |
| UK Corporation tax                  | <u>33</u>                                  | <u>319</u>                                         |

The taxation charge for the year has been reduced by approximately £Nil (2001- £240,000) due to the availability of group relief.

# TEMENOS UK LIMITED

## Notes forming part of the financial statements for the year ended 31 December 2002 *(Continued)*

### 8 Taxation on (loss)/profit on ordinary activities (continued)

#### b) Factors affecting tax charge for the period

The tax charge for the period is higher than the standard rate of corporation tax in the UK of 30% (2001 – 30%). The differences are explained below:

|                                                                                         | Year ended<br>31 December<br>2002<br>£'000 | 18 months<br>ended<br>31 December<br>2001<br>£'000 |
|-----------------------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------------|
| (Loss)/ profit on ordinary activities before tax                                        | (2,157)                                    | 1,592                                              |
| Expected tax (credit)/charge at standard rate of UK corporation tax of 30% (2001 – 30%) | (647)                                      | 477                                                |
| Effects of:                                                                             |                                            |                                                    |
| Expenses not deductible for tax purposes                                                | 38                                         | 51                                                 |
| Foreign income                                                                          | (60)                                       | (7)                                                |
| Depreciation for period in excess of capital allowances                                 | 12                                         | (1)                                                |
| Group relief claimed                                                                    | -                                          | (242)                                              |
| Underprovision in previous period                                                       | 33                                         | 41                                                 |
| Losses not utilised                                                                     | 657                                        | -                                                  |
| Tax charge                                                                              | 33                                         | 319                                                |

Corporation tax losses have been carried forward for offset against future profits.

**TEMENOS UK LIMITED**

Notes forming part of the financial statements for the year ended 31 December 2002 (*Continued*)

**9 Tangible assets**

|                       | Leasehold<br>improvements<br>£'000 | Computer<br>equipment<br>£'000 | Fixtures,<br>fittings and<br>equipment<br>£'000 | Motor<br>vehicles<br>£'000 | Total<br>£'000 |
|-----------------------|------------------------------------|--------------------------------|-------------------------------------------------|----------------------------|----------------|
| <i>Cost</i>           |                                    |                                |                                                 |                            |                |
| At 1 January 2002     | 1,046                              | 2,106                          | 1,373                                           | 110                        | 4,635          |
| Additions             | 235                                | 143                            | 69                                              | -                          | 447            |
| Disposals             | -                                  | (553)                          | (150)                                           | (16)                       | (719)          |
|                       | <hr/>                              | <hr/>                          | <hr/>                                           | <hr/>                      | <hr/>          |
| At 31 December 2002   | <b>1,281</b>                       | <b>1,696</b>                   | <b>1,292</b>                                    | <b>94</b>                  | <b>4,363</b>   |
|                       | <hr/>                              | <hr/>                          | <hr/>                                           | <hr/>                      | <hr/>          |
| <i>Depreciation</i>   |                                    |                                |                                                 |                            |                |
| At 1 January 2002     | 147                                | 1,255                          | 285                                             | 39                         | 1,726          |
| Charge for the year   | 124                                | 449                            | 158                                             | 27                         | 758            |
| Disposals             | -                                  | (411)                          | (92)                                            | (5)                        | (508)          |
|                       | <hr/>                              | <hr/>                          | <hr/>                                           | <hr/>                      | <hr/>          |
| At 31 December 2002   | <b>271</b>                         | <b>1,293</b>                   | <b>351</b>                                      | <b>61</b>                  | <b>1,976</b>   |
|                       | <hr/>                              | <hr/>                          | <hr/>                                           | <hr/>                      | <hr/>          |
| <i>Net book value</i> |                                    |                                |                                                 |                            |                |
| At 31 December 2002   | <b>1,010</b>                       | <b>403</b>                     | <b>941</b>                                      | <b>33</b>                  | <b>2,387</b>   |
|                       | <hr/>                              | <hr/>                          | <hr/>                                           | <hr/>                      | <hr/>          |
| At 31 December 2001   | 899                                | 851                            | 1,088                                           | 71                         | 2,909          |
|                       | <hr/>                              | <hr/>                          | <hr/>                                           | <hr/>                      | <hr/>          |

The net book value of tangible fixed assets includes an amount of £33,000 (2001 - £71,000) in respect of assets held under finance leases and hire purchase contracts. Depreciation on these assets during the year was £27,000 (2001 - £74,000).

**TEMENOS UK LIMITED****Notes forming part of the financial statements for the year ended 31 December 2002 (Continued)****10 Debtors**

|                                                           | 2002<br>£'000 | 2001<br>£'000 |
|-----------------------------------------------------------|---------------|---------------|
| Trade debtors                                             | 3,328         | 3,862         |
| Amounts owed by parent and fellow subsidiary undertakings | 6,695         | 1,314         |
| Other debtors                                             | 508           | 180           |
| Prepayments and accrued income                            | 3,428         | 8,598         |
|                                                           | <u>13,959</u> | <u>13,954</u> |

Included in other debtors is £75,000 (2001 - £65,000) which falls due after more than one year.

**11 Creditors: amounts falling due within one year**

|                                                           | 2002<br>£'000 | 2001<br>£'000 |
|-----------------------------------------------------------|---------------|---------------|
| Trade creditors                                           | 944           | 1,337         |
| Amounts owed to parent and fellow subsidiary undertakings | 12,002        | 11,799        |
| Taxation and social security                              | 311           | 400           |
| Obligations under finance lease (secured)                 | 32            | 27            |
| Corporation tax                                           | -             | 211           |
| Other creditors                                           | 5             | 3             |
| Accruals and deferred income                              | 1,997         | 1,443         |
|                                                           | <u>15,291</u> | <u>15,220</u> |

Obligations under finance leases are secured on the respective assets financed.

# TEMENOS UK LIMITED

## Notes forming part of the financial statements for the year ended 31 December 2002 (Continued)

### 12 Creditors: amounts falling due after more than one year

|                                                                   | 2002<br>£'000 | 2001<br>£'000 |
|-------------------------------------------------------------------|---------------|---------------|
| Obligations under finance leases (secured)                        | 5             | 46            |
| Obligations under finance leases are due as follows:              |               |               |
| Within one year                                                   | 33            | 31            |
| Between one and two years                                         | 2             | 37            |
| After two but not more than five years                            | 3             | 10            |
| Finance charges and interest allocated to future accounting years | 38<br>(1)     | 78<br>(5)     |
| Included in liabilities falling due within one year               | 37<br>(32)    | 73<br>(27)    |
|                                                                   | 5             | 46            |

### 13 Deferred taxation

|                                | 2002<br>Provided<br>£'000 | 2002<br>Unprovided<br>£'000 | 2001<br>Provided<br>£'000 | 2001<br>Unprovided<br>£'000 |
|--------------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|
| Accelerated capital allowances | 21                        | -                           | -                         | 1                           |
| Losses                         | (21)                      | -                           | -                         | -                           |
|                                | -                         | -                           | -                         | -                           |

The company has changed its accounting policy in respect of deferred taxation following the implementation of FRS 19 (Deferred taxation). Under the company's previous accounting policy deferred tax was only recognised to the extent that it was probable that a asset or liability would crystallise. The company's new accounting policy is set out in note 1.

No adjustment has been made in respect of the unprovided liability at 31 December 2001 as that liability is immaterial.

The potential deferred tax asset of the company arising from tax losses carried forward is £650,000 (2001: £nil).

# TEMENOS UK LIMITED

## Notes forming part of the financial statements for the year ended 31 December 2002 (*Continued*)

### 14 Share capital

|                                           | 2002<br>£'000 | 2001<br>£'000 |
|-------------------------------------------|---------------|---------------|
| <i>Authorised</i>                         |               |               |
| 12,500,000 ordinary shares of 20p each    | 2,500         | 2,500         |
| <i>Allotted, called up and fully paid</i> |               |               |
| 10,994,218 ordinary shares of 20p each    | 2,199         | 2,199         |

### 15 Reserves

|                     | Share<br>premium<br>account<br>£'000 | Profit<br>and loss<br>account<br>£'000 |
|---------------------|--------------------------------------|----------------------------------------|
| At 1 January 2002   | 816                                  | 860                                    |
| Loss for the year   | -                                    | (2,190)                                |
| At 31 December 2002 | 816                                  | (1,330)                                |

### 16 Reconciliation of movements in shareholders' funds

|                                        | 2002<br>£'000 | 2001<br>£'000 |
|----------------------------------------|---------------|---------------|
| (Loss)/profit for the financial period | (2,190)       | 1,273         |
| Opening shareholders' funds            | 3,875         | 2,602         |
| Closing shareholders' funds            | 1,685         | 3,875         |

## TEMENOS UK LIMITED

### Notes forming part of the financial statements for the year ended 31 December 2002 (Continued)

#### 17 Commitments under operating leases

As at 31 December 2002, the company had annual commitments under non-cancellable operating leases as set out below:

|                                | 2002<br>Land and<br>buildings<br>£'000 | 2001<br>Land and<br>buildings<br>£'000 | 2002<br>Other<br>£'000 | 2001<br>Other<br>£'000 |
|--------------------------------|----------------------------------------|----------------------------------------|------------------------|------------------------|
| Operating leases which expire: |                                        |                                        |                        |                        |
| Within one year                | 2                                      | -                                      | 2                      | -                      |
| In two to five years           | 546                                    | 86                                     | 353                    | 311                    |
| Over five years                | 1,585                                  | 1,770                                  | -                      | 2                      |
|                                | <u>2,131</u>                           | <u>1,856</u>                           | <u>355</u>             | <u>313</u>             |

#### 18 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. There were no outstanding or prepaid contributions at the year end (2001 - £Nil).

Details of contributions made to the fund in the year are given in note 6.

#### 19 Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8 'Related Party Transactions', not to disclose any transactions with entities that are included in the consolidated financial statements of Temenos Group AG.

#### 20 Ultimate parent company and controlling party

As at 31 December 2002 the company's ultimate parent company and controlling party was Temenos Group AG., a company incorporated in Switzerland. The parent of the smallest group of which the company is a member was Temenos (NL) BV, a company incorporated in the Netherlands.

Copies of the consolidated financial statements of Temenos Group AG., are available from Temenos Group AG., c/o 18 Place des Philosophes, G1205, Geneva, Switzerland.