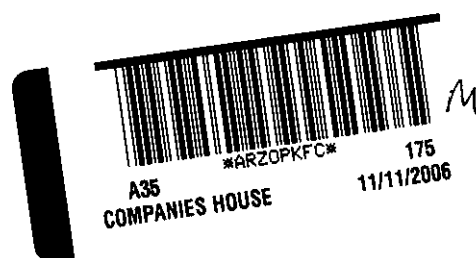


COGNOTEC UK LIMITED

DIRECTORS' REPORT AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 NOVEMBER 2005



DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the year ended 30 November 2005

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COMPANY INFORMATION

DIRECTORS

B. Maccaba

SECRETARY

S. Delany

REGISTERED OFFICE

21 Wilson Street,
London EC2M 2TD,
England.

REGISTERED NUMBER OF INCORPORATION

3240928

SOLICITORS

Dorsey and Whitney,
21 Wilson Street,
London EC2M 2TD,
England.

BANKERS

Lloyds Bank,
Gloucester Branch,
19 Eastgate Street,
Gloucester G11 1NU,
England.

AUDITORS

Ernst & Young,
Chartered Accountants,
Ernst & Young Building,
Harcourt Centre,
Harcourt Street,
Dublin 2.

DIRECTORS' REPORT

for the year ended 30 November 2005

The directors present herewith their report and audited financial statements for the year ended 30 November 2005.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company distributes licences and transactional dealing services to the banking industry. It also provides sales, marketing and implementation services to Cognotec Limited.

DIVIDENDS AND TRANSFER TO RESERVES

The directors do not recommend the payment of a dividend. The profit for the year after taxation amounted to US\$177,015 (2004: US\$124,254) and has been credited to reserves.

DIRECTORS

The current directors are listed on page 2. H. Tolman resigned as company secretary on 30 November 2005 and S. Delany was appointed company secretary on same date.

DIRECTORS' INTERESTS IN SHARES

Neither the directors nor the company secretary have any interests requiring disclosure.

IMPORTANT EVENTS SINCE THE YEAR END

There were no important events since the year end.

FUTURE DEVELOPMENTS IN THE BUSINESS

The directors do not anticipate any change in the nature of the business in the forthcoming year.

CHARITABLE DONATIONS

The company made no donations during the year for charitable purposes.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF
THE FINANCIAL STATEMENTS**

United Kingdom 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 ; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

DIRECTORS' REPORT

for the year ended 30 November 2005 (Continued)

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF
THE FINANCIAL STATEMENTS (Continued)**

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in the United Kingdom and comply with the provisions of 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.

AUDITORS

A resolution to re-appoint Ernst & Young, Chartered Accountants, as auditors has been accepted by the members at the recent annual general meeting.

On behalf of the board

Director

Date: 26 October 2006

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
COGNOTEC UK LIMITED**

We have audited the company's financial statements for the year ended 30 November 2005 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 16. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and Auditing Standards issued by the Auditing Practices Board for use in the United Kingdom.

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.

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.

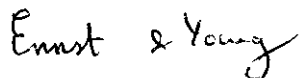
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Continued /...

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
COGNOTEC UK LIMITED**

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 November 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor

Dublin

26 October 2006

PROFIT AND LOSS ACCOUNT
for the year ended 30 November 2005

| | <i>Note</i> | 2005 US\$ | 2004 US\$ |
|--|-------------|--------------|--------------|
| Turnover | 3 | 16,056,896 | 14,761,226 |
| Cost of sales | | (13,425,715) | (11,675,176) |
| Gross profit | | 2,631,181 | 3,086,050 |
| Selling and distribution costs | | (2,720,127) | (1,756,958) |
| Production, client service and IT costs | | (913,088) | (850,315) |
| Administrative expenses | | (2,027,308) | (2,184,630) |
| Recharge of central costs | | 3,405,363 | 1,841,029 |
| Operating profit | | 376,021 | 135,176 |
| Interest receivable | | 19,398 | 344 |
| Profit on ordinary activities before taxation | 6 | 395,419 | 135,520 |
| Tax on profit on ordinary activities | 7 | (218,404) | (11,266) |
| Profit for the financial year | | 177,015 | 124,254 |
| Profit/(loss) brought forward at beginning of year | | 53,827 | (70,427) |
| Profit carried forward at end of year | | 230,842 | 53,827 |

There are no recognised gains or losses in either year other than the profit attributable to shareholders of the company.

BALANCE SHEET
at 30 November 2005

| ASSETS EMPLOYED | <i>Note</i> | <i>2005 US\$</i> | <i>2004 US\$</i> |
|---|-------------|-----------------------|----------------------|
| FIXED ASSETS | | | |
| Financial assets | 9 | 5 | 5 |
| CURRENT ASSETS | | | |
| Debtors | 10 | 6,866,602 | 5,727,160 |
| Cash at bank and in hand | | 2,111,246 | 2,252,213 |
| | | <u>8,977,848</u> | <u>7,979,373</u> |
| CREDITORS (amounts falling due within one year) | 11 | (8,747,008) | (7,925,548) |
| NET CURRENT ASSETS (LIABILITIES) | | <u>230,840</u> | <u>53,825</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u><u>230,845</u></u> | <u><u>53,830</u></u> |
| FINANCED BY | | | |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 12 | 3 | 3 |
| Profit and loss account | | 230,842 | 53,827 |
| | | <u>230,845</u> | <u>53,830</u> |
| Shareholders' funds (deficit) (all equity interests) | 13 | <u><u>230,845</u></u> | <u><u>53,830</u></u> |


 Approved by the Board on

26 October 2006

Director

NOTES TO THE FINANCIAL STATEMENTS

30 November 2005

1. GOING CONCERN

The financial statements have been prepared on the going concern basis because, in the opinion of the directors, the improved trading position and strong sales pipeline are generating sufficient working capital to meet the needs of the Group until positive cash flow is achieved.

2. ACCOUNTING POLICIES

(a) *Accounting convention*

The financial statements are prepared under the historical cost convention.

(b) *Turnover and revenue recognition*

The turnover of the group arises from the supply to customers of goods and services and is stated net of value added tax. Income relating to software sales involving customisation or modification of the software is generally recognised over the period of delivery of the related services in proportion to the progress to completion of the services. For software sales not involving the customisation or modification of the software the revenue is generally recognised when invoiced in accordance with the contract terms. This is generally in three parts, one payment on signing the contract, a second on installation in a test environment and a third payment on the system being operational. Income relating to service and time and/or transaction volume based rental agreements is time apportioned over the period to which the contracts relate. The balance not credited to the profit and loss account is included in deferred income.

(c) *Depreciation*

Depreciation is calculated to write off the cost less estimated residual value of tangible assets over their estimated useful lives at the following rates per annum:

| | |
|-----------------------|--------------------------|
| Computer equipment | 33% to 50% straight line |
| Fixtures and fittings | 33% straight line |

(d) *Operating leases*

The cost of operating leases has been charged to the profit and loss account on a straight line basis over the lease terms.

(e) *Foreign currencies*

Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at the rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated into US dollars at the rate of exchange ruling at the date of the transaction. All revaluation differences and realised foreign exchange differences are taken to the profit and loss account.

(f) *Cash flow statement*

Financial Reporting Standard 1 (Revised 1996), "Cash Flow Statements", exempts subsidiary undertakings from the requirement to prepare a cash flow statement where 90% or more of the voting rights are controlled by a group that prepares publicly available consolidated financial statements in which the results of the subsidiary undertaking are included. The company is exempted under this provision from preparing a cash flow statement.

NOTES TO THE FINANCIAL STATEMENTS

30 November 2005 (Continued)

2. ACCOUNTING POLICIES (Continued)

(g) *Group financial statements*

The financial statements present information about the company as an individual undertaking and not about its group. The company is exempt from the requirement to prepare group accounts because it is a wholly owned subsidiary of Cognotec Limited, incorporated in the Republic of Ireland, which prepares group accounts in which the company is included.

(h) *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 that result in an obligation to pay more, or a right to pay less, tax, in the future have occurred at the balance sheet date.

Timing differences are differences between profit as computed for taxation purposes and profit as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes.

Deferred tax assets are only recognised to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted 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.

3. TURNOVER

Turnover is attributable to one continuing activity, the provision of transactional dealing services to the banking industry.

An analysis of turnover by geographical market is given below:

| | 2005 US\$ | 2004 US\$ |
|-------------------|-------------------|-------------------|
| United Kingdom | 2,308,980 | 1,599,627 |
| Europe | 6,821,856 | 7,353,526 |
| Rest of the World | 6,926,060 | 5,808,063 |
| | <u>16,056,896</u> | <u>14,761,216</u> |

NOTES TO THE FINANCIAL STATEMENTS

30 November 2005 (Continued)

4. EMPLOYEES

The average number of persons employed by the company in the financial year was 13 (2004: 10) and is analysed into the following categories:

| | 2005 Number | 2004 Number |
|--------------------------|----------------|----------------|
| Managers | 2 | 1 |
| Analysts and programmers | 7 | 5 |
| Administration | 1 | 1 |
| Sales | 3 | 3 |
| | <u>13</u> | <u>10</u> |

| The staff costs comprise: | US\$ | US\$ |
|---------------------------|------------------|------------------|
| Wages and salaries | 2,170,226 | 1,417,426 |
| Social welfare costs | 197,878 | 129,811 |
| Pension costs | 337,986 | 73,820 |
| | <u>2,706,090</u> | <u>1,621,057</u> |

5. FUNCTIONAL CURRENCY

The functional currency of the company is US dollars.

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging:

| | 2005 US\$ | 2004 US\$ |
|--------------------------|----------------|----------------|
| Directors' remuneration | 950,983 | 617,053* |
| Depreciation | - | - |
| Operating lease rentals: | | |
| Land and buildings | <u>255,045</u> | <u>298,843</u> |

* The number disclosed in the 2004 accounts was inadvertently stated in sterling instead of in US dollars as now shown above.

NOTES TO THE FINANCIAL STATEMENTS

30 November 2005 (Continued)

| | | | |
|----|--|-----------------------------------|-----------------------------------|
| 7. | TAX ON PROFIT ON ORDINARY ACTIVITIES | 2005 US\$ | 2004 US\$ |
| | The charge for taxation comprises: | | |
| | <i>UK Corporation tax:</i> | | |
| | UK Corporation tax on profit for the year | 130,626 | 47,494 |
| | Adjustment in respect of prior years | 87,778 | (36,228) |
| | | <u>218,404</u> | <u>11,266</u> |
| | <i>Effective tax rate</i> | | |
| | Profit on ordinary activities before tax | <u>395,419</u> | <u>135,520</u> |
| | As a percentage of profit before tax | | |
| | Current tax | <u>55.2%</u> | <u>8.3%</u> |
| | The following table relates the applicable United Kingdom statutory tax rate to the effective current tax rate of the company: | | |
| | | 2005 % of profit before tax | 2004 % of profit before tax |
| | UK Corporation tax | 30 | 30 |
| | <i>Effect of:</i> | | |
| | Under (over) provision in respect of prior years | 22.2 | (26.7) |
| | Excess of capital allowances over depreciation | (2.3) | (2.91) |
| | Other expenses not deductible for tax purposes | 5.3 | 7.91 |
| | | <u>55.2</u> | <u>8.3</u> |
| | Current tax charge rate for the year | <u>55.2</u> | <u>8.3</u> |

Circumstances affecting future tax charges

The Company has decelerated capital allowances and other timing differences carried forward of approximately US\$46,000 (2004: US\$55,000) at the year end. Deferred tax assets have not been recognised in respect of such timing differences as it is not certain there will be suitable taxable profits in the foreseeable future from which the future reversal of underlying timing differences can be deducted.

NOTES TO THE FINANCIAL STATEMENTS

30 November 2005 (Continued)

| 8. | TANGIBLE FIXED ASSETS | Computer equipment US\$ | Fixtures and fittings US\$ | Total US\$ |
|----|------------------------------|-------------------------------|----------------------------------|---------------|
| | <i>Cost</i> | | | |
| | At 30 November 2004 and 2005 | 384,035 | 8,081 | 392,116 |
| | <i>Depreciation</i> | | | |
| | At 30 November 2004 and 2005 | 384,035 | 8,081 | 392,116 |
| | <i>Net book value</i> | | | |
| | At 30 November 2005 and 2004 | - | - | - |

| 9. | FINANCIAL ASSETS | 2005 US\$ | 2004 US\$ |
|----|---|--------------|--------------|
| | <i>Shares in subsidiary undertakings – unlisted at cost</i> | 5 | 5 |

The company has three wholly owned subsidiary companies, Cognotec Holdings Limited, FX DEAL Limited and Cognotec Services Limited, all of which are dormant and all of which have their registered offices at 21 Wilson Street, London EC2M 2TD.

| 10. | DEBTORS | 2005 US\$ | 2004 US\$ |
|-----|--|--------------|--------------|
| | <i>Amounts falling due within one year</i> | | |
| | Trade debtors | 3,418,028 | 3,748,893 |
| | Amounts due from fellow subsidiary undertakings | 3,300,451 | 1,771,145 |
| | Prepayments and accrued income | 148,123 | 207,122 |
| | | 6,866,602 | 5,727,160 |

NOTES TO THE FINANCIAL STATEMENTS

30 November 2005 (Continued)

| | | | |
|-----|---|-------------------|---------------------------|
| 11. | CREDITORS (amounts falling due within one year) | 2005 US\$ | 2004 US\$ |
| | Trade creditors and accruals | 1,333,159 | 474,372 |
| | Amounts due to parent undertaking | 5,589,435 | 4,850,222 |
| | Amounts due to fellow subsidiary undertakings | 414,911 | 586,716 |
| | Corporation tax | 177,167 | 47,494 |
| | Other taxes and social security | 129,764 | 43,137 |
| | VAT payable | 119,007 | 63,853 |
| | Deferred revenue | 983,565 | 1,859,754 |
| | | <u>8,747,008</u> | <u>7,925,548</u> |
| 12. | CALLED UP SHARE CAPITAL | 2005 | 2004 |
| | <i>Authorised</i> | | |
| | 100 ordinary shares of Stg£1 each | Stg£ 100 | Stg£ 100 |
| | | <u> </u> | <u> </u> |
| | <i>Allotted, called up and fully paid</i> | | |
| | 2 ordinary shares of Stg£1 each | US\$ 3 | US\$ 3 |
| | | <u> </u> | <u> </u> |
| 13. | RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS | 2005 US\$ | 2004 US\$ |
| | At beginning of year | 53,830 | (70,424) |
| | Profit for the year | 177,015 | 124,254 |
| | | <u> </u> | <u> </u> |
| | At end of year | <u>230,845</u> | <u>53,830</u> |
| 14. | COMMITMENTS | | |
| (a) | <i>Capital commitments</i> | | |
| | At the year end, there were no capital commitments authorised by the directors which had not been provided for in the financial statements. | | |
| (b) | <i>Operating lease commitments</i> | | <i>Land and buildings</i> |
| | Leasing commitments payable during the next twelve months are as follows: | | US\$ |
| | <i>Payable on leases on which the commitment expires:</i> | | |
| | Within two to five years | | <u>294,556</u> |

NOTES TO THE FINANCIAL STATEMENTS

30 November 2005 (Continued)

15. RELATED PARTY TRANSACTIONS

The company has availed of the exemption provided in FRS 8, "Related Party Disclosures" for subsidiary undertakings, 90% or more of whose voting rights are controlled within the group, from the requirement to give details of transactions with entities that are part of the group or investees of the group qualifying as related parties.

16. HOLDING COMPANY AND CONTROLLING PARTIES

The immediate and ultimate parent undertaking and controlling party of the company, and the parent undertaking of the smallest and largest group of undertakings for which group financial statements are prepared, and of which the company is a member, is Cognotec Limited, a company incorporated in the Republic of Ireland. Copies of its group financial statements are available to the public from The Companies Registration Office, Parnell Square, Dublin 1.