

## **MIBS Holdings Limited**

Report and Unaudited Financial Statements

Year Ended

31 May 2016

Company Number 00874912



## **MIBS Holdings Limited**

### **Company Information**

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<b>Directors</b>	T Homer J Van Harken J Olivier T Kilroy
<b>Registered number</b>	00874912
<b>Registered office</b>	One Kingdom Street Paddington London W2 6BL
<b>Accountants</b>	BDO LLP Kings Wharf 20 - 30 Kings Road Reading Berkshire RG1 3EX
<b>Country of incorporation</b>	England and Wales

# **MIBS Holdings Limited**

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# MIBS Holdings Limited

## Strategic report For the year ended 31 May 2016

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The Directors present their Strategic report of MIBS Holdings Limited ("the Company") for the year ended 31 May 2016.

### Review of business

The principal activity of the Company is to operate as an intermediate parent company and holding company. The Company reported a loss on ordinary activities after taxation of £20,649,000 in the current year compared to a profit after taxation of £126,253,000 in the prior year, driven by an impairment charge against some of the Company's investments in the current year, as well as income received from shares in group undertakings in the prior year which was not repeated in the current year.

### Key performance indicators

The executive management of Misys Newco 2 S.à r.l. manage the operations of the Misys Newco 2 S.à r.l. group of companies (the "Misys Group") on a group basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Misys Group, which includes the Company, is discussed on pages 1 to 5 of the Misys Group's annual report which does not form part of this report.

### Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Misys Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Misys Group, which include those of the Company, are discussed on page 5 to 9 of the Misys Group's annual report which does not form part of this report.

This report was approved by the Board and signed on its behalf.



T Homer  
Director

Date: 04.05.2017

# **MIBS Holdings Limited**

## **Directors' report For the year ended 31 May 2016**

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The Directors present their annual report and the unaudited financial statements of the Company for the year ended 31 May 2016.

### **Future developments**

No significant change in the principal activities of the Company is expected in the forthcoming year.

On 13 March 2017, Vista Equity Partners announced that it signed a definitive agreement to acquire D+H Corporation, a Canadian-based software provider, and intends to merge it with the Misys Group (the "transaction"). In executing the transaction, the Misys Group is arranging for new external debt finance in order to refinance its existing credit facilities and provide acquisition funding.

On the same date, Misys Limited, a wholly-owned indirect subsidiary of Misys Newco 2 S.à r.l., entered into a guarantee in favour of D+H Corporation under which Misys Limited guarantees the performance of the Misys Group in the transaction. As is customary for transactions such as this termination fees are payable by either the Misys Group or D+H Corporation if the transaction is not completed successfully. Subject to certain provisions included in the transaction, the Misys Group would be liable to pay D+H Corporation a termination fee of \$177,400,000.

### **Results and dividends**

The results of the Company for the year are set out in detail on page 5. No interim dividend (2015: £nil) was paid during the year. The Directors do not recommend the payment of a final dividend (2015: £nil). The loss for the financial year is £20,649,000 (2015: profit of £126,253,000).

Net assets at 31 May 2016 were £299,119,000 compared to net assets of £319,768,000 at 31 May 2015. This decrease was driven by the loss for the year.

### **Going concern**

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the intermediate parent company Misys Newco 2 S.à r.l. The Directors have received confirmation that Misys Newco 2 S.à r.l. intends to support the Company for at least 12 months after these financial statements are signed.

# **MIBS Holdings Limited**

## **Directors' report For the year ended 31 May 2016**

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### **Financial risk management**

The Company is exposed to a variety of financial risks including foreign exchange risks, credit risk and liquidity risk.

#### *Foreign exchange currency risk*

The Company operates internationally and is exposed to foreign currency fluctuations, primarily the Euro and the South African Rand. Foreign exchange risks arise when future commercial transactions and recognised assets and liabilities are denominated in currencies that are not the Company's functional currency.

The Misys Group's net exposure to foreign currency risk is illustrated by the sensitivity analysis on pages 56 to 57 of the Misys Group's annual report.

#### *Credit risk*

The Company's principal financial assets are amounts owed by group undertakings. The Misys Group regularly reviews intercompany balances for impairment and, where appropriate, adjustments to the carrying value are made at a subsidiary level.

Cash transactions are limited to high-quality financial institutions.

#### *Liquidity risk*

The Company currently has no requirements for external debt finance; sufficient funds for operations are maintained at a Misys Group level.

Further details of the Misys Group's risk policies are available within the Misys Group's annual report.

### **Directors**

The Directors who served during the year and up to the date of signing the financial statements were as follows:

T Homer  
J Van Harken  
A Woodward (resigned 20 July 2015)  
J Olivier (appointed 20 July 2015)  
T Kilroy (appointed 12 April 2016)

# MIBS Holdings Limited

## Directors' report For the year ended 31 May 2016

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### Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic report, the Directors' report and the unaudited financial statements of the Company in accordance with applicable law and regulations.

Company law requires the Directors to prepare unaudited financial statements of the Company for each financial year. Under that law the Directors have elected to prepare the unaudited financial statements of the Company in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

Under Company law the Directors must not approve the unaudited financial statements of the Company unless they are satisfied that they 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 these financial statements, the Directors are required to:

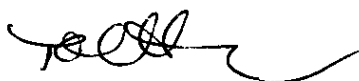
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the unaudited financial statements of the Company on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the unaudited financial statements of the Company comply with the Companies Act 2006. 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.

### Directors' indemnities

All Directors have been granted an indemnity by the intermediate parent company, Misys Newco 2 S.à r.l., to the extent permitted by law in respect of certain liabilities incurred as a result of their office in associated companies. They are indemnified against liability to third parties, excluding criminal liability and regulatory penalties and certain other liabilities. This is a qualifying third party indemnity provision for the purposes of the Companies Act 2006 which was made during the financial year and remains in force at the date of this report.

This report was approved by the Board and signed on its behalf.



T Homer  
Director

Date: 04.05.2017

## **MIBS Holdings Limited**

### **Chartered accountants' report to the Board of Directors on the preparation of the unaudited financial statements of MIBS Holdings Limited for the year ended 31 May 2016**

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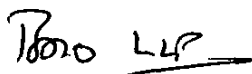
In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of MIBS Holdings Limited for the year ended 31 May 2016 which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of MIBS Holdings Limited, as a body, in accordance with the terms of our engagement letter dated 23 June 2015. Our work has been undertaken solely to prepare for your approval the financial statements of MIBS Holdings Limited and state those matters that we have agreed to state to the Board of Directors of MIBS Holdings Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than MIBS Holdings Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that MIBS Holdings Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of MIBS Holdings Limited. You consider that MIBS Holdings Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of MIBS Holdings Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



**BDO LLP**  
*Chartered Accountants*  
Reading  
United Kingdom

Date: 4/5/17

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# MIBS Holdings Limited

## Statement of comprehensive income For the year ended 31 May 2016

	Note	2016 £000	2015 £000
Administrative expenses		(7,320)	(2,206)
Income from investments in subsidiaries	4	12,027	158,384
Impairments of investments in subsidiaries	8	(23,771)	(9,457)
<b>Operating (loss)/profit</b>	3	<b>(19,064)</b>	146,721
Interest receivable and similar income	5	27	23
Interest payable and similar charges	6	(1,406)	(19,685)
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(20,443)</b>	127,059
Tax on (loss)/profit on ordinary activities	7	(206)	(806)
<b>(Loss)/profit for the financial year</b>		<b>(20,649)</b>	126,253
Other comprehensive income		-	-
<b>Total comprehensive (loss)/income for the year</b>		<b>(20,649)</b>	126,253

All amounts relate to continuing activities.

The notes on pages 10 to 22 form part of these financial statements.

**MIBS Holdings Limited**  
Registered number:00874912

**Balance sheet**  
**As at 31 May 2016**

	Note	2016 £000	2015 £000
<b>Non-current assets</b>			
Investments	8	309,444	307,365
Trade and other receivables: amounts falling due after more than one year	9	21,518	7,223
		<u>330,962</u>	<u>314,588</u>
<b>Current assets</b>			
Trade and other receivables: amounts falling due within one year	9	44,923	45,531
Cash at bank and in hand		1	1
		<u>44,924</u>	<u>45,532</u>
<b>Current liabilities</b>			
Trade and other payables: amounts falling due within one year	10	(9,949)	-
		<u>34,975</u>	<u>45,532</u>
<b>Net current assets</b>			
		<u>365,937</u>	<u>360,120</u>
<b>Total assets less current liabilities</b>			
<b>Non-current liabilities</b>			
Trade and other payables: amounts falling due after more than one year	11	(66,818)	(40,352)
		<u>299,119</u>	<u>319,768</u>
<b>Net assets</b>			
<b>Capital and reserves</b>			
Called up share capital	12	366,026	366,026
Share premium account	13	7	7
Retained deficit	13	(66,914)	(46,265)
		<u>299,119</u>	<u>319,768</u>
<b>Total shareholders' funds</b>			

## **MIBS Holdings Limited**

Registered number:00874912

### **Balance sheet (continued)**

**As at 31 May 2016**

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The Directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006 ("the Act") relating to subsidiary companies.

The Members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Act.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:



**J Van Harken**  
Director

Date: 04.05.2017

The notes on pages 10 to 22 form part of these financial statements.

## MIBS Holdings Limited

### Statement of changes in equity For the year ended 31 May 2016

	Called up share capital £000	Share premium account £000	Retained deficit £000	Total shareholders' funds £000
At 1 June 2015	366,026	7	(46,265)	319,768
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(20,649)	(20,649)
<b>At 31 May 2016</b>	<b>366,026</b>	<b>7</b>	<b>(66,914)</b>	<b>299,119</b>

### Statement of changes in equity For the year ended 31 May 2015

	Called up share capital £000	Share premium account £000	Retained deficit £000	Total shareholders' funds £000
At 1 June 2014	366,026	7	(172,518)	193,515
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	126,253	126,253
<b>At 31 May 2015</b>	<b>366,026</b>	<b>7</b>	<b>(46,265)</b>	<b>319,768</b>

The notes on pages 10 to 22 form part of these financial statements.

# **MIBS Holdings Limited**

## **Notes to the financial statements For the year ended 31 May 2016**

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### **1. Accounting policies**

The Company is a private company limited by shares, domiciled in the United Kingdom. The Company is incorporated in England and Wales and its registered address is shown on the Company information page at the beginning of these financial statements.

#### **Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, Financial Reporting Standard 100 'Application of Financial Reporting Requirements' ("FRS 100") and Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

In the current year the Company has adopted FRS 100 and FRS 101. In previous years the financial statements were prepared in accordance with UK accounting standards. Information on the impact of first time adoption of FRS 100 and FRS 101 is given in note 17.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The Company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its Group.

#### **Financial Reporting Standard 101 - reduced disclosure exemptions**

In preparing these financial statements the Company has taken advantage of all relevant disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by Misys Newco 2 S.à r.l.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Misys Newco 2 S.à r.l., these financial statements do not include certain disclosures in respect of:

- financial instruments; and
- impairment of assets.

The financial statements of Misys Newco 2 S.à r.l. can be obtained as described in note 16.

# MIBS Holdings Limited

## Notes to the financial statements For the year ended 31 May 2016

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### 1. Accounting policies (continued)

The principal accounting policies which have been applied consistently throughout the year are set out below.

#### **Changes in accounting policies**

##### *New standards, interpretations and amendments adopted*

The following amendments have been adopted in the current year:

- Amendments to IFRS 13 Fair Value Measurement.

The adoption of these amendments has not led to any significant impact on the amounts reported in these financial statements.

#### **Going concern**

The Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the intermediate parent company Misys Newco 2 S.à r.l. The Directors have received confirmation that Misys Newco 2 S.à r.l. intends to support the Company for at least 12 months after these financial statements are signed.

#### **Investments**

Investments in subsidiary undertakings held as non-current assets are stated at cost less provision considered necessary for any impairment considered necessary. The need for any impairment for investments or loans to fellow group companies is assessed by comparison of the carrying value of the asset against the recoverable amount. Any impairment losses are immediately charged to profit or loss.

#### **Financial assets**

The Company's financial assets are classified 'loans and receivables'.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are carried at amortised cost. Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. The Company's loans and receivables comprise amounts owed by group undertakings and cash and cash equivalents.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash held at bank and in hand.

# **MIBS Holdings Limited**

## **Notes to the financial statements For the year ended 31 May 2016**

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### **1. Accounting policies (continued)**

#### **Financial liabilities**

Financial liabilities are classified according to the substance of the contractual arrangements entered into. The Company's financial liabilities are classified as 'other financial liabilities'.

The Company's other financial liabilities comprise amounts owed to group undertakings which are initially recognised at fair value and are subsequently carried at amortised cost.

#### **Dividends**

Dividend income is recognised when the right to receive payment is established.

#### **Taxation**

Taxation comprises the amount chargeable on the profits or losses for the year, together with deferred taxation. Deferred taxation is recognised, using the liability method, in respect of all temporary differences arising between tax basis of assets and liabilities and their carrying amount in the financial statements.

Deferred tax assets are recognised only to the extent that it is probable that there will be sufficient taxable profits from which the underlying temporary differences can be deducted or where there are deferred tax liabilities against which the assets can be recovered.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the related deferred tax asset is realised or the deferred tax liability is settled based on tax rates and laws enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it is probable that future profits will allow the deferred tax asset to be recovered.

Current and deferred tax is recognised in profit or loss except when the tax relates to items charged or credited to other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

#### **Foreign exchange**

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the rate ruling at the date of each transaction. Exchange differences arising from settlement of trading indebtedness are included in operating profit or loss.

# MIBS Holdings Limited

## Notes to the financial statements For the year ended 31 May 2016

### 2. Judgements in applying accounting policies and key sources of estimation uncertainty

The Directors make estimates and assumptions concerning the future for the Company. The resulting accounting estimates will, by definition, seldom equate to actual results. The critical adjustments that have been made in arriving at the amounts recognised in the Company's financial statements and the key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying values of the assets and liabilities within the next financial year are discussed below:

#### *Provision for impairment in investments and intercompany receivables*

Management reviews the balances held as investments in subsidiaries and receivable balances with fellow group undertakings to assess for any impairment. Where there are insufficient net assets in the investment or group undertaking, management assess the likelihood of future profits, to determine whether an impairment exists.

### 3. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2016 £000	2015 £000
Impairments of investments in subsidiaries	23,771	9,457
Foreign exchange loss	7,320	2,206

Remuneration of the Directors has been borne by a fellow subsidiary as was the case in the prior year. The Directors' services to this Company are of a non-executive nature and as such their emoluments are deemed to be wholly attributable to their services to other Misys Group companies. There were no employees in the year (2015: nil).

### 4. Income from investments in subsidiaries

The Company received dividends on during the year from fellow group companies Misys Netherlands Global B.V. (formerly Midas-Kapiti B.V.) and Misys International Financial Systems (Proprietary) Limited (2015: Summit Systems International Limited, Misys KBS Limited, IDOM Consulting Limited, Kindle Group Limited, Kapiti Limited, Sophis Holdings (Luxembourg) S.à r.l. and Misys International Financial Systems (Proprietary) Limited).

### 5. Interest receivable and similar income

	2016 £000	2015 £000
Interest receivable from group undertakings	27	23



# MIBS Holdings Limited

## Notes to the financial statements For the year ended 31 May 2016

### 6. Interest payable and similar charges

	2016 £000	2015 £000
Interest payable to group undertakings	1,406	19,685

### 7. Tax on (loss)/profit on ordinary activities

	2016 £000	2015 £000
<b>Current tax</b>		
Foreign tax on income for the year	206	806

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20.00% (2015: 20.80%). The differences are explained below:

	2016 £000	2015 £000
(Loss)/profit on ordinary activities before taxation	(20,443)	127,059
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015: 20.80%)	(4,089)	26,428
<b>Effects of:</b>		
Expenses not deductible for tax purposes	2,349	2,032
Non-taxable income	-	(32,944)
Tax losses for which no deferred income tax asset was recognised	322	4,484
Foreign tax	206	806
Group relief surrendered without charge	1,418	-
<b>Tax on (loss)/profit on ordinary activities</b>	<b>206</b>	<b>806</b>

The tax charge relates to foreign tax. The UK tax rate for the Company for the current year is 0% due to the utilisation of previously unrecognised tax assets. The effect of changes to the corporation tax rates substantively enacted as part of the Finance Bill 2015 (on 26 October 2015) and the Finance Bill 2016 (on 7 September 2016) include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

At 31 May 2016 there are no recognised deferred tax assets or liabilities. At 31 May 2016 there was an unrecognised deferred tax asset of £12,341,000 (2015: £12,019,000) in respect of unused tax losses. This deferred tax asset has not been recognised as it is unlikely the Company will have sufficient future profits to utilise the tax losses.

# MIBS Holdings Limited

## Notes to the financial statements For the year ended 31 May 2016

### 8. Investments

	Investments in subsidiaries £000
<b>Cost</b>	
At 1 June 2015	458,906
Additions	211,871
Repurchase of shares	(186,021)
At 31 May 2016	484,756
<b>Impairment</b>	
At 1 June 2015	151,541
Charge for the year	23,771
At 31 May 2016	175,312
<b>Net book value</b>	
At 31 May 2016	309,444
At 31 May 2015	307,365

# MIBS Holdings Limited

## Notes to the financial statements For the year ended 31 May 2016

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### 8. Investments (continued)

On 21 August 2015, the Company acquired the entire share capital of Kapiti Limited from Misys Group Holdings Limited for consideration of £1,997,000.

On 10 August 2015, the Company acquired the entire share capital of Misys Netherlands Global B.V. (formerly Midas-Kapiti B.V.) from ACT Overseas Limited for consideration of £562,000.

On 14 September 2015, the Company acquired the entire share capital of Misys Poland Sp.z.o.o. from ACT Overseas Limited for consideration of PLN 1 (£0.19).

During the year the group headed by the Company was subject to reorganisation. The following transactions took place as part of this reorganisation:

On 4 March 2016, the Company acquired the entire share capital of its indirect subsidiary Sophis Manco (Luxembourg) S.A. from Sophis Acquisition (Ireland) Limited, also an indirect subsidiary of the Company, for consideration of €270,747,000 (£209,332,000) and reallocated £41,250,000 of its investment in Sophis Holdco (Luxembourg) S. à r.l. to Sophis Manco (Luxembourg) S.A.

On 23 March 2016, the Company's direct subsidiary Sophis Holding (Luxembourg) S.à r.l. repurchased the majority of its shares for €235,740,000 (£186,021,000). Immediately prior to the share repurchase the Company recognised an impairment of £23,311,000 to reduce the value of the investment to the value of the shares repurchased plus its remaining investment. Following the share repurchase the Company's remaining investment in Sophis Holding (Luxembourg) S.à r.l. consisted of 12,500 ordinary shares of €1 each with a value of £14,000.

On 6 May 2016 the Company's direct subsidiaries Sophis Holding (Luxembourg) S.à r.l. and Sophis Manco (Luxembourg) S.A. both merged with the Company's other direct subsidiary Misys Europe S.A. In consideration for the transfer of all assets and liabilities at book value the share capital of Misys Europe S.A. was increased by an amount of twenty cents of United States Dollars by the issuance of four shares without nominal value to the Company. As a result of the merger Sophis Holding (Luxembourg) S.à r.l. and Sophis Manco (Luxembourg) S.A. ceased to exist and all of their shares in issue were cancelled.

During the year, and in addition to the above transactions involving the Company directly, the Company's indirect subsidiaries Sophis Holding (Ireland) Limited and Sophis Acquisition (Ireland) Limited were converted to unlimited companies, repurchased their shares and were placed into liquidation before the year-end.

At the year-end, and as a result of the reorganisation, the Company's opening investment in Sophis Holding (Luxembourg) S.à r.l. of net book value £250,596,000 has been reallocated to the Company's investment in Misys Europe S.A.

#### *Impairment*

Of the remaining impairment charge for the year, £195,000 relates to Misys International Systems - Informatica Unipessoal Limitada, reducing the carrying value of the subsidiary to its net asset value and £265,000 relates to Misys Netherlands B.V., as the entity merged into Misys Netherlands Global B.V. (formerly Midas-Kapiti B.V.) on 1 March 2016.

# MIBS Holdings Limited

## Notes to the financial statements For the year ended 31 May 2016

### 8. Investments (continued)

#### Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Country of incorporation	Holding	Principal activity
Misys Europe S.A.	Luxembourg	100%	^
Misys International Systems - Informatica Unipessoal Limitada	Portugal	100%	^
Misys International Financial Systems (Proprietary) Limited	South Africa	100%	^
Misys International Banking Systems Limited	England & Wales	100%	^
Misys International Banking Systems Limited	Canada	100%	^
Misys International Banking Systems K.K.	Japan	100%	^
Misys International Banking Systems A.G.	Switzerland	100%	^
Misys Netherlands Global B.V.	Netherlands	100%	^
Misys India Holdings Limited	England & Wales	100%	~
Misys KBS Limited	England & Wales	100%	*
IDOM Consulting Limited	England & Wales	100%	*
Misys Africa Limited	England & Wales	100%	^
Misys International Systems Limited (note 1)	Thailand	99.9966%	^
Misys Italy S.r.l.	Italy	100%	^
PT Misys International Financial Systems (note 2)	Indonesia	100%	^
Summit Asia Limited	England & Wales	100%	^
Summit Systems International Limited	England & Wales	100%	*
Misys Spain S.L.	Spain	100%	^
Misys International Financial Systems SRL (note 3)	Romania	95%	^
Kapiti Limited	England & Wales	100%	~
Misys Poland Sp.z.o.o	Poland	100%	^
MKI Australia Pty Limited (note 3)	Australia	99.9998%	~

After the reporting date a further direct subsidiary was incorporated, Tahoe Canada Bidco, Inc. This direct subsidiary was incorporated in Canada and was created for the purpose of acquiring D+H Corporation (see subsequent events details at note 15).

# MIBS Holdings Limited

## Notes to the financial statements For the year ended 31 May 2016

### 8. Investments (continued)

#### Indirect subsidiary undertakings

Name	Country of incorporation	Holding	Principal activity
Almonde Limited	England & Wales	100%	*
Misys IQ Limited	England & Wales	100%	*
Sophis UK Limited	England & Wales	100%	*
Finance Information et Technologie SAS	France	100%	~
Misys France SAS	France	100%	^
Misys Software Solutions (India) Private Limited (note 3)	India	99.9933%	^
Misys International Financial Systems S.L.	Spain	100%	^
Misys Egypt LLC	Egypt	100%	^
Sophis Brazil Servicos De Tecnolgia Ltda (note 3)	Brazil	99.998%	^
Misys Morocco S.à r.l. (note 3)	Morocco	99%	^
Sophis Holding (Ireland) Unlimited	Ireland	100%	*
Sophis Acquisition (Ireland) Unlimited	Ireland	100%	*
Misys Ireland Limited	Ireland	100%	^
Misys International Banking Systems Limited	Ireland	100%	*
Misys International Banking Systems GmbH	Germany	100%	^
Misys International Banking Systems Pty Limited	Australia	100%	^
Misys Philippines Inc (note 4)	Philippines	99.9967%	^
Misys International Banking Systems Limited (note 3)	Hong Kong	99.9995%	^
Misys International Financial Technology (Beijing) Limited	China	100%	^
ACT Overseas Limited	England & Wales	100%	*
Misys International Systems Sdn Bhd	Malaysia	100%	^
ACT Sigmex Limited	England & Wales	100%	*

## MIBS Holdings Limited

### Notes to the financial statements For the year ended 31 May 2016

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#### 8. Investments (continued)

Almonde Inc	USA	100%	^
Misys International Banking Systems Inc	USA	100%	^
Misys International Banking Systems Mexico S.A DE CV	Mexico	100%	^
Troy TRM Pty Ltd	Australia	100%	Dissolved 06.01.17
Troy TRM Limited (note 3)	Saudi Arabia	90%	^

^ denotes principal activities of the supply of software, equipment and support services in the area of treasury and corporate banking.

~ denotes principal activity is that of a holding company

\* denotes entity is in liquidation

The class of share capital held for all the above undertakings are ordinary shares.

#### Notes

1. The remaining 0.0033% is owned by other group undertakings.
2. 99% is directly owned, the additional 1% is owned by a subsidiary undertaking.
3. The remaining shareholding is owned by another group undertaking.
4. The remaining shareholding is owned by 5 individuals holding 0.0007% each.

# MIBS Holdings Limited

## Notes to the financial statements For the year ended 31 May 2016

### 9. Trade and other receivables

	2016 £000	2015 £000
<b>Due after more than one year</b>		
Amounts owed by group undertakings	<u>21,518</u>	<u>7,223</u>
<b>Due within one year</b>		
Amounts owed by group undertakings	<u>44,923</u>	<u>45,531</u>

Amounts owed by group undertakings are unsecured and are repayable on demand. However payment of £21,518,000 (2015: £7,223,000) is not expected within the short term and so these amounts are classified as non-current assets.

Of the amounts owed by group undertakings above, £21,518,000 (2015: £1,505,000) is interest bearing. This amount has attracted interest at a floating rate ranging from 0.78% to 0.88% (2015: 1.53% to 1.56%).

### 10. Trade and other payables: amounts falling due within one year

	2016 £000	2015 £000
Amounts owed to group undertakings	<u>9,949</u>	<u>-</u>

Amounts owed to group undertakings are unsecured and are repayable on demand.

### 11. Trade and other payables: amounts falling due after more than one year

	2016 £000	2015 £000
Amounts owed to group undertakings	<u>66,818</u>	<u>40,352</u>

Amounts owed to group undertakings are unsecured and are repayable on demand. However, payment of £66,818,000 (2015: £40,352,000) is not expected within the short term and so these amounts are classified as non-current liabilities.

Of the non-current amounts owed to group undertakings above, £66,818,000 (2015: £40,352,000) of this amount has attracted interest at a floating rate ranging from 4.28% to 4.63% (2015: 4.53% to 4.56%) during the year.

# MIBS Holdings Limited

## Notes to the financial statements For the year ended 31 May 2016

### 12. Called up share capital

	2016 £000	2015 £000
<b>Allotted, called up and fully paid</b>		
3,660,262,611 (2015: 3,660,262,611) Ordinary shares of £0.10 each	<b>366,026</b>	366,026

### 13. Reserves

#### Share premium account

Share premium comprises amount subscribed for share capital in excess of nominal value.

#### Retained earnings

Retained earnings represents cumulative profits, losses and total other recognised gains or losses made by the Company, including distributions to, and contributions from, the owners.

### 14. Contingent liabilities

The Company, together with several other wholly-owned subsidiaries of Misys Newco 2 S.à r.l. guarantees the credit facilities of the Misys Group. These facilities comprise secured credit agreements for US\$1,235.4m for first lien loans and US\$625m for second lien loans, which mature between two and four years. Under the credit facilities of the Misys Group, there is a fixed and floating charge over all of the assets of the Company.

### 15. Subsequent events

On 13 March 2017, Vista Equity Partners announced that it signed a definitive agreement to acquire D+H Corporation, a Canadian-based software provider, and intends to merge it with the Misys Group (the "transaction"). In executing the transaction, the Misys Group is arranging for new external debt finance in order to refinance its existing credit facilities and provide acquisition funding.

On the same date, Misys Limited, a wholly-owned indirect subsidiary of Misys Newco 2 S.à r.l., entered into a guarantee in favour of D+H Corporation under which Misys Limited guarantees the performance of the Misys Group in the transaction. As is customary for transactions such as this termination fees are payable by either the Misys Group or D+H Corporation if the transaction is not completed successfully. Subject to certain provisions included in the transaction, the Misys Group would be liable to pay D+H Corporation a termination fee of \$177,400,000.



# **MIBS Holdings Limited**

## **Notes to the financial statements For the year ended 31 May 2016**

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### **16. Ultimate parent company**

The Company's immediate parent company is Misys Limited, a company incorporated in the United Kingdom.

The parent company of the smallest group in which the Company is included in consolidated financial statements is that of Misys Newco 2 S.à r.l., a company incorporated in Luxembourg. The parent company of the largest group in which the Company is included in consolidated financial statements is that of Misys Newco S.à r.l., a company incorporated in Luxembourg.

Copies of the consolidated financial statements of Misys Newco 2 S.à r.l. and Misys Newco S.à r.l. may be obtained from the Misys Group Secretariat, One Kingdom Street, Paddington, London, W2 6BL.

The party which controls the Company is Vista Equity Partners based in USA.

### **17. First time adoption of FRS 101**

This is the first year that the Company has presented its financial statements in accordance with FRS 101 'Reduced Disclosure Framework' issued by the Financial Reporting Council. The last financial statements prepared in accordance with accounting standards previously applicable in the United Kingdom (UK GAAP) were for the year ended 31 May 2015. The date of transition to FRS 101 was 1 June 2014. The policies applied under the entity's previous accounting framework are not materially different to FRS 101 and have not impacted on equity or profit or loss.