

Company registration number 01752099

**Misys Holdings Limited**

Report and financial statements  
for the year ended  
31 May 2012



**Misys Holdings Limited**  
**Company registration number 1752099**

**Directors' report for the year ended 31 May 2012**

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The Directors present their annual report and audited financial statements of the Company for the year ended 31 May 2012

**Principal activities and review of the business**

The Company acts as an intermediate holding company within the Misys Group ('the Group'). No significant change in the activities of the Company is envisaged in the forthcoming year.

On 19 March 2012, the independent Directors of Misys Limited (formerly Misys plc), the Company's ultimate parent company and controlling party at that date, announced that they had reached agreement on the terms of a recommended cash offer made by Magic Bidco Limited, a wholly owned subsidiary of Vista Equity Partners, LLC, for the entire issued and to be issued share capital of Misys Limited (formerly Misys plc) (the Acquisition). The Acquisition was implemented by means of a scheme of arrangement (the Scheme) pursuant to Part 26 of the Companies Act 2006.

Shareholders' approval to the Acquisition and the Scheme was given at a general meeting of the Company held on 24 April 2012. The Scheme was sanctioned by the Supreme Court on 28 May 2012 and Misys plc shares were suspended from trading on the London Stock Exchange on 31 May 2012. The Acquisition became effective on 1 June 2012 and Misys plc shares were delisted from the London Stock Exchange.

This report has been prepared in accordance with the special provisions of section 415A of the Companies Act 2006 relating to the small companies exemption.

**Results and dividends**

The Company's profit for the financial year is £90.7m (2011: £61.1m). The Company paid an interim dividend of £35.6m (2011: £112.8) during the year. The Directors do not recommend the payment of a final dividend (2011: £nil). The results of the Company for the year are set out in detail on page 5.

**Directors**

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

Misys Corporate Director Limited

J Dudley

T Homer

N Farrimond (appointed 16 July 2012, resigned 6 September 2012)

B Patel (appointed 6 September 2012)

# Misys Holdings Limited

## Directors' report for the year ended 31 May 2012

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### Statement of Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements 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, 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 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 financial statements 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.

### Statement on disclosure of information to auditors

So far as each Director is aware, there is no relevant audit information of which the Company's auditors were unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Directors' indemnities

All Directors have been granted an indemnity by the ultimate parent company, Misys Limited (formerly Misys plc), 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.

### Independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors and are deemed automatically re-appointed.

On behalf of the Board



J Dudley  
Director  
1 November 2012

# **Independent Auditors' Report to the members of**

## **Misys Holdings Limited**

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We have audited the financial statements of Misys Holdings Limited for the year ended 31 May 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

As explained more fully in the Statement of Directors' responsibilities set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion, the financial statements

- give a true and fair view of the state of the company's affairs as at 31 May 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **Independent Auditors' Report to the members of**

## **Misys Holdings Limited**

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### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report



Giles Hannam (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
1 November 2012

**Misys Holdings Limited**  
**Profit and loss account for the year ended 31 May 2012**

	Note	2012 £'000	2011 £'000
Administrative expenses	2	6,569	(33)
Amounts written off investments	6	(149,765)	(948,555)
Income from shares in group undertakings	3	229,819	1,023,040
Interest receivable and similar income		14	-
<b>Profit on ordinary activities before taxation</b>	2	<b>86,637</b>	<b>74,452</b>
Tax on profit on ordinary activities	4	4,037	(13,346)
<b>Profit for the financial year</b>	10	<b>90,674</b>	<b>61,106</b>

The notes to the financial statements are on pages 7 to 12

All results are derived from continuing operations

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

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

**Misys Holdings Limited**  
**Balance sheet as at 31 May 2012**

	Note	2012 £'000	2011 £'000
<b>Fixed assets</b>			
Investments	6	<u>129,199</u>	<u>238,213</u>
<b>Current assets</b>			
Debtors			
- amounts falling due within one year	7	1,438	-
- amounts falling due after more than one year	7	<u>196,126</u>	<u>50,659</u>
		197,564	50,659
<b>Creditors' amounts falling due within one year</b>	8	<u>(104)</u>	<u>(200)</u>
<b>Net current assets</b>		<u>197,460</u>	<u>50,459</u>
<b>Total assets less current liabilities</b>		<u>326,659</u>	<u>288,672</u>
<b>Creditors' amounts falling after more than one year</b>	8	<u>(30,147)</u>	<u>(47,231)</u>
<b>Net assets</b>		<u>296,512</u>	<u>241,441</u>
<b>Capital and reserves</b>			
Called up share capital	9	7,654	7,654
Profit and loss account	10	<u>288,858</u>	<u>233,787</u>
<b>Total shareholders' funds</b>	11	<u>296,512</u>	<u>241,441</u>

The financial statements on pages 5 to 12 were approved by the Board of Directors on 1 November 2012 and signed on its behalf by



T Homer  
Director

# Misys Holdings Limited

## Notes to the financial statements for the year ended 31 May 2012

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### 1. Accounting policies

#### Accounting convention

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies which have been applied consistently throughout the year are set out below.

#### Fixed asset investments

Investments held as fixed assets are stated at cost less provision considered necessary for any impairment.

The need for any impairment write down 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 and loss account.

#### Taxation

Current tax for the current and prior periods is provided at the amount expected to be paid (or recovered) using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or the right to pay less tax, at a future date, at tax rates expected to apply when the timing differences reverse based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### Foreign exchange

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

#### Cash flow and related party disclosures

The Company is a wholly owned subsidiary of Misys Limited (formerly Misys plc) and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996) 'Cash Flow Statements'.

The Company has also taken advantage of the exemption under FRS 8 'Related party transactions' not to disclose transactions with group undertakings since Misys Limited (formerly Misys plc) is the beneficial owner of the entire share capital of the Company.

#### Dividend

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

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which dividend is approved by the Company's shareholders.



# Misys Holdings Limited

## Notes to the financial statements for the year ended 31 May 2012

### 2. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is arrived after charging (crediting)

	2012 £'000	2011 £'000
Forgiveness of amounts owed to group undertakings	(6,605)	-
Auditors' remuneration for audit of statutory financial statements	29	33
Foreign exchange loss	11	10

Remuneration of the Directors has been borne by other group companies, as was the case in the prior year. Their services to this Company and to a number of fellow subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to other group companies. Accordingly, no emoluments details are disclosed in these financial statements. There were no employees in the year (2011: nil).

### 3. Income from shares in group undertakings

The Company received dividends during the year from its shares in group undertakings as part of corporate restructuring.

### 4. Tax on profit on ordinary activities

	2012 £'000	2011 £'000
<b>Current Tax</b>		
UK Corporation tax charge for the year	-	-
Adjustments in respect of prior years	-	(13,346)
Total current tax	-	(13,346)

#### Deferred Tax

Deferred tax credit	4,037	-
Tax on profit on ordinary activities	4,037	(13,346)

The tax assessed for the year is lower (2011: lower) than the standard rate of corporation tax based on profit before tax for the following reasons:

	2012 £'000	2011 £'000
Profit on ordinary activities before taxation	86,637	74,452
Current tax charge for the year at the standard rate of UK tax of 25.7% (2011: 27.67%)	(22,266)	(20,601)
Tax adjustment on intercompany transactions	(408)	5,551
Non-taxable income	59,063	283,075
Non-deductible investments write off	(38,489)	(262,465)
Adjustment in respect of prior years	-	(13,346)
Group relief claimed (surrendered) for nil consideration	2,100	(5,560)
Current tax charge for the year	-	(13,346)

# Misys Holdings Limited

## Notes to the financial statements for the year ended 31 May 2012

The following deferred tax assets have not been recognised as their use is uncertain or is not currently anticipated due to insufficient suitable profits within the Group

	2012 £'000	2011 £'000
Tax losses carried forward	-	4,453

A number of changes to the UK corporation tax system were announced in the March 2012 Budget Statement. The Finance Act 2012 was enacted in July 2012 and reduces the main rate of corporation tax from 26% to 24% from 1 April 2012. Further reductions are proposed to be enacted separately each year with the aim of reducing the rate by 1% per annum to 22% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. We estimate the reduction in the corporation tax rate from 24% to 22% will not have a material impact on the Company's results.

### 5. Dividends

	2012 £'000	2011 £'000
Equity - ordinary		
Interim paid – 465p (2011 44p) per £1 share	35,603	112,829

### 6. Fixed asset investments

	Other investments £'000	Shares in subsidiary undertakings £'000	Total £'000
<b>Cost</b>			
At 1 June 2011	316	1,292,957	1,293,273
Additions	-	40,971	40,971
Disposals	-	(220)	(220)
<b>At 31 May 2012</b>	<b>316</b>	<b>1,333,708</b>	<b>1,334,024</b>
<b>Provision for impairment</b>			
At 1 June 2011	(316)	(1,054,744)	(1,055,060)
Charge	-	(149,765)	(149,765)
<b>At 31 May 2012</b>	<b>(316)</b>	<b>(1,204,509)</b>	<b>(1,204,825)</b>
<b>Net book value</b>			
<b>31 May 2012</b>	<b>-</b>	<b>129,199</b>	<b>129,199</b>
31 May 2011	-	238,213	238,213

Impairment charge for the year relates to impairment of investment in group undertakings which has been recorded as part of reorganisation of Misys group to simplify structure and internal financial arrangements. Of the charge, £107.4m relates to the investment in Misys B&S Division Limited. Misys B&S Division Limited sold its investment in the principal UK trading entity Misys International Banking Systems Limited during the year to another Misys group company and as a consequence the Directors do not believe that the entity's current operations and investments support the previous value. £0.5m of the charge relates to the investment in Misys International Financial Systems Pte Limited. In the opinion of the Directors, the balance sheet position and trading results of the entity do not support its previous carrying value.

# Misys Holdings Limited

## Notes to the financial statements for the year ended 31 May 2012

The remaining charge relates to the following entities which were placed in to liquidation during the year and have been dissolved since the year end, Misys Investment (US) 2004 Limited, Misys Investment (US) 2009 Limited, Misys Investment (US) 2011 Limited, Misys Investment (US) 2014 Limited, Consultants (Computer & Financial) Limited, Misys Asset Management Systems Limited, Misys Interactive Trading (PFS) Limited, Misys Interactive Trading Limited and Misys Eurofin Investments Limited

Disposals during the year relate to Countrywide Holdings (UK) Limited and Midas-Kapiti International plc which were dissolved during the year, and Misys International S A which was sold to MIBS Holdings Limited during the year for net book value with no profit or loss recorded on disposal

### Principal subsidiary undertakings

Listed below are the principal investments in subsidiaries held by the Company

Company	Country of incorporation	Nature of Business	Holding
MIBS Holdings Limited	England & Wales	Intermediate holding company	[a]
Misys Worcester Limited	England & Wales	Non-trading	[a]
Misys B&S Division Limited	England & Wales	Non-trading	[a]
Misys Securities Trading Systems (Asia Pacific) NZ Limited	New Zealand	Non-trading	99.9%
Misys Patriot Limited	England & Wales	Non-trading	[a]

[a] 100% of the issued ordinary share capital of the subsidiary undertaking

In addition to the companies shown above, the Company also holds investments in a number of other subsidiary undertakings, which in the Directors' opinion do not significantly affect the figures in the financial statements

In the opinion of the Directors, the carrying value of the Company's investments is not greater than the underlying net asset value of those investments

The Company is a wholly owned subsidiary of Misys Limited (formerly Misys plc) and has consequently taken advantage of Section 400 Companies Act 2006 not to prepare group financial statements

### 7. Debtors

	2012 £'000	2011 £'000
<b>Amounts falling due within one year</b>		
Amounts owed by group undertakings	<u>1,438</u>	<u>-</u>
<b>Amounts falling due after more than one year</b>		
Deferred tax asset	<u>4,037</u>	<u>-</u>
Amounts owed by group undertakings	<u>192,089</u>	<u>50,659</u>
	<u>196,126</u>	<u>50,659</u>

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand. The Company has no immediate intention to recall £192.1m of these balances (2011: £50.7m) in the short term and so these amounts are classified as non-current assets

# Misys Holdings Limited

## Notes to the financial statements for the year ended 31 May 2012

### Recognised deferred tax asset

	2012 £'000	2011 £'000
Opening balance	-	-
Credit for the year	4,037	-
Closing balance	<u>4,037</u>	<u>-</u>
Represented by		
Tax losses carried forward	<u>4,037</u>	<u>-</u>

A deferred tax asset has been recognised with respect to a proportion of the timing differences on the basis that the Company considers it more likely than not that sufficient suitable taxable profits will be generated in the foreseeable future by the UK resident group companies against which the timing differences will reverse. From 1 April 2012, UK corporation tax will be charged at 24%. We estimate the reduction in the corporation tax rate from 24% to 22% will not have a material impact on the Company's results.

### 8. Creditors

	2012 £'000	2011 £'000
<b>Amounts falling due within one year</b>		
Amounts owed to group undertakings	<u>104</u>	<u>200</u>
<b>Amounts falling due after more than one year</b>		
Amounts owed to group undertakings	<u>30,147</u>	<u>47,231</u>

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand. However payment of £30.1m (2011: £47.2m) is not expected within the short term and so these amounts are classified as non-current liabilities.

### 9. Called up share capital

	2012 £'000	2011 £'000
<b>Authorised</b>		
260,000,000 (2011: 260,000,000) ordinary shares of £1 each	<u>260,000</u>	<u>260,000</u>
<b>Allotted and fully paid</b>		
7,654,123 (2011: 7,654,123) ordinary shares of £1 each	<u>7,654</u>	<u>7,654</u>

### 10. Profit and loss account

	£'000
At 1 June 2011	233,787
Profit for the financial year	90,674
Dividends paid	(35,603)
<b>At 31 May 2012</b>	<u><b>288,858</b></u>

# Misys Holdings Limited

## Notes to the financial statements for the year ended 31 May 2012

### 11. Reconciliation of movement in shareholders' funds

	2012 £'000	2011 £'000
Profit for the financial year	90,674	61,106
Dividends paid	(35,603)	(112,829)
Shares issued	-	7,653
Opening shareholders' funds	241,441	285,511
Closing shareholders' funds	296,512	241,441

### 12. Contingent liabilities

The Company, together with several other wholly owned subsidiaries of Misys Limited (formerly Misys plc), guarantees the credit facilities of the Group. In November 2010, the Company together with several other wholly owned subsidiaries of Misys Limited (formerly Misys plc) became guarantors to a term loan of £90m and multicurrency revolving credit facility of £190m. These facilities were replaced by new financing post Vista acquisition of the Misys Group in June 2012 as explained in note 14.

### 13. Ultimate parent company

The Company's immediate parent company is Misys Services Limited.

The parent company of both the largest and smallest group in which Misys Holdings Limited is included in consolidated financial statements is that of Misys Limited (formerly Misys plc).

The Company's ultimate parent company and controlling party was Misys Limited (formerly Misys plc) at 31 May 2012, a company registered in England and Wales. Copies of the group financial statements of Misys Limited (formerly Misys plc) may be obtained from the Company Secretary of Misys Limited (formerly Misys plc), One Kingdom Street, Paddington, London W2 6BL.

### 14. Post balance sheet events

On 19 March 2012, the independent Directors of Misys plc announced that they had reached agreement on the terms of a recommended cash offer made by Magic Bidco Limited, a wholly owned subsidiary of Vista Equity Partners, LLC, for the entire issued and to be issued share capital of Misys plc (the Acquisition). The Acquisition was implemented by means of a scheme of arrangement (the Scheme) pursuant to Part 26 of the Companies Act 2006.

Shareholders' approval to the Acquisition and the Scheme was given at a general meeting of Misys plc held on 24 April 2012. The Scheme was sanctioned by the Supreme Court on 28 May 2012 and Misys plc shares were suspended from trading on the London Stock Exchange on 31 May 2012. On 1 June 2012 Misys plc shares were delisted from the London Stock Exchange. Until 31 May 2012, Misys plc was the ultimate holding company of the Misys plc group of companies. On 8 June 2012, Misys plc was re-registered as a private limited company and renamed as Misys Limited, a wholly owned subsidiary of Magic Bidco Limited.

At the balance sheet date, Vista had no operational control over Misys plc and as such the effective date of acquisition is 1 June 2012. Therefore, the financial statements reflect no consequential impact on the valuation of assets and liabilities for the year ended 31 May 2012. The impact on the financial statements in the year ending 31 May 2013 and beyond, if any, has not yet been determined.

As part of the acquisition, Magic Bidco Limited arranged new multicurrency financing facilities for funding the Acquisition and replacement of existing loan facilities of the Group. These facilities comprise a secured credit agreement for US\$1,045m and Euro 100m and an unsecured credit agreement for US\$645m which matures between five and seven years. The existing facilities and convertible bond of the Group were repaid in June 2012 and replaced with the new loan facilities.