

Finastra Europe Limited

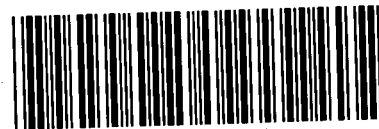
Report and Financial Statements

Year Ended

31 May 2018

Company Number 01752099

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Finastra Europe Limited

Company Information

Directors	T Kilroy C Jehle J Hughes S Dowler T Schloesser
Registered number	01752099
Registered office	Four Kingdom Street Paddington London W2 6BD
Independent auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP
Country of incorporation	England and Wales

Finastra Europe Limited

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Finastra Europe Limited

Strategic report For the year ended 31 May 2018

The Directors present their Strategic report of Finastra Europe Limited ("the Company") for the year ended 31 May 2018.

Business review and principal activity

The principal activity of the Company is to operate as an intermediate parent and holding company. The Company reported a loss for the financial year of €20,238,000 (2017: €5,463,000 - restated) which was driven by an increase in interest and commitment charges on inter-company borrowings of €54,059,000, group charges of €343,000 offset by revenues generated from sale of licences of €572,000, an increase in interest income of €6,491,000, a net foreign exchange gain on restatement of intercompany balances of €31,657,000, a reduction in investment impairments of €2,698,000 and a gain on sale of licences of €430,000. The Company subscribed 1,262,162,058 denominated non-voting ordinary shares at a face value of €126,216,206 and premium of €113,594,585 in Finastra Holdings Limited.

Key performance indicators

The executive management of Finastra Limited manage the operations of Finastra Limited group of companies ("the Group" and referred to as "Finastra 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 Finastra Group, which includes the Company, are discussed on pages 2 to 19 of the Finastra 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 Finastra Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Finastra Group, which include those of the Company, are discussed on pages 12 to 19 of the Finastra Group's annual report, which does not form part of this report.

In June 2016, a UK referendum resulted in a vote for the country to leave the European Union and the resultant uncertainty adds to the challenges for UK businesses. This uncertainty may lead to volatility in markets with potential fluctuations in foreign exchange rates and interest rates. These movements could impact, amongst other things, the fair value of derivative financial instruments and other assets. Sensitivity analysis associated with the Finastra Group's exposure to currency and interest rate risk was included in note 28 of the Finastra Group's annual report.

Overall, management assesses the direct impacts on the Company to be minimal in the short-term. No significant changes to the Company's operations are expected and the Company will continue to consider changes that are in the best interests of its customers and investors.

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

T. Kilmer
Director

Date: 25/4/19

Finastra Europe Limited

Directors' report For the year ended 31 May 2018

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 May 2018. With effect from 12 July 2017, the name of the Company was changed from Misys Europe Limited to Finastra Europe Limited. On 1 June 2017 the Company's functional currency changed from US Dollars to Euros. The decision was taken to change the presentation currency of the Company from US Dollars to Euros from this date to move in-line with the functional currency. As a change in accounting policy, this has been applied retrospectively with comparative amounts being restated in Euros using the closing rate for Balance sheet items, the average rate for Statement of comprehensive income items and the historical rate for called up share capital.

Exchange differences arising on the translation of comparative amounts from the functional to presentation currency are recognised in other comprehensive income in a separate translation reserve. As a result of the retrospective change in presentation currency, the balance on this translation reserve at 1 June 2016 was (€39,417,000 - restated) and at 31 May 2017 (€39,396,000 - restated).

Future developments

The Company's performance is expected to continue throughout the next financial year and it is anticipated that the current performance levels will be maintained.

Subsequent events

From the perspective of the Company, its operations, risk and uncertainties are integrated with those of the Finastra Group and are not managed separately. Further details of the subsequent events of the Finastra Group are disclosed in note 17.

Results and dividends

The Company's loss for the financial year amounted to €20,238,000 (2017: €5,463,000 - restated). No interim dividend was paid during the year (2017: €nil). The Directors do not recommend the payment of a final dividend (2017: €nil). The loss for the financial year of €20,238,000 (2017: €5,463,000 - restated) has been transferred to reserves.

Net liabilities at 31 May 2018 were €9,249,000 compared to net assets of €10,989,000 at 31 May 2017. This decrease was driven by the loss for the year and the increase in intercompany creditors.

Going concern

The Company has a net current liability position. A letter of support has been received from the intermediate parent company, Finastra Limited, stating that it will provide continuing financial support as necessary to enable the Company to meet its obligations as and when they fall due for a period of at least 12 months from the date of this report. Accordingly, the Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Change of functional currency

From 1 June 2017, the Company traded in Euro. Previous year the Company traded in US Dollars. The decision to do so was primary due to the economic environment in which the company would be operating, its sales, cash inflows, expenses and cash outflows. Further details of the change of currency are disclosed in note 3.

Listed securities

The Company has loan notes with an aggregate nominal value of €1,420,190,164 (2017: €nil) listed on the Cayman Islands Stock Exchange. The notes are all held by fellow Tahoe Bidco undertakings and the Directors have no immediate intention of trading the notes externally.

Finastra Europe Limited

Directors' report (continued) For the year ended 31 May 2018

Charitable and political donations

There were no charitable or political donations made in the year ended 31 May 2018 (2017: €nil) and the Company did not incur any political expenditure (2017: €nil).

Financial risk management

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

Foreign exchange currency risk

The Company operates internationally and is exposed to foreign currency fluctuations, primarily the US Dollar and the Euro. 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 Finastra Group's net exposure to foreign currency risk is illustrated by the sensitivity analysis in note 28 of the Finastra Group's annual report.

Credit risk

The Company's principal financial assets are cash and cash equivalents, and trade, other and intercompany receivables. The Company's credit risk is primarily attributable to its trade receivables. It has policies in place to ensure that sales are made to customers with an appropriate credit history and also policies that limit the amount of credit exposure to any financial institution. The Company has no significant concentrations of credit risk, with exposures spread over a large number of customers. The Finastra Group regularly reviews intercompany balances for impairment and, where appropriate, adjustments are made to the carrying value at subsidiary level.

Cash deposits 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 Finastra Group level.

Further details of the Finastra Group's risk policies are available within the Finastra 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 Kilroy
C Jehle (appointed 11 May 2018)
J Hughes (appointed 30 June 2018)
S Dowler (appointed 11 November 2018)
T Schloesser (appointed 23 January 2019)
J Olivier (resigned 11 May 2018)
T Homer (resigned 30 June 2018)
J Van Harken (resigned 23 January 2019)

Finastra Europe Limited

Directors' report (continued) For the year ended 31 May 2018

Directors' indemnities

All Directors have been granted an indemnity by the intermediate parent company, Finastra Limited, 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.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

The Companies Act 2006 ("CA 2006") requires the Directors to prepare financial statements for each financial year. Under CA 2006 the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under CA 2006 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting 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.

The Directors 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.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each Director in office at the date the Directors' report is approved:

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

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Finastra Europe Limited

Directors' report (continued)
For the year ended 31 May 2018

Independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office and be deemed to be reappointed as Auditors under Section 487(2) of the Companies Act 2006.

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

T. Kilroy
Director

Date: 25/6/18

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Independent auditors' report to the members of Finastra Europe Limited

Report on the audit of the financial statements

Opinion

In our opinion, Finastra Europe Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 May 2018; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

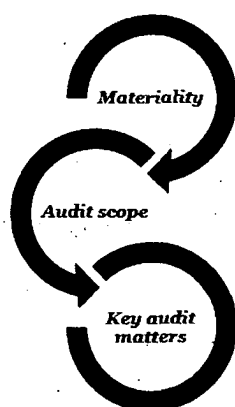
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview



- Overall materiality: €14,500,000 (2017: \$282,000), based on 1% of total assets (2017: 2% of total assets).
- We identified and tested all material financial statement line items and disclosures, including those that were considered qualitatively material. The procedures performed provided sufficient evidence over all material classes of transactions, account balances and disclosures in the financial statements.
- The Company engagement team performed all audit procedures.
- Impairment of investments.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Impairment of investments The company, being an immediate parent and holding company, owns shares in a number of direct and indirect subsidiaries (note 10) which should be reviewed annually for indicators of impairment. The Directors' assessment of the recoverable amount of the investments involves judgements about the future results of the underlying businesses, particularly assumptions around growth rates and the discount rates applied to future cash flow forecasts, where there is a higher degree of sensitivity. Based on this assessment, the Directors believe there is significant headroom between the recoverable amounts of the investments and their carrying value. This remained an area of focus for us as a result of the size of the related balances.	We evaluated the Directors' impairment assessments, and the process by which they were drawn up, including comparing them to the latest budgets and no exceptions were noted in our testing. We also tested the mathematical accuracy of the underlying calculations and we found no material misstatements from our testing. Based on our audit work, we found that the Directors' assumptions were supportable and within a range that we considered to be reasonable.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

We considered the nature of the company, which holds a number of direct and indirect investments in other Group companies, and \$340,631,507 (2017: \$nil) of listed debt on the Cayman Islands Stock Exchange.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	€14,500,000 (2017: \$282,000).
How we determined it	1% of total assets (2017: 2% of total assets).
Rationale for benchmark applied	We believe that total assets is the primary measure used by the shareholders in assessing the performance and financial position of the entity, and is a generally accepted auditing benchmark.

We agreed with the Board that we would report to them misstatements identified during our audit above €725,000 (2017: \$14,100) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the

European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 May 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

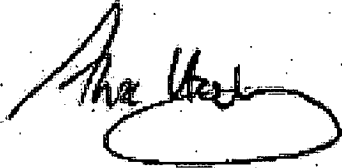
Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

A handwritten signature in black ink, appearing to read 'Alex Hookway', with a large, loopy flourish underneath.

Alex Hookway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

25 April 2019

Finastra Europe Limited

Statement of comprehensive income For the year ended 31 May 2018

	Note	2018 €000	Restated (note 3) 2017 €000
Revenue	4	573	-
Gross profit		573	-
Administrative expenses		(343)	-
Other operating income	5	35,174	(2,188)
Impairment of investments in subsidiaries	5,10	(198)	(3,346)
Operating profit/(loss)	5	35,206	(5,534)
Interest receivable and similar income	7	7,727	154
Interest payable and similar expenses	8	(63,171)	(104)
Loss before taxation		(20,238)	(5,484)
Tax on loss	9	-	-
Loss for the financial year		(20,238)	(5,484)
Amounts that may be subsequently reclassified to profit or loss			
Exchange differences on translation to presentation currency	15	-	21
Total other comprehensive income for the year		-	21
Total comprehensive expense for the year		(20,238)	(5,463)

All amounts relate to continuing activities.

The notes on pages 13 to 31 form part of these financial statements.

Finastra Europe Limited
Registered number: 01752099

Balance sheet
As at 31 May 2018

		2018 €000	Restated (note 3) 2017 €000
	Note		
Non-current assets			
Investments	10	1,262,577	1,579
Trade and other receivables: amounts falling due after more than one year	11	190,740	10,209
		<u>1,453,317</u>	<u>11,788</u>
Current assets			
Trade and other receivables: amounts falling due within one year	11	911	745
Current liabilities			
Trade and other payables: amounts falling due within one year	12	(15,199)	-
Net current (liabilities)/assets		<u>(14,288)</u>	<u>745</u>
Total assets less current liabilities		<u>1,439,029</u>	<u>12,533</u>
Non-current liabilities			
Trade and other payables: amounts falling due after more than one year	13	(1,448,278)	(1,544)
Net (liabilities)/assets		<u><u>(9,249)</u></u>	<u><u>10,989</u></u>
Capital and reserves			
Called up share capital	14	9,075	9,075
Translation reserve	15	(39,396)	(39,396)
Retained earnings	15	21,072	41,310
Total shareholders' (deficit)/funds		<u><u>(9,249)</u></u>	<u><u>10,989</u></u>

The financial statements on pages 10 to 31 were approved by the Board of Directors and signed on its behalf by:

T. Kilroy
Director

Date: 25/4/18

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The notes on pages 13 to 31 form part of these financial statements.

Finastra Europe Limited

Statement of changes in equity For the year ended 31 May 2018

	Called up share capital €000	Translation reserve €000	Retained earnings €000	Total shareholders' (deficit)/funds €000
At 1 June 2016 (Unaudited) (as restated)	9,075	(39,417)	46,794	16,452
Comprehensive expense for the year (as restated)				
Loss for the financial year (as restated)	-	-	(5,484)	(5,484)
Exchange differences on translation to presentation currency (as restated)	-	21	-	21
Total comprehensive expense for the year (as restated)	-	21	(5,484)	(5,463)
At 1 June 2017 (as restated)	9,075	(39,396)	41,310	10,989
Comprehensive expense for the year				
Loss for the financial year	-	-	(20,238)	(20,238)
Total comprehensive expense for the year	-	-	(20,238)	(20,238)
At 31 May 2018	9,075	(39,396)	21,072	(9,249)

The notes on pages 13 to 31 form part of these financial statements.

Finastra Europe Limited

Notes to the financial statements For the year ended 31 May 2018

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.

With effect from 12 July 2017, the name of the Company was changed from Misys Europe Limited to Finastra Europe Limited.

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").

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 Tahoe Bidco Ltd.

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 Tahoe Bidco Ltd, these financial statements do not include certain disclosures in respect of:

- business combinations;
- financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value);
- fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value); and
- impairment of assets.

The financial statements of Tahoe Bidco Ltd can be obtained as described in note 18.

Finastra Europe Limited

Notes to the financial statements For the year ended 31 May 2018

1. Accounting policies (continued)

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

Changes in accounting policy and disclosures

New standards and interpretations applied for the first time

IFRS 15, 'Revenue from contracts with customers' and Clarifications to IFRS 15 have been early adopted and retrospectively applied, with no impact.

The following standards with an effective date of 1 June 2017 have been adopted without any significant impact on the amounts reported in these financial statements.

- Amendments to IAS 12: 'Income taxes' related to the recognition of deferred tax assets for unrealised losses.
- Annual Improvements 2014–2016 Cycle

Going concern

The Company has a net current liability position. A letter of support has been received from the intermediate parent company, Finastra Limited, stating that it will provide continuing financial support as necessary to enable the Company to meet its obligations as and when they fall due for a period of at least 12 months from the date of this report. Accordingly, the Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Investments

Investments in subsidiary undertakings held as non-current assets are stated at cost plus incidental expenses less any provision for impairment considered necessary.

Other investments are classified as fair value through profit or loss. Gains and losses arising from changes in fair value are included in the profit or loss in the period in which they arise.

Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable and annually in the fourth quarter. Prior impairments of investments are reviewed for possible reversal annually.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Any gain or loss arising on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

Finastra Europe Limited

Notes to the financial statements For the year ended 31 May 2018

1. Accounting policies (continued)

Financial assets

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 comprised of Trade receivables, amounts owed by group undertakings and cash and cash equivalents. The Company does not have any financial assets classified as either 'at fair value through profit or loss', being financial assets held for trading or where designated as such on original recognition, or as 'available for sale'.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial liabilities are classified as loans and borrowings and are measured initially at the fair value of consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance income and finance expense. The Company's loans and borrowings comprise amounts owed to group undertakings.

Revenue

Revenue represents the fair value of consideration received or receivable from clients for services provided by the Company, stated net of discounts, returns and value added taxes. Revenue is recognised when a legal right to consideration exists and can be reliably measured, delivery to a customer has occurred with no significant vendor obligations remaining and where the collection of the resulting receivable is considered probable.

Where these circumstances exist but no invoice to the customer has been raised, under the terms of the contracts, revenue is recognised but the corresponding receivable is shown as accrued income in the balance sheet.

The Company generates revenue as follows:

- Licence fees

Finastra Europe Limited

Notes to the financial statements For the year ended 31 May 2018

1. Accounting policies (continued)

Revenue (continued)

Licence fees

The Company grants its customers licences to use its software. This revenue can relate to (a) Initial Licence Fees ("ILF"), where a fee relates to the right to use a software product, including significant upgrades pertaining to customers purchasing new modules or user rights; and (b) Roadmap Accelerator ("RA"), where a fee is payable for a significant variation of an existing product.

Where a licence is not subject to material modification or customisation certain criteria must be met before revenue is recognised:

- Arrangement existence is evidenced;
- Software has passed internal quality checks and is deemed generally available;
- Delivery to the customer has occurred;
- Risks and rewards of ownership have been transferred from the Company to the customer;
- Revenue, and associated costs, can be measured reliably and are not subject to further adjustment; and
- Collection from the customer is deemed probable.

In instances where significant vendor obligations exist, revenue recognition is deferred until the obligation has been satisfied. No revenue is recognised for multiple deliveries or multiple element products if an element remains undelivered and is essential to the functionality of the elements already delivered.

ILF on heavily customised software, together with associated professional services revenue, are treated as a single deliverable and recognised on a percentage of completion basis over the period from commencement of performance to customer acceptance.

Taxation

Taxation comprises the amount chargeable on the profits 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 and is reduced to the extent that it is no longer probable that sufficient profits will be available. 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.

Finastra Europe Limited

Notes to the financial statements For the year ended 31 May 2018

1. Accounting policies (continued)

Foreign exchange

On 1 June 2017 the Company's presentational currency changed from US Dollars to Euros to move in-line with functional currency. The change in functional currency has been accounted for retrospectively from this date. Exchange differences arising as a result of the change in functional currency are recognised in other comprehensive income. For more information see note 3.

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. Foreign exchange gains and losses are included within administrative expenses in the Statement of Comprehensive Income.

The Sterling exchange rate to Euros, the presentation currency, at 31 May 2018 was 1.14 (2017: 1.15).

Dividends

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.

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 assumptions 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 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. Change of functional currency

On 1 June 2017 the Company's functional currency changed from US Dollars to Euros.

The decision was taken to change the presentation currency of the Company from US Dollars to Euros from this date to move in-line with the functional currency. As a change in accounting policy, this has been applied retrospectively with comparative amounts being restated in Euros using the closing rate for Balance sheet items, the average rate for Statement of comprehensive income items and the historic rate for called up share capital.

Exchange differences arising on the translation of comparative amounts from the functional to presentation currency are recognised in other comprehensive income in a separate translation reserve. As a result of the retrospective change in presentation currency, the balance on this translation reserve at 1 June 2016 was €(39,417,000) - (restated) and at 31 May 2017 €(39,396,000) - (restated).

Finastra Europe Limited

Notes to the financial statements For the year ended 31 May 2018

4. Revenue

An analysis of revenue by class of business is as follows:

	2018 €000	Restated 2017 €000
Licence fees	573	-

Analysis of revenue by country of destination:

	2018 €000	Restated 2017 €000
United Kingdom	400	-
Ireland	173	-
	573	-

5. Operating profit/(loss)

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

	2018 €000	Restated 2017 €000
Impairment of investments in subsidiaries (note 10)	198	3,346
Foreign exchange (gain)/loss	(34,744)	2,188
Sundry income	(430)	-

There were no employees in the year (2017: nil).

A foreign exchange gain of €34,744,000 (2017: loss of €2,188,000 - as restated) arose due to the restatement of intercompany loan balances denominated in US Dollars at year end rates.

Audit fees of €11,000 (2017: €9,000) have been borne by another group company.

Finastra Europe Limited

Notes to the financial statements For the year ended 31 May 2018

6. Directors' remuneration

	2018 €000	Restated 2017 €000
Directors' remuneration	2,073	1,795
Money purchase pension costs for four Directors (2017: four)	34	36

The highest paid Director received remuneration excluding money purchase pension contributions of €1,206,120 (2017: €1,104,000 - restated).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to €9,500 (2017: €12,000 - restated).

As at 31 May 2018, a total balance of €538,080 (2017: €83,000 - restated) was payable to the Company's Directors in relation to bonuses for the financial performance of the prior fiscal year.

There was one Director (2017: one) who in respect of their qualifying services, shares were received or receivable under long-term incentive schemes in another group company.

The Directors are paid by another group company for their services as employees, rather than being of an executive nature.

Finastra Group policy allows for the cost of any services performed by the Directors, in the capacity as employees of a fellow subsidiary, to be recharged to the Company.

7. Interest receivable and similar income

	2018 €000	Restated 2017 €000
Interest receivable from group undertakings	7,727	154

8. Interest payable and similar expenses

	2018 €000	Restated 2017 €000
Fair value losses on other investments	-	55
Interest payable to group undertakings	63,171	49
	63,171	104

Finastra Europe Limited

Notes to the financial statements For the year ended 31 May 2018

9. Tax on loss

	2018 €000	Restated 2017 €000
Current tax		
UK corporation tax charge for the year	-	-
Factors affecting tax charge for the year		
The tax assessed for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 19.83%). The differences are explained below:		
	2018 €000	Restated 2017 €000
Loss before taxation	(20,238)	(5,484)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.83%)	(3,845)	(1,087)
Effects of:		
Expenses not deductible for tax purposes	38	1,087
Deferred tax not recognised	1,459	-
Group relief surrendered without charge	2,348	-
Total tax charge for the year	-	-

The effect of the changes to the corporation tax rates substantively enacted as part of the Finance Bill 2016 (on 7 September 2016) includes reductions to the main rate to reduce the rate 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 2018, there was an unrecognised deferred tax asset of €33,006,000 (2017: €45,009,000 - restated) 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.

Finastra Europe Limited

Notes to the financial statements For the year ended 31 May 2018

10. Investments

	Investments in subsidiaries €000	Other investments €000	Total €000
Cost			
At 1 June 2017 (as restated)	3,241	1,579	4,820
Additions	1,262,360	-	1,262,360
Disposal	(3,241)	(1,164)	(4,405)
At 31 May 2018	1,262,360	415	1,262,775
Impairment			
At 1 June 2017 (as restated)	3,241	-	3,241
Charge for the year	-	198	198
Impairment on disposals	(3,241)	-	(3,241)
At 31 May 2018	-	198	198
Net book value			
At 31 May 2018	1,262,360	217	1,262,577
At 31 May 2017 (as restated)	-	1,579	1,579

The addition to investments in subsidiaries of €1,260,360,000 relates to a subscription for Euro denominated non-voting ordinary shares in Finastra Holdings Limited.

The impairment charge for the year of €198,000 relates to a loss as a result of valuing the holdings in Accel Europe Limited Partnership (other investments) at market value as at 31 May 2018. Fair value gains and losses are recognised within finance costs.

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

The Company is exempt under Sections 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of Tahoe Bidco Ltd, a company incorporated in Cayman Islands.

Finastra Europe Limited

Notes to the financial statements For the year ended 31 May 2018

10. Investments (continued)

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Registered office address	Holding	Principal activity
ACT Pension Trustees Limited	Four Kingdom Street, Paddington, London, W2 6BD, United Kingdom	100 %	In liquidation
Finastra Holdings Limited	Four Kingdom Street, Paddington, London, W2 6BD, United Kingdom	95 %	^

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

Two of the Parent Company's direct subsidiaries were dissolved during the year ended 31 May 2018. On 19 September 2017 Misys Worcester Limited was dissolved. On 12 December 2017 Misys International Banking Systems (CIS) Limited was dissolved.

The other investments' cost brought forward of €1,579,000 relates to a holding in Accel Europe Limited Partnership, formed in the United States of America. The Partnership invests primarily in companies in software and technology infrastructure industries in the United States, the United Kingdom, and Israel. The Company also has an investment holding in Accel Keiretsu VI Limited Partnership, formed in the United States of America which is held at its fair value of €nil. The Partnership maintains investments in technology and media sectors globally.

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

Finastra Europe Limited

Notes to the financial statements For the year ended 31 May 2018

10. Investments (continued)

Indirect Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office address	Holding	Principal activity
Finastra Europe S.A.	287 - 289, Route d'Arlon, L-1150, Luxembourg	100 %	^
Misys International Systems - Informatica Unipessoal Limitada	Praça do Campo Pequeno, 48 2º Dtº, 1000-081 Lisboa, Portugal	100 %	^
Misys International Financial Systems (Proprietary) Limited	Office LO3-LO4, Zone Phase 2, 31 Tyrwhitt Avenue, Rosebank, Johannesburg, Gauteng, 2196, South Africa	100 %	^
Finastra International Limited	Four Kingdom Street, Paddington, London, W2 6BL, United Kingdom	100 %	^
Misys International Banking Systems Limited	2800 Park Place, 666 Burrard Street, Vancouver BC V6C 2Z7, Canada	100 %	^
Misys International Banking Systems K.K.	Fukoku Seimei Building, 2-2-2 Uchisaiwaicho, Chiyoda Ku, Tokyo, Japan	100 %	^
Misys International Banking Systems A.G.	Bahnhofstrasse 52, 8001 , Zurich, Switzerland	100 %	^
Misys Netherlands Global	Herikerbergweg 238, 1101CM, Amsterdam, Zuidoost, Netherlands	100 %	^
Misys India Holdings Limited	Four Kingdom Street, Paddington, London, W2 6BL, United Kingdom	100 %	~
Misys Africa Limited	Four Kingdom Street, Paddington, London, W2 6BL, United Kingdom	100 %	^
Misys International Systems Limited (note 1)	No. 191 Silom Complex Building 17th Floor, Room 1712, Silom Road, Silom Sub district, Bangrak District, Bangkok, Thailand	99.9 %	^
Misys Italy S.r.l.	Corso Italia 1, Milano, Italy	100 %	^
PT Misys International Financial Systems (note 2)	Ged. Bursa Efek Indonesia, Tower II 16 Floor Suite 1601, Jl. Jend. Sudirman Kav. 52 53 Senayan Kebayoran Baru, Jakarta, Selatan, 12190, Indonesia	100 %	^
Finastra Global Operations Limited (formerly Summit Asia Limited)	Edificio Mapfre, Avenida de Burgos, nº 12, 3ª planta 28036 , Madrid, Spain	100 %	^
Misys Spain S.L.	Splaiul Independentei No. 319G, Riverview House, 6th 7th floor , Sector 6, Bucharest, Romania	95 %	^
Misys International Financial Systems SRL (note 3)	Four Kingdom Street, Paddington, London, W2 6BL, United Kingdom	100 %	^
Finastra UK Limited (formerly Kapiti Limited)	Biurowiec Lumen, ul. Zlota 59, 00 120 Warszama, Polska, Poland	100 %	^
Misys Poland Sp.z.o.o			

Finastra Europe Limited

Notes to the financial statements For the year ended 31 May 2018

10. Investments (continued)

Name	Registered office address	Holding	Principal activity
Finance Information et Technologie SAS	Washington Plaza 42, rue Washington, 75008 Paris, France	100 %	~
Finastra France SAS (formerly Misys France SAS)	Washington Plaza 42, rue Virgo Building, Bagmane	100 %	^
Finastra Software Solutions (India) Private Limited (formerly Misys Software Solutions (India) Private Limited) (note 3)	Constellation Business Park, Outer Ring Road, Doddanekundi, Bengaluru, Karnataka, 560037, India	99.9 %	^
Misys International Financial Systems S.L.	Edificio Mapfre, Avenida de Burgos, no 12, 3 planta, 28036, Madrid, Spain	100 %	^
Misys Egypt LLC	26 July-10 Street, Downtown - the Third Round, Cairo, Egypt	100 %	^
Sophis Brazil Servicos De Tecnolgia Ltda (note 3)	Rua Olimpiadas, 205, 4º andar, conjunto 44, salas 401, 403, 404 e 405, Vila Olimpia, São Paulo-SP, CEP 04551-000, Brazil	99.9 %	^
Misys Morocco S.à r.l. (note 3)	219, boulevard Zerkouni, résidence El Bardai, ETG 1 APPT 1 MAARIF, Casablanca, 2000, Morocco	99 %	^
Finastra Ireland Limited (formerly Misys Ireland Limited)	East Point Business Park, Dublin 3, Ireland	100 %	^
Finastra International GmbH (formerly Misys International Banking Systems GmbH)	Hedderichstrasse 36, 60594 , Frankfurt, Germany	100 %	^
Misys International Banking Systems Pty Limited	Level 10, 167 Macquarie Street, Sydney NSW 2000, Australia	100 %	^
Misys Philippines Inc (note 4)	8th Floor, Zuellig Building, Makati Ave cor Paseo De Roxas, Makati City, 1225, Philippines	99.9 %	^
Finastra Hong Kong Limited (formerly Misys International Banking Systems Limited) (note 3)	Suite 604-610, 6th Floor, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong	99.9 %	^
Misys International Financial Technology (Beijing) Limited	Room 2760, Building No 9-17, Yongdingmenneizhongli, East Street, Dongcheng District , Beijing, China	100 %	^
Misys International Systems Sdn Bhd	10th Floor , Menara Hap Seng, No.1 & 3 Jalan P Ramlee 50250 Kuala Lumpur, Malaysia	100 %	^
Finastra USA Inc. (Delaware) (formerly Almonde Inc.)	1209 Orange Street, Wilmington DE 19801 , United States	100 %	^
Finastra Technology, Inc. (formerly Misys International Banking Systems Inc.)	285 Madison Avenue, 4th Floor, New York 10017, United States	100 %	^
Misys International Banking Systems México S.A DE CV	Torre Candela, Sierra Candela #111, Piso 2, Despacho 208, Col Lomas de Chapult, DF 11000, Mexico	100 %	^
Troy TRM Limited (note 3)	Cerecon Building 8, 1st floor, Mousa Bin Nasyer Street, Olaya, Post box number 1119, Riyadh, 11393, Saudi Arabia	90 %	^

Finastra Europe Limited

Notes to the financial statements
For the year ended 31 May 2018

10. Investments (continued)

Name	Registered office address	Holding	Principal activity
Eszak-Magyarországi Informatikai Management Nonprofit Korlátolt Felelősségű Társaság (note 5)	Szechenyi u. 70 floor IV, Miskolc, H-3530, Hungary	26 %	^
Finastra USA, Inc. (Delaware, US)	1209 Orange Street, Wilmington DE 19801, United States	100 %	^
D+H USA Holdings LLC (Delaware, US)	Corporation Trust Center, 1209 Orange St, Wilmington DE 19801, United States	100 %	^
Finastra USA Corporation (Oregon, US)	CT Corporation System, Attn Legal Department, 1320 SW Broadway, Suite 100, Portland, Oregon, 97301	100 %	^
Fundtech Investments II, Inc. (Delaware, US)	Corporation Trust Center, 1209 Orange St, Wilmington DE 19801, United States	100 %	^
US FT Parent, Inc. (Delaware, US)	Corporation Trust Center, 1209 Orange St, Wilmington DE 19801, United States	100 %	^
D+H Investments S.à r.l. (Luxembourg)	287 - 289, Route d'Arlon, L-1150, Luxembourg	100 %	^
Finastra Financial Technology Corporation (Delaware, US)	Corporation Trust Center, 1209 Orange St, Wilmington DE 19801, United States	100 %	^
BServ Investments, Inc.	Corporation Trust Center, 1209 Orange St, Wilmington DE 19801, United States	100 %	^
Finastra Merchant Services, Inc. (Nevada, US)	The Corporation Trust, Company of Nevada, 701 S Carson St STE 200, Carson City, Nevada, 89701	100 %	^
World Trade Board Limited	Four Kingdom Street, Paddington, London, W2 6BD	100 %	^
Fundtech Australia PTY Limited (Australia)	Level 29, 66-84 Goulburn Street, Sydney NSW 2000, Australia	100 %	^
Fundtech UK Limited (UK)	Four Kingdom Street, Paddington, London, W2 6BD	100 %	^
Fundtech FSC Ltd. (UK)	Four Kingdom Street, Paddington, London, W2 6BD	100 %	^
Intersoftware UK Limited (UK)	3 Field Court, Grays Inn, London, WC1R 5EF	100 %	In liquidation
Payactive Limited (UK)	3 Field Court, Grays Inn, London, WC1R 5EF	100 %	In liquidation
Accountis Europe Ltd (UK)	Four Kingdom Street, Paddington, London, W2 6BD	100 %	^
Intersoftware Bureaux Limited (UK)	3 Field Court, Grays Inn, London, WC1R 5EF	100 %	In liquidation
DH Corporation (Ontario, Canada)	120 Bremner Blvd, Suite #30th Floor, Toronto ON M5J 0A8, Canada	100 %	^
Tricura Canada Inc (Federal, Canada)	2 Robert Speck Parkway, 11th Floor, MISSISSAUGA ON L4Z 1H8, Canada	100 %	^
1119614 B.G.C. ULC (BC, Canada)	1600-925 West Georgia Street, Vancouver BC V6C 3L2, Canada	100 %	^
1119607 B.C. Ltd (BC, Canada)	1600-925 West Georgia Street, Vancouver BC V6C 3L2, Canada	100 %	^

Finastra Europe Limited

Notes to the financial statements For the year ended 31 May 2018

10. Investments (continued)

Name	Registered office address	Holding	Principal activity
D+H Cheque Services Corporation (BC, Canada)	1600-925 West Georgia Street, Vancouver BC V6C 3L2, Canada	100 %	^
D+H Mortgage Technology Corporation (BC, Canada)	1600-925 West Georgia Street, Vancouver BC V6C 3L2, Canada	100 %	^
D+H Shared Services Corporation (BC, Canada)	1600-925 West Georgia Street, Vancouver BC V6C 3L2, Canada	100 %	^
D+H Software Corporation (BC, Canada)	1600-925 West Georgia Street, Vancouver BC V6C 3L2, Canada	100 %	^
F.T. Israeli Holdco 2011 Ltd. (Israel)	5th Floor, 10 Hamada Street, Herzliya, 4673344, Israel	100 %	^
D+H Financial Technology Limited	8th Floor, Block E Iveagh Court, Harcourt Road, Dublin, 2, Ireland	100 %	In liquidation
Finastra Financial Technology Israel Ltd	14 Hamaskir Street, Herzliya, 467331, Israel	100 %	^
D+H Solutions India Private Limited	6A, Sixth Floor, Plot 2, Leela Infopark, Technopark, Trivandrum, Kerala, 695581, India	100 %	^
Finastra Israel Technology Limited	5th Floor, 10 Hamada Street, Herzliya, 4673344, Israel	100 %	^
Fundtech India Private Limited	Office No. 604 & 605, 6th Floor, Powai Plaza, Hiranandani Complex, Powai Mumbai, 400076, India	100 %	^
Finastra Switzerland GmbH	Bäderstrasse 29, 5400, Baden, Switzerland	100 %	^
Fundtech Singapore Pte Ltd.	5 Shenton Way, #12-01/04, UIC Building, Singapore, 068808, Singapore	100 %	In liquidation
Fundtech Financial Messaging Ltd	Four Kingdom Street, Paddington, London, W2 6BD	100 %	^
Finastra Financial Technology Germany GmbH	Hedderichstraße 36, 60594, Frankfurt am Main, Germany	100 %	^

^ 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

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.
5. Eszak-Magyarországi Informatikai Management Nonprofit Korlátolt Felelősségű Társaság is 26% owned and so is a significant holding rather than a subsidiary undertaking.

Finastra Europe Limited

Notes to the financial statements For the year ended 31 May 2018

11. Trade and other receivables

	2018 €000	Restated 2017 €000
Amount falling due after more than one year		
Amounts owed by group undertakings	190,740	10,209
Amount falling due within one year		
Trade debtors	400	-
Amounts owed by group undertakings	310	745
Other receivables	29	-
Accrued income	172	-
	911	745

Amounts owed by group undertakings are unsecured and repayable on demand. The Company has no immediate intention to recall €190,740,000 of these balances (2017: €10,209,000 - restated) in the short-term and so these amounts are classified as amounts falling due after more than one year.

Of the amounts owed by group undertakings above, €190,562,000 (2017: €10,089,000 - restated) is interest-bearing. The make-up of this amount has attracted interest at a floating rate ranging from 0.61% to 3.32% (2017: 1.59% to 2.17%) during the year.

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

	2018 €000	Restated 2017 €000
Amounts owed to group undertakings	15,199	-

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

Finastra Europe Limited

Notes to the financial statements **For the year ended 31 May 2018**

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

	2018 €000	Restated 2017 €000
Amounts owed to group undertakings	1,448,278	1,544

Amounts owed to group undertakings are unsecured and repayable on demand. However payment of €1,448,278,000 (2017: €1,544,000 - restated) is not expected within the short-term and so these amounts are classified as non-current liabilities.

Of the amounts owed to group undertakings above, €1,447,891,000 (2017: €1,511,000 - restated) was interest-bearing at a floating rate ranging from 0.61% to 6.78% (2017: 1.35% to 4.68%). The notes were all held by Finastra Europe SARL, a fellow Tahoe Bidco undertaking, and mature on 13 December 2024.

Unsecured loan notes of €850,000,000 were issued on 13 June 2017 to Finastra Europe SARL. The notes have a maturity date of 13 December 2024 and were listed on the Cayman Islands Stock Exchange on 30 August 2017. The notes attracted an interest rate of EURO LIBOR + 3.289% points subject to a LIBOR floor of 1% point.

Unsecured loan notes of \$671,472,000 with a maturity date of 13 December 2024 were issued on 13 June 2017 to Finastra Europe SARL. The notes have a maturity date of 13 December 2024 and were listed on the Cayman Islands Stock Exchange on 30 August 2017 for €570,190,164. The notes have attracted interest at a floating rate of USD LIBOR + 3.539% points till 30th August 2017 and a floating rate of EURO LIBOR + 3.289% points (EURO LIBOR floor 1%) thereafter till the end of the year.

The Directors have no immediate intention of trading the above notes externally.

14. Called up share capital

	2018 €000	Restated 2017 €000
Allotted, called up and fully paid		
7,654,123 (2017: 7,654,123) Ordinary shares of £1 each	9,075	9,075

15. Reserves

Translation reserve

The translation reserve represents amounts arising as a result of translating financial statement items from the functional currency into the presentation currency.

Retained earnings

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

Finastra Europe Limited

Notes to the financial statements For the year ended 31 May 2018

16. Contingent liabilities

Contingent liabilities that are quantifiable generally arise from guarantees, letters of credit and bonds that have been issued in support of tenders submitted to prospective customers. There were no such commitments for the Company as at the year end.

The Company and its subsidiaries may be parties to legal actions and claims arising in the ordinary course of business. Whilst the outcome of current outstanding actions and claims remains uncertain, it is expected that they will be resolved without a material impact to the Company's financial position. The Company considers that it is remote that any material liabilities will arise from any other contingent liabilities which are not identified above.

On 13th June 2017 as part of the combination with D+H, Vista Equity Partners, the Finastra Group's ultimate controlling party arranged for new external debt finance to refinance its existing debt and provide funding for the acquisition of D+H. The new external debt finance consisted of \$3,582m and €850m First Lien Term Loans, \$1,245m Second Lien Term Loan, and a Multi-Currency Revolving Credit Facility ("new RCF") totalling to \$400m. The First Lien Term loans will mature on 12 June 2024, the Second Lien Term loan will matures on 12 June 2025 and the new RCF will matures on 13 June 2022. The Company together with several other wholly-owned subsidiaries of the newly formed Finastra Limited Group, guarantees these credit facilities. Under these credit facilities there is a fixed and floating charge over all the assets of the Company. There is also a negative pledge over these assets.

Finastra Europe Limited

Notes to the financial statements For the year ended 31 May 2018

17. Subsequent events

From the perspective of the Company, its operations, risk and uncertainties are integrated with those of the Finastra Group and are not managed separately. Accordingly, the following subsequent events of the Finastra Group are considered to be relevant to the Company:

Acquisition of Malauzai Software Inc ('Malauzai')

On 18 June 2018, Finastra Group acquired 100% of Malauzai for consideration of \$58.3m, with \$6.0m deferred for a period of 12 months. Malauzai, headquartered in Texas, USA, is a provider of mobile and internet banking solutions for community financial institutions. The deal reflects Finastra Group's commitment to the US retail and business banking sectors by further enabling digital transformation for community banks and credit unions across the country. Acquisition-related costs amounting to \$8.7m have been incurred and recognized as a non-recurring charge in fiscal year 2019. The disclosure requirements of FRS 3 (Revised) 'Business Combinations' B64 (e) – (q) regarding the fair values and other quantitative disclosures have not been met due to the short timeframe between the acquisition date and reporting date.

Disposal of Collateral Management Solutions ('CMS')

On 25 June 2018, the Group entered into a definitive agreement with Teranet Inc., a leader in the delivery of statutory registry services, to sell CMS, a provider of lien registration services, recovery services and insolvency management solutions to Canadian lenders. The deal completed post period end on 3 August 2018 with sale proceeds totalling \$272.6m (£204.8m). The Group subsequently repaid \$175.4m (£131.8m) and €41.6m (£36.1m) of debt borrowed at the time of the formation of Finastra Group. Further details on acquisitions and disposals are included in note 9 to the Group's consolidated financial statements copies of which can be obtained from Finastra Group secretariat, Four Kingdom Street, Paddington, London W2 6BD, United Kingdom.

Incremental hedging of interest rate and foreign currency risk

Group policy is to target a minimum of 60% fixed-rate debt in order to reduce the impact of increasing interest rates on the Group's cash flow. In addition, debt sourced in US Dollars is held in the Group's Canadian businesses, which gives rise to foreign exchange risk to the Group. In order to mitigate both foreign exchange risk and to comply with policy requirements, additional interest rate hedges were executed in fiscal year 2019, specifically a \$400.0m US Dollar floating-to-fixed interest rate swap and a Canadian Dollar \$646.0m cross-currency swap, which swaps US Dollar floating-rate interest to Canadian Dollar fixed-rate interest.

On 8 August 2018, Finastra Europe Limited made a partial repayment of the €850,000,000 unsecured loan notes issued on 13 June 2017 to Finastra Europe SARL for €41,610,591 of principal and €347,021 of accrued interest.

Finastra Europe Limited

Notes to the financial statements For the year ended 31 May 2018

18. Ultimate parent company

The Company's immediate parent company is Finastra Group Holdings Limited, whose registered office address is Four Kingdom Street, Paddington, London, W2 6BD.

The parent company of the smallest group in which the Company is included in consolidated financial statements is that of Finastra Limited, a company incorporated in Cayman Islands. The parent company of the largest group in which the Company is included in consolidated statements is that of Tahoe Bidco Ltd, a company incorporated in the Cayman Islands.

Copies of the consolidated financial statements of Finastra Limited and Tahoe Bidco Ltd may be obtained from Finastra Group Secretariat, Four Kingdom Street, Paddington, London, W2 6BD.

The Ultimate controlling party is Vista Equity Partners, incorporated in the United States of America.