

Company registration number 01941076

Misys Services Limited

Report and financial statements

for the year ended

31 May 2012

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Misys Services Limited
Company registration number 01941076

Directors' report for the year ended 31 May 2012

The Directors present their 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 the provider of central services to companies within the Misys group ('the Group') and as an intermediate holding company. In the opinion of the Directors, the Company operated satisfactorily during the year. 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 small companies exemption.

Results and dividends

The results of the Company for the year are set out in detail on page 5. A profit of £29.1m (2011: £408.3m) was taken to reserves. An interim dividend of £35.6m (2011: £279.0m) was paid during the year. The Directors do not recommend payment of a final dividend (2011: £nil).

Directors

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

N Farrimond (resigned 6 September 2012)
Misys Corporate Director Limited
T Homer
B Patel (appointed 6 September 2012)

Misys Services Limited

Directors' report for the year ended 31 May 2012

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.

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.



For and on behalf of
Misys Corporate Director Limited
Director

1 November 2012

Independent Auditors' Report to the members of

Misys Services Limited

We have audited the financial statements of Misys Services 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 Directors' Responsibilities Statement 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 Services Limited

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 Services Limited

Profit and loss account for the year ended 31 May 2012

	Note	2012 £'000	2011 £'000
Turnover		1,441	1,483
Administrative expenses		(1,472)	(2,035)
Amounts written off investments	8	-	(26,943)
Operating loss	2	(31)	(27,495)
Interest receivable and similar income	3	9,825	2,426
Interest payable and similar charges	3	(16,343)	(4,242)
Income from shares in group undertakings	4	35,603	442,581
Profit on ordinary activities before taxation		29,054	413,270
Tax on profit on ordinary activities	5	-	(4,955)
Profit for the financial year	12	29,054	408,315

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

The results for both years reflect continuing operations

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

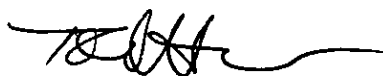
There is no material difference between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents.

Misys Services Limited

Balance sheet as at 31 May 2012

	Note	2012 £'000	2011 £'000
Fixed assets			
Tangible assets	7	1,901	3,173
Investments	8	<u>379,679</u>	<u>379,679</u>
		381,580	382,852
Current assets			
Debtors			
- amounts falling due within one year	9	19	110
- amounts falling due after more than one year	9	<u>306,039</u>	<u>292,516</u>
Cash at bank and in hand		<u>65</u>	<u>-</u>
		306,123	292,626
Creditors: amounts falling due within one year	10	<u>-</u>	<u>(35)</u>
Net current assets		306,123	292,591
Total assets less current liabilities		687,703	675,443
Creditors: amounts falling due after more than one year	10	<u>(413,198)</u>	<u>(394,389)</u>
Net assets		274,505	281,054
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	<u>274,505</u>	<u>281,054</u>
Total shareholders' funds	12	274,505	281,054

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 Services Limited

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

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.

Turnover

Turnover results from the recharge of central operating costs to other group companies. Turnover is recognised on an accruals basis as the costs are incurred.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical purchase cost less accumulated depreciation. Cost includes the original purchase price of the assets and the cost attributed to bringing the asset to its working condition for its intended use. Depreciation is calculated on a straight line basis so as to write off the cost less estimated residual value of each asset, over its expected useful life. Office furniture and other equipment are depreciated over 4 – 10 years.

Fixed assets 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.

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 equity 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 Services Limited

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

2. Operating loss

	2012 £'000	2011 £'000
Operating loss is stated after charging		
Depreciation of fixed assets (note 7)	1,375	1,400
Auditors' remuneration for the statutory audit	<u>29</u>	<u>33</u>

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. Net interest payable

	2012 £'000	2011 £'000
Interest receivable from group undertakings	9,825	2,426
Interest payable to group undertakings	<u>(16,343)</u>	<u>(4,242)</u>
Net interest payable	<u>(6,518)</u>	<u>(1,816)</u>

4. Income from shares in group undertakings

The Company received dividends from group undertakings during the year which were settled through netting-off intercompany obligations.

5. Tax on profit on ordinary activities

	2012 £'000	2011 £'000
Current tax		
UK Corporation tax on profit for the year	-	-
Adjustments in respect of prior year	-	(4,395)
Total current tax charge	-	(4,395)
Deferred tax		
Deferred tax charge	-	(560)
Tax on profit on ordinary activities	<u>-</u>	<u>(4,955)</u>

Misys Services Limited

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

The tax assessed for the current year is lower (2011 lower) than the standard rate of corporation tax in the UK of 25.7% (2011 27.67%). The differences are explained below

	2012 £'000	2011 £'000
Profit on ordinary activities before taxation	29,054	413,270
Profit on ordinary activities at the standard rate of UK tax of 25.7% (2011 27.67%)	(7,467)	(114,353)
Accelerated capital allowances	326	133
Non taxable income	9,150	122,462
Tax adjustment on intercompany transactions	1,443	635
Adjustment in respect of prior years	-	(4,395)
Non deductible expenditure	-	(7,455)
Group relief surrendered for nil consideration	(3,452)	(1,422)
Current tax charge for the year	-	(4,395)

The unrecognised deferred tax asset consists of accelerated capital allowances of £1.8m and tax losses of £5.0m (2011 accelerated capital allowances of £1.1m and tax losses of £0.2m). These 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.

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.

6. Dividends

	2012 £'000	2011 £'000
Equity - ordinary		
Interim paid – £17.8m (2011 £139.5m) per £1 share	35,603	279,025

Misys Services Limited

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

7. Tangible fixed assets

	Office furniture & equipment £'000
Cost	
At 1 June 2011	7,357
Additions	103
Disposals	(585)
At 31 May 2012	6,875
Accumulated depreciation	
At 1 June 2011	4,184
Charge for the year	1,375
Disposals	(585)
At 31 May 2012	4,974
Net book value	
At 31 May 2012	1,901
At 31 May 2011	3,173

8. Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost	
At 1 June 2011 and 31 May 2012	489,377
Provision for impairment	
At 1 June 2011 and 31 May 2012	(109,698)
Net book value	
At 31 May 2011 and 31 May 2012	379,679

Investments comprise the following subsidiaries incorporated in England and Wales

Company name	Nature of business	Percentage holding
Misys Group Holdings Limited	Intermediate holding company	100%
Misys Overseas Limited	Intermediate holding company	100%
Misys Holdings Limited	Intermediate holding company	100%

Misys Overseas Limited was dissolved subsequent to the year end

All holdings are of the issued ordinary share capital of the subsidiary undertaking. In the opinion of the Directors, the carrying value of the Company's investments is not greater than the underlying net asset value of that investment.

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.

Misys Services Limited

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

9. Debtors

	2012 £'000	2011 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	12	22
Prepayments	7	88
	<u>19</u>	<u>110</u>
Amounts falling due after more than one year		
Amounts owed by group undertakings	<u>306,039</u>	<u>292,516</u>

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand. The Company has no immediate intention to recall £306.0m (2011: £292.5m) in the short term and so these amounts are classified as non-current assets.

Of the non-current amounts due from group undertakings above, £296.7m (2011: £nil) is interest bearing. The make-up of this amount has attracted interest at a floating rate ranging from 3.32% to 3.38% (2011: 3.32% to 3.38%) during the year.

10. Creditors

	2012 £'000	2011 £'000
Amounts falling due within one year		
Accruals	-	35
Amounts falling due after more than one year		
Amounts owed to group undertakings	<u>413,198</u>	<u>394,389</u>

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand. However, payment of £413.2m (2011: £394.4m) is not expected within the short term and so these amounts are classified as non-current liabilities.

Of the amounts due to group undertakings above, £405.0m (2011: £101.8m) is interest bearing. £100.0m (2011: £100.0m) of this amount has attracted interest at a fixed rate of 6.5%. £305.0m (2011: £1.8m) of this amount has attracted interest at a floating rate ranging from 3.32% to 3.38% (2011: 3.32% to 3.38%) during the year.

11. Called up share capital

	2012 £	2011 £
Authorised		
100 (2011: 100) Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, issued and fully paid		
2 (2011: 2) Ordinary shares of £1 each	<u>2</u>	<u>2</u>

Misys Services Limited

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

12. Reconciliation of movements in shareholders' funds

	2012 £'000	2011 £'000
Opening shareholders' funds	281,054	151,764
Profit for the financial year	29,054	408,315
Dividends paid	(35,603)	(279,025)
Closing shareholders' funds	<u>274,505</u>	<u>281,054</u>

13. Ultimate parent company

The Company's immediate parent company is Misys Portfolio Holdings Limited

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

The Company's immediate and 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 of the Company 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.