

Summit Asia Limited

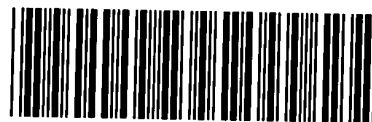
Report and Financial Statements

Year Ended

31 May 2017

Company Number 02698761

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Summit Asia Limited

Company Information

Directors	T Homer J Van Harken J Olivier T Kilroy
Registered number	02698761
Registered office	One Kingdom Street Paddington London W2 6BL
Independent auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Country of incorporation	England and Wales

Summit Asia Limited

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Summit Asia Limited

Directors' report For the year ended 31 May 2017

The Directors present their annual report and the audited financial statements of Summit Asia Limited ("the Company") for the year ended 31 May 2017.

The Directors have taken advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Principal activities

The principal activity of the Company is to supply computer software, marketing services and consultancy services to the international banking and financial trading markets. The Company conducts most of its business through branches in Asia.

Future developments

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

Subsequent events

On 13 June 2017, Vista Equity Partners, the Company's ultimate controlling party, completed the acquisition of DH Corporation ("D+H") and the combination of D+H with the Misys Group. D+H is the largest Canadian-based software provider of lending, payments and financial solutions and the combination created a diversified Fintech market leader, with a global footprint. The combined group has the broadest set of financial software solutions available on the market, with in excess of \$2bn in revenues, approximately 10,000 employees and more than 9,000 customers across 130 countries, including 48 of the top 50 banks.

As part of the combination, Vista Equity Partners entered into a series of transactions which had the effect of transferring the Misys Group to a new holding company, Finastra Limited (formerly Tahoe Subco 1 Ltd), incorporated in the Cayman Islands (see note 20).

Results and dividends

The Company's loss for the financial year is £208,000 (2016: £2,352,000). No interim dividend was paid during the year (2016: £nil). The Directors do not recommend the payment of a final dividend (2016: £nil). Losses of £208,000 (2016: £2,352,000) have been transferred to reserves.

Net liabilities of the Company increased by £576,000 during the year, from £1,519,000 as at 31 May 2016 to £2,095,000 as at 31 May 2017. This increase was driven by the loss for the financial year and exchange differences on translation of foreign operations.

Going concern

The Company has a deficiency of capital. A letter of support has been received from the intermediate parent company, Finastra Limited (formerly Tahoe Subco 1 Ltd), 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 is appropriate to prepare the financial statements on a going concern basis.

Overseas branches

The Company operates through overseas branches in South Korea and Taiwan.

Summit Asia Limited

Directors' report (continued) For the year ended 31 May 2017

Directors

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

T Homer
J Van Harken
J Olivier
T Kilroy

Directors' indemnities

All Directors have been granted an indemnity by the intermediate parent company, Finastra Limited (formerly Tahoe Subco 1 Ltd), 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 signing of this report.

Statement of Directors' responsibilities

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

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

Under Company law the Directors must not approve the audited financial statements of the Company unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these audited 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 audited financial statements of the Company comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Summit Asia Limited

Directors' report (continued)
For the year ended 31 May 2017

Independent auditors

PricewaterhouseCoopers LLP have been appointed as auditors during the year and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies exemptions

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



T Homer
Director

Date: 26 JANUARY 2018

Summit Asia Limited

Independent auditors' report to the members of Summit Asia Limited

Report on the financial statements

Our opinion

In our opinion, Summit Asia Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 May 2017 and of its loss 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.

What we have audited

The financial statements, included within the report and financial statements (the "annual report"), comprise:

- the Balance sheet as at 31 May 2017;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, 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.

We have no exceptions to report arising from this responsibility.

Summit Asia Limited

Independent auditors' report to the members of Summit Asia Limited (continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK & Ireland) ("ISAs (UK & 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' report, we consider whether this report includes the disclosures required by applicable legal requirements.

Summit Asia Limited

Independent auditors' report to the members of Summit Asia Limited (continued)

Other matter

The comparative information as at, and for the period ended 31 May 2016 has not been audited.



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

Date: 26 January 2018

Summit Asia Limited

Statement of comprehensive income For the year ended 31 May 2017

		2017 £000	Unaudited 2016 £000
	Note		
Revenue	3	3,577	3,337
Cost of sales		(905)	(953)
Gross profit		2,672	2,384
Administrative expenses		(2,836)	(4,471)
Operating loss	4	(164)	(2,087)
Interest receivable and similar income	8	5	8
Interest payable and similar expenses	9	(49)	(6)
Loss before taxation		(208)	(2,085)
Tax on loss	10	-	(267)
Loss for the financial year		(208)	(2,352)
Amounts that may be subsequently reclassified to profit or loss			
Exchange differences on translation of foreign operations	17	(368)	(44)
Total other comprehensive expense for the year		(368)	(44)
Total comprehensive expense for the year		(576)	(2,396)

All amounts relate to continuing activities.

The notes on pages 10 to 25 form part of these financial statements.

Summit Asia Limited
Registered number: 02698761

Balance sheet
As at 31 May 2017

	Note	2017 £000	Unaudited 2016 £000
Non-current assets			
Goodwill	11	-	-
Property, plant and equipment	12	24	19
Trade and other receivables: amounts falling due after more than one year	13	24	531
		<u>48</u>	<u>550</u>
Current assets			
Trade and other receivables: amounts falling due within one year	13	1,986	10,494
Cash at bank and in hand		694	464
		<u>2,680</u>	<u>10,958</u>
Current liabilities			
Trade and other payables: amounts falling due within one year	14	(1,687)	(12,013)
		<u>993</u>	<u>(1,055)</u>
Net current assets/(liabilities)			
		<u>1,041</u>	<u>(505)</u>
Total assets less current liabilities			
Non-current liabilities			
Trade and other payables: amounts falling due after more than one year	15	(3,136)	(1,014)
		<u>(2,095)</u>	<u>(1,519)</u>
Net liabilities			
Capital and reserves			
Called up share capital	16	-	-
Translation reserve	17	(416)	(48)
Accumulated losses	17	(1,679)	(1,471)
		<u>(2,095)</u>	<u>(1,519)</u>
Total shareholders' deficit			

The financial statements on pages 7 to 25 were approved by the Board of Directors and signed on its behalf by:


J. Olivier
Director

Date: 26 JANUARY 2018

The notes on pages 10 to 25 form part of these financial statements.

Summit Asia Limited

Statement of changes in equity For the year ended 31 May 2017

	Called up share capital £000	Translation reserve £000	Retained earnings/ (accumulated losses) £000	Total shareholders' funds/(deficit) £000
At 1 June 2015 (Unaudited)	-	(4)	881	877
Comprehensive expense for the year				
Loss for the financial year	-	-	(2,352)	(2,352)
Exchange differences on translation of foreign operations	-	(44)	-	(44)
Total comprehensive expense for the year	-	(44)	(2,352)	(2,396)
At 1 June 2016 (Unaudited)	-	(48)	(1,471)	(1,519)
Comprehensive expense for the year				
Loss for the financial year	-	-	(208)	(208)
Exchange differences on translation of foreign operations	-	(368)	-	(368)
Total comprehensive expense for the year	-	(368)	(208)	(576)
At 31 May 2017	-	(416)	(1,679)	(2,095)

The notes on pages 10 to 25 form part of these financial statements.

Summit Asia Limited

Notes to the financial statements For the year ended 31 May 2017

1. Accounting policies

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

Basis of preparation of financial statements

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

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's financial statements have been subject to an audit for the year ended 31 May 2017. The Company's financial statements were not subject to an audit for the year ended 31 May 2016 and as such the prior year figures presented are unaudited.

Financial Reporting Standard 101 - reduced disclosure exemptions

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

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

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

- financial instruments; and
- impairment of assets.

The financial statements of Misys Newco 2 S.à r.l. can be obtained as described in note 21.

Summit Asia Limited

Notes to the financial statements For the year ended 31 May 2017

1. Accounting policies (continued)

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

Changes in accounting policies

New standards, interpretations and amendments adopted

The following amendments have been adopted in the current year:

- IAS 1 Presentation of Financial Statements

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

Going concern

The Company has a deficiency of capital. A letter of support has been received from the intermediate parent company, Finastra Limited (formerly Tahoe Subco 1 Ltd), 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 is appropriate to prepare the financial statements on a going concern basis.

Goodwill

Goodwill arising on the purchase of the trade and assets of branches of a fellow subsidiary company is recognised as an intangible asset. Acquisition costs are expensed as incurred.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the cost attributable 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.

The residual values and useful economic lives of property, plant and equipment are reviewed annually.

The useful lives by major class of asset applied from the date of purchase are:

Computer equipment	-	4 - 15 years
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Summit Asia Limited

Notes to the financial statements For the year ended 31 May 2017

1. Accounting policies (continued)

Impairment of assets

Assets that are subject to depreciation or amortisation 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.

Goodwill is reviewed for impairment annually. For the purpose of impairment testing, assets are grouped at the lowest levels for which goodwill is allocated and goodwill is allocated to each of the Company's cash generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently if there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to first reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Prior impairments of the assets, other than goodwill, 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.

Deferred income

Deferred maintenance fees represent amounts invoiced in advance for contracts which provide technical support and trouble-shooting assistance in addition to upgrades and enhancements to the Company's software products and hardware maintenance.

Maintenance fees are recognised as revenue rateably as the services are provided over the period of the contract. Other deferred income represents amounts invoiced, including deposits, primarily in respect of initial licence fees for software products and professional services for which the revenue recognition criteria have yet to be satisfied.

Financial assets

The Company's financial assets are classified as '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 method, less provision for impairment. The Company's loans and receivables comprise cash and cash equivalents, amounts owed by group undertakings and trade and other receivables.

Cash and cash equivalents

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

Financial liabilities

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

The Company's other financial liabilities comprise trade payables, amounts owed to group undertakings and other short-term monetary liabilities which are initially recognised at fair value and are subsequently carried at amortised cost.

Summit Asia Limited

Notes to the financial statements For the year ended 31 May 2017

1. Accounting policies (continued)

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;
- Maintenance fees;
- Professional services; and
- Intra-group recharges.

Revenue is recognised in accordance with IAS 18 'Revenue'. In determining the amount of revenue to be recognised, management exercise judgement, and also adopt estimates in reaching certain conclusions. Management considers guidance from software industry common practice in forming its estimates.

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.

Summit Asia Limited

Notes to the financial statements For the year ended 31 May 2017

1. Accounting policies (continued)

Revenue (continued)

Maintenance fees

Maintenance of software is often included in licence agreements. The pricing is usually based on a percentage of the ILF, which is common practice in the industry. The Maintenance fee provides customers with rights to unspecified product upgrades, enhancements and help desk access during a defined support period. This revenue is recognised rateably over the term of the contract.

Professional services

Revenue is generated from training, consulting and implementation services. These services are reflected in separate contracts to licence contracts and can be either on a time and materials or fixed price basis. A percentage of completion approach is adopted to account for fixed-price contracts, which is in accordance with the rules applicable to long-term contract revenue recognition in IAS 11 'Construction Contracts'. This involves a comparison of costs incurred to date with total expected costs of the contract. Losses on contracts are recognised at the point a loss is foreseen by reference to estimated costs of completion.

Intra-group recharges

Intra-group recharges relate to intercompany transactions between associated companies of the Misys Group, including licence fees, consultancy fees, professional fees, research and development services and management charges. All supplies of goods and services between group companies are made on an arm's length basis.

Multiple element arrangements

The Company often enters into transactions with customers that include multiple elements such as software licence, maintenance and professional services revenues. The revenues from these arrangements are generally accounted for separately. The factors considered in determining whether the revenue should be accounted for separately include the nature of the services, the existence of the fair value for the separable elements, the timing of payments and the acceptance criteria on the realisability of the software licence fee.

Revenue from multiple element arrangements is allocated to the different elements based on their fair value. Fair value for professional services is determined by market pricing for equivalent performance obligation sold separately or the "cost plus reasonable margin" methodology when market data does not exist.

When revenue is objectively determined for all undelivered elements with the exception of one delivered element, the residual method is used to allocate revenue to the delivered element. Revenue for delivered elements is recognised when the revenue recognition criteria described above are met and revenue is free from any future uncertainties or adjustments attributable to the undelivered elements from which a portion of the fees have been allocated. Revenue for any undelivered elements is deferred and recognised when the product is delivered or over the period in which the service is performed.

Summit Asia Limited

Notes to the financial statements For the year ended 31 May 2017

1. Accounting policies (continued)

Taxation

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

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

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

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

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

Foreign exchange

Monetary assets and liabilities in foreign currencies are translated at the rates of the 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. The results of overseas branches are translated to Sterling at the average exchange rate for each month during the year. Assets and liabilities of overseas branches are translated at exchange rates prevailing at the balance sheet date. The currency translation differences arising on both elements are recognised in other comprehensive income.

Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge disclosed in note 6 represents contributions payable by the Company to the fund.

Leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the term of the lease.

Summit Asia Limited

Notes to the financial statements For the year ended 31 May 2017

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

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

Revenue recognition

The recognition of ILF revenue is dependent upon fair value allocation, separability of components, collectability and there being no significant vendor obligations outstanding. Management exercises judgement in assessing whether such obligations are significant and, if necessary, the value of the revenue to be deferred. Such revenue is recognised on signing only for products which are judged to be in a state fit for general availability and ready to be shipped, to contain all planned components and to have completed quality testing.

The revenue and profit of fixed price professional services contracts is recognised on a percentage of completion basis when the outcome of the contract can be estimated reliably. Management exercises judgement in identifying onerous service contracts and determining whether a contract's outcome can be estimated reliably. Management also makes estimates in the calculating of future contract costs, fair values of contracts, the value of discounts given the value of upgrade clauses in contracts which are used in determining the value of amounts recoverable on contracts and timing of revenue recognition. Estimates are continually revised based on changes in the facts relating to each contract.

Impairment of goodwill

Goodwill is reviewed annually for impairment. An impairment review requires an estimate to be made of the "value in use" or the "fair value less costs to sell" as appropriate. The value in use calculation includes estimates about the future financial performance of the cash generating units, including management estimates of long-term operating margins and long-term growth rates. In the current period, management has assessed the recoverable amount of the cash generating units based on their values in use and impairments have arisen.

Provision for impairment of receivables and accrued income

Provision for the impairment of receivables and accrued income requires an estimate for the recoverability of the outstanding receivables and accrued income keeping in view various implementation challenges, disputes with customer, customers experiencing financial difficulty and receivables which have become significantly aged. Management's estimates include reasonable resolution of these matters along with customer financial standing to ensure that the receivables will be collected.

Summit Asia Limited

Notes to the financial statements For the year ended 31 May 2017

3. Revenue

Revenue is all derived from sales in Asia.

Revenue by activity is as follows:

	2017 £000	2016 £000
Licence fees	-	168
Maintenance fees	1,883	1,811
Professional services	325	404
Intra-group recharges	1,369	954
	<u>3,577</u>	<u>3,337</u>

4. Operating loss

Operating loss is stated after charging:

	2017 £000	2016 £000
Impairment of goodwill (note 11)	-	1,449
Depreciation of property, plant and equipment (note 12)	12	7
Foreign exchange loss	194	145
Operating lease rentals	250	227
	<u>250</u>	<u>227</u>

5. Auditors' remuneration

The following represent fees payable to the Company's auditors for the audit of the Company's financial statements and other services:

	2017 £000	2016 £000
Fees for the audit of the Company	<u>24</u>	<u>-</u>

Audit fees have been borne by another group company.

Summit Asia Limited

Notes to the financial statements For the year ended 31 May 2017

6. Employees

Employee costs during the year amounted to:

	2017 £000	2016 £000
Wages and salaries	1,632	1,491
Social security costs	88	61
Other pension costs	57	53
	<u>1,777</u>	<u>1,605</u>

The average monthly number of employees during the year was as follows:

	2017 No.	2016 No.
Professional services	19	18
Sales	3	5
Support	6	7
	<u>28</u>	<u>30</u>

7. Directors' remuneration

	2017 £000	2016 £000
Directors' remuneration	1,514	547
Money purchase pension costs for three Directors (2016: four)	<u>30</u>	<u>52</u>

The highest paid Director received remuneration excluding money purchase pension contributions of £932,000 (2016: £166,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £10,000 (2016: £12,000).

As at 31 May 2017, a total balance of £81,000 (2016: £400,000) was payable to the Company's Directors in relation to bonuses for the financial performance of the prior fiscal year.

There was one Director (2016: 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.

Misys 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.

Summit Asia Limited

Notes to the financial statements For the year ended 31 May 2017

8. Interest receivable and similar income

	2017 £000	2016 £000
Interest receivable from group undertakings	5	8

9. Interest payable and similar expenses

	2017 £000	2016 £000
Interest payable to group undertakings	49	6

10. Tax on loss

	2017 £000	2016 £000
Current tax		
Foreign tax on loss for the year	-	267

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 19.83% (2016: 20.00%). The differences are explained below:

	2017 £000	2016 £000
Loss before taxation	(208)	(2,085)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.83% (2016: 20.00%)	(40)	(417)
Effects of:		
Expenses not deductible for tax purposes	1	296
Tax losses for which no deferred tax asset was recognised	(3)	121
Foreign tax	-	267
Group relief surrendered without charge	42	-
Total tax charge for the year	-	267

Summit Asia Limited

Notes to the financial statements For the year ended 31 May 2017

10. Tax on loss (continued)

The effect of changes to the corporation tax rates substantively enacted as part of the Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016) includes reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the Balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

As at 31 May 2017, there is an unrecognised deferred tax asset of £229,000 (2016: £378,000) which has not been recognised as it is uncertain whether the Company will have sufficient future profits to utilise the tax losses. The unrecognised deferred tax balance comprises of amounts related to deductible temporary differences on fixed and intangible assets of £214,000 (2016: £230,000) and amounts relating to unused tax losses of £15,000 (2016: £148,000).

11. Goodwill

	Goodwill £000
Cost	
At 1 June 2016 and 31 May 2017	1,449
	<hr/>
Impairment	
At 1 June 2016 and 31 May 2017	1,449
	<hr/>
Net book value	
At 31 May 2016 and 31 May 2017	-
	<hr/> <hr/>

As disclosed in the Misys Group financial statements, the recoverable amounts of goodwill allocated to cash generating units ("CGUs") are determined by way of value in use ("VIU") calculations. The determination of whether or not goodwill has been impaired requires an estimate to be made of the VIU of the CGU to which goodwill has been allocated.

Summit Asia Limited

Notes to the financial statements For the year ended 31 May 2017

12. Property, plant and equipment

	Computer equipment £000
Cost	
At 1 June 2016	40
Additions	11
Foreign exchange	11
At 31 May 2017	<u>62</u>
Accumulated depreciation	
At 1 June 2016	21
Charge for the year	12
Foreign exchange	5
At 31 May 2017	<u>38</u>
Net book value	
At 31 May 2017	<u>24</u>
At 31 May 2016	<u>19</u>

The depreciation charge for the year is included in administrative expenses within the statement of comprehensive income.

Summit Asia Limited

Notes to the financial statements For the year ended 31 May 2017

13. Trade and other receivables

	2017 £000	2016 £000
Amounts falling due after more than one year		
Amounts owed by group undertakings	24	531
	2017 £000	2016 £000
Amounts falling due within one year		
Trade receivables	947	1,142
Less: provision for impairment of trade receivables	(48)	(70)
Amounts owed by group undertakings	893	9,216
Accrued income	84	111
Other receivables	77	63
Prepayments	33	32
	1,986	10,494

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand. The Company has no immediate intention to recall £24,000 (2016: £531,000) in the short term and so these amounts were classified as non-current assets.

Non-current amounts owed by group undertakings are interest bearing and has attracted interest at a floating rate ranging from 1.38% to 2.17% (2016: 1.28% to 1.57%) during the year.

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

	2017 £000	2016 £000
Trade payables	31	19
Amounts owed to group undertakings	343	10,863
Other taxation and social security	60	103
Other creditors	2	-
Deferred income	690	531
Accruals	561	497
	1,687	12,013

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

Summit Asia Limited

Notes to the financial statements For the year ended 31 May 2017

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

	2017 £000	2016 £000
Amounts owed to group undertakings	3,136	980
Deferred income	-	34
	<u>3,136</u>	<u>1,014</u>

Amounts owed to group undertakings are unsecured and are repayable on demand. However payment of the £3,136,000 (2016: £980,000) is not expected in the short term and so these amounts are classified as non-current liabilities.

Of the non-current amounts owed to group undertakings above, £3,101,000 (2016: £980,000) is interest bearing. The make-up of this amount has attracted interest at a floating rate ranging from 1.38% to 5.17% (2016: 1.57% to 4.63%) during the year.

16. Called up share capital

	2017 £000	2016 £000
Allotted, called up and fully paid		
2 (2016: 2) Ordinary shares of £1 each	-	-
	<u>-</u>	<u>-</u>

Share capital of £2 is showing as £nil above due to presentational rounding of £000.

17. Reserves

Translation reserve

The translation reserve represents amounts arising as a result of translating overseas branches' financial statement items from their functional currency into the Company's presentation currency.

Accumulated losses

Accumulated losses represents cumulative profits, losses and total other comprehensive income made by the Company, including distributions to, and contributions from, the owners.

Summit Asia Limited

Notes to the financial statements For the year ended 31 May 2017

18. Commitments under operating leases

At 31 May 2017 the Company had total commitments under non-cancellable operating leases as follows:

	2017 £000	2016 £000
Not later than 1 year	220	101
Later than 1 year and not later than 5 years	63	52
Total	283	153

19. Contingent liabilities

At the year end, the Company, together with several other wholly-owned subsidiaries of Misys Newco 2 S.à r.l., guaranteed the credit facilities of the Misys Group. These facilities comprised secured credit arrangements for \$1,173.1m for the first lien loans and \$625m for the second lien loans, which were due to mature on 12 December 2018 and 12 June 2019 respectively. Under the credit facilities of the Misys Group, there was a fixed and floating charge over all the assets of the Company. There was also a negative pledge over these assets.

Post year-end, as part of the combination with D+H, Vista Equity Partners, the Misys Group's ultimate controlling party, arranged for new external debt finance in order 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, a \$1,245m Second Lien Term Loan, and a Multi-Currency Revolving Credit Facility ("new RCF") totalling \$400m. The First Lien Term loans mature on 13 June 2024, the Second Lien Term loan matures on 13 June 2025 and the new RCF matures on 13 June 2022. The Company, together with several other wholly-owned subsidiaries of the newly formed Finastra Limited (formerly Tahoe Subco 1 Ltd) Group, guarantee these credit facilities. Under the 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.

20. Subsequent events

Combination of Misys Group and D+H Group

On 13 June 2017, Vista Equity Partners, the Company's ultimate controlling party, completed the acquisition of DH Corporation ("D+H") and the combination of D+H with the Misys Group. D+H is the largest Canadian-based software provider of lending, payments and financial solutions and the combination created a diversified Fintech market leader, with a global footprint. The combined group has the broadest set of financial software solutions available on the market, with in excess of \$2bn in revenues, approximately 10,000 employees and more than 9,000 customers across 130 countries, including 48 of the top 50 banks.

As part of the combination, Vista Equity Partners entered into a series of transactions which had the effect of transferring the Misys Group to a new holding company, Finastra Limited (formerly Tahoe Subco 1 Ltd), incorporated in the Cayman Islands.

Summit Asia Limited

Notes to the financial statements For the year ended 31 May 2017

21. Ultimate parent company

The Company's immediate parent company is Finastra Holdings Limited (formerly MIBS Holdings Limited), which has a registered office of One Kingdom Street, Paddington, London, W2 6BL.

As at the balance sheet date the parent company of the smallest group in which the Company is included in consolidated financial statements was that of Misys Newco 2 S.à r.l., a company registered in Luxembourg. As at the balance sheet date the parent company of the largest group in which the Company is included in consolidated financial statements was that of Misys Newco S.à r.l., a company registered in Luxembourg.

Misys Newco 2 S.à r.l. merged into Misys Newco S.à r.l. on 27 December 2017 and Misys Newco S.à r.l. merged into Turaz Global S.à r.l. (another Group company) on 29 December 2017.

Copies of the consolidated financial statements of Misys Newco 2 S.à.r.l. and Misys Newco S.à.r.l. for the year ended 31 May 2017 may be obtained from the Misys Group Secretariat, One Kingdom Street, Paddington, London W2 6BL.

Consolidated financial statements for the year ended 31 May 2018 will be prepared for Finastra Limited, a company incorporated in the Cayman Islands and tax resident in the UK.

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