

FIS Treasury Systems (UK) Limited

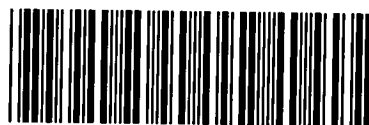
Report and Financial Statements

Year ended

31 December 2016

Company Number: 02893376

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FIS Treasury Systems (UK) Limited

Report and financial statements for the year ended 31 December 2016

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FIS Treasury Systems (UK) Limited

Strategic report for the year ended 31 December 2016

The directors present their strategic report for the company for the year ended 31 December 2016.

Principal activities

The principal activity of the company for the year ended 31 December 2016 was to act as a subcontractor to FIS AvantGard LLC, a wholly-owned subsidiary of Fidelity National Information Services, Inc. which is considered the company's ultimate parent. During the year under review, the company provided sales, marketing and promotional services to FIS AvantGard LLC as well as support, installation and consulting services.

Review of the business and future developments

Revenue during the year amounted to £22,828,581 (2015: £20,263,630). The profit on ordinary activities before taxation decreased by £26,086.

Both the level of the business and the year-end financial position remain satisfactory and consistent with prior years, and the directors expect the level of activity to remain satisfactory in the foreseeable future.

Key performance indicators

The directors of Fidelity National Information Services, Inc. manage the group's operations on a consolidated business group basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of FIS Treasury Systems (UK) Limited. The performance of the consolidated business groups is discussed in the consolidated financial statements of Fidelity National Information Services, Inc. which can be obtained from 601 Riverside Avenue, Jacksonville, Florida, USA.

Principal risks and uncertainties

The directors' financial risk management objective is to maximise financial assets and minimise financial liabilities whilst not engaging in speculation. The financial risks faced by the company include:

- interest rates earned on cash and short-term investments;
- liquidity of investments; and
- foreign currency fluctuations.

The directors manage each of the above mentioned financial risks as follows:

- continual review of short-term investments to ensure the maximum rates of return are being achieved;
- entry into short-term investments only;
- active review and approval of the parties to significant commercial contracts where payment is not anticipated in advance; and
- holding of cash and short-term investment in the currencies of anticipated expenditure.

FIS Treasury Systems (UK) Limited

Strategic report
for the year ended 31 December 2016 (continued)

Approval

This Strategic report was approved on behalf of the Board on **1 8 SEP 2017**

A handwritten signature in black ink, appearing to be 'M. Oates', with a long, sweeping horizontal stroke extending to the right.

Michael P. Oates
Director

FIS Treasury Systems (UK) Limited

Directors' report for the year ended 31 December 2016

The directors present their report and the audited financial statements for the year ended 31 December 2016.

Results and dividends

The company's profit for the financial year amounted to £1,460,992 (2015: £1,518,905).

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2016 (2015: £nil) and the profit for the financial year has been transferred to reserves.

Directors

The directors of the company, who held office during the year and up to the date of signing the financial statements, were:

Martin R. Boyd
Michael P. Oates
Jason L. Couturier (resigned 3 October 2016)
Ann M. Vasileff (appointed 2 December 2016)

Qualifying third party indemnity provisions

The company has put in place qualifying third party indemnity provisions for all of the directors of FIS Treasury Systems (UK) Limited. The qualifying third party indemnity provision was in place during the financial year and at the date of approval of the directors' report.

Research and development

The company continues to invest in research and development. Research costs incurred that did not meet the criteria for capitalisation and were therefore expensed in the year totalled £1,093,647 (2015: £892,551).

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the Strategic Report and 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 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.

FIS Treasury Systems (UK) Limited

Directors' report for the year ended 31 December 2016 (continued)

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements (continued)

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Disclosure of information to auditors

For persons who were directors at the time the report was approved, the following applies:

- as far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- 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 auditor is aware of that information.

The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

On 10 April 2017, KPMG LLP was appointed auditor of this company. Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the Board



Michael P. Oates
Director

Date: 18 SEP 2017

FIS Legal

Level 39

25 Canada Square

London E14 5LQ

United Kingdom

Independent auditor's report to the members of FIS Treasury Systems (UK) Limited

We have audited the financial statements of FIS Treasury Systems (UK) Limited for the year ended 31 December 2016 set out on pages 7 to 24. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 and 4, 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

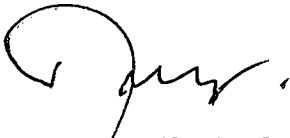
- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of FIS Treasury Systems (UK) Limited (continued)

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.



Peter Meehan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

DATE 18 September 2017

FIS Treasury Systems (UK) Limited

Income statement for the year ended 31 December 2016

		2016	2015
	Note	£	£
Revenue	3	22,828,581	20,263,630
Cost of sales		<u>(6,718,971)</u>	<u>(4,414,153)</u>
Gross profit		16,109,610	15,849,477
Administration expenses		<u>(14,339,214)</u>	<u>(14,056,933)</u>
Operating profit	4	<u>1,770,396</u>	<u>1,792,544</u>
Interest receivable and similar income	7	79,067	81,187
Interest payable and similar charges	7	<u>(4,419)</u>	<u>(2,601)</u>
Profit on ordinary activities before taxation		<u>1,845,044</u>	<u>1,871,130</u>
Tax on profit on ordinary activities	8	<u>(384,052)</u>	<u>(352,225)</u>
Profit for the financial year		<u>1,460,992</u>	<u>1,518,905</u>

There were no items of comprehensive income apart from profit for the current and previous financial year.

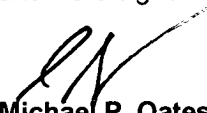
The notes on pages 10 to 24 form part of these financial statements.

FIS Treasury Systems (UK) Limited

Balance sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	9	126,763	136,637
Tangible assets	10	<u>2,065,604</u>	<u>1,872,096</u>
		2,192,367	2,008,733
Current assets			
Debtors			
(including £2,738,589 (2015: £2,758,573) due after more than one year)	11	<u>9,841,764</u>	<u>5,626,636</u>
Creditors: amounts falling due within one year	12	<u>(7,457,105)</u>	<u>(4,519,335)</u>
Net current assets		<u>2,384,659</u>	<u>1,107,301</u>
Total assets less current liabilities		<u>4,577,026</u>	<u>3,116,034</u>
Net assets		<u>4,577,026</u>	<u>3,116,034</u>
Capital and reserves			
Called up share capital	15	1,000	1,000
Profit and loss account		<u>4,576,026</u>	<u>3,115,034</u>
Total equity		<u>4,577,026</u>	<u>3,116,034</u>

The financial statements were authorised for issue by the Board of Directors on **18 SEP 2017** and were signed on its behalf.


Michael P. Oates
Director
FIS Treasury Systems (UK) Limited
Registered number: 02893376

The notes on pages 10 to 24 form part of these financial statements.

FIS Treasury Systems (UK) Limited

Statement of changes in equity

For the year ended 31 December 2016

	Called up share capital £	Profit and loss account £	Total equity £
1 January 2016	1,000	3,115,034	3,116,034
Profit for the financial year	-	1,460,992	1,460,992
Total comprehensive income for the financial year	-	1,460,992	1,460,992
31 December 2016	1,000	4,576,026	4,577,026

For the year ended 31 December 2015

	Called up share capital £	Profit and loss account £	Total equity £
1 January 2015	1,000	1,596,129	1,597,129
Profit for the financial year	-	1,518,905	1,518,905
Total comprehensive income for the financial year	-	1,518,905	1,518,905
31 December 2015	1,000	3,115,034	3,116,034

The notes on pages 10 to 24 form part of these financial statements.

FIS Treasury Systems (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2016

1 Accounting policies

The financial statements have been prepared in accordance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements as issued in August 2014. The amendment to FRS 102 issued in July 2015 has been applied.

A summary of the more significant accounting policies, which have been applied consistently, is set out below:

(a) Basis of accounting

These financial statements have been prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

(b) Exemptions for qualifying entities under FRS 102

The Company's ultimate parent undertaking, Fidelity National Information Services, Inc. includes the Company in its consolidated financial statements. The consolidated financial statements of Fidelity National Information Services, Inc. are prepared in accordance with U.S. Generally Accepted Accounting Principles and are available to the public and may be obtained from 601 Riverside Avenue, Jacksonville, FL 32204. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- No cash flow statement has been presented as the ultimate parent company, Fidelity National Information Services, Inc., includes the company's cash flows in its own consolidated financial statements;
- Disclosures in respect of the company's financial instruments and share-based payment arrangements have not been presented as equivalent disclosures have been provided in the parent company's financial statements; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

FIS Treasury Systems (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

1 Accounting policies (continued)

(c) Foreign currency

The company's functional and presentation currency is the pound sterling.

Income and expenses denominated in foreign currencies are translated at the spot rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling on the balance sheet date. The gains or losses on translation are recorded in the income statement.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

The company bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics for each arrangement.

The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity; and (e) when the specific criteria relating to each of the sales have been met.

The company provides support services to other companies. Revenue is recognised in the accounting period in which the services are rendered when the outcome of the contract can be estimated reliably.

Interest income is recognised using the effective interest rate method.

(e) Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

Short term benefits

Short term benefits, including wages and salaries, annual bonus, paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Defined contribution pension plans

Contributions are made to a defined contribution pension scheme operated by FIS Systems Limited (a group company). A defined contribution plan is a pension plan under which the company pays fixed contributions to a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due, as detailed in note 14.

FIS Treasury Systems (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

1 Accounting policies (continued)

(f) Share-based payments

The company participates in a share-based payment arrangement established by a group company. The company recognises the share-based payment expense based on its share of the group's total expense, calculated as the actual cost incurred of the company participating employees. As this amount is also what the company is charged by the other group company for the awards made to the company's employees, the corresponding credit is recognised as a payable to that group entity. Further details are set out in note 6.

(g) Taxation

Taxation expense comprises the current and deferred tax recognised in the reporting period. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are measured on a non-discounted basis.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws enacted or substantively enacted at the balance sheet date.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Timing differences arise when items of income and expenditure are included in tax computations in periods which are different to their inclusion in the financial statements. Except as otherwise required by accounting standards, full provision without discounting is made for all deferred taxation timing differences which have arisen but not reversed at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that it will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on the rates that have been enacted or substantively enacted at the balance sheet date.

(h) Intangible assets

Computer software

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of between three and five years, on a straight line basis.

FIS Treasury Systems (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

1 Accounting policies (continued)

(h) Intangible assets (continued)

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Research and development costs

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured.

(i) Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

Computer equipment and fixtures and fittings

Computer equipment and fixtures and fittings are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation and residual values

Depreciation on assets is calculated, using the straight-line method, to allocate the cost to their residual value over their estimated useful lives, as follows:

Fixtures and fittings	-	3 - 8 years
Computer equipment	-	3 - 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

FIS Treasury Systems (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

1 Accounting policies (continued)

(i) Tangible assets (continued)

The carrying amount of any replaced component is derecognised. Major components are treated as separate assets where they have significantly different patterns of consumption of economic benefits and are depreciated separately over their useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

(j) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

(k) Provisions and contingencies

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provision is not made for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

FIS Treasury Systems (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

1 Accounting policies (continued)

(I) Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest rate method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment had not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction (such as bank loans and overdrafts), where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

FIS Treasury Systems (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

1 Accounting policies (continued)

(l) Financial instruments (continued)

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(m) Distributions to equity holders

Dividends and other distributions to company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

(n) Related party transactions

The company has taken advantage of the exemption available under FRS 102, section 33.1A, not to disclose transactions with wholly-owned members of the Fidelity National Information Services, Inc. group.

2 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements, the directors have made the following judgements:

- Determination of whether there are indicators of impairment of the group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- The recognition of license 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 for licences which are only judged to be in a fit state for general availability, including completed quality testing, and is readily available to the customer.
- The revenue and profit of fixed price professional services contracts is recognised on a percentage of completion basis when the outcome of a 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 calculation 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.

FIS Treasury Systems (UK) Limited

Notes forming part of the financial statements
for the year ended 31 December 2016 (continued)

2 Critical accounting judgements and estimation uncertainty (continued)

Other key sources of uncertainty

Intangible and tangible assets (see notes 9 and 10)

Intangible and tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, they are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 11 for the net carrying amount of the debtors and associated impairment provision.

3 Revenue

Geographical analysis of revenue by destination:

	2016	2015
	£	£
United Kingdom	9,419	37,667
Rest of Europe	3,864,286	1,087,198
North America	18,954,876	19,138,765
	<u>22,828,581</u>	<u>20,263,630</u>

Analysis of revenue by classes of continuing business:

	2016	2015
	£	£
License fees	-	651,329
Service fees	19,615,312	19,176,439
Support fees	151,025	60,817
Consulting	3,062,244	375,045
	<u>22,828,581</u>	<u>20,263,630</u>

FIS Treasury Systems (UK) Limited

Notes forming part of the financial statements
for the year ended 31 December 2016 (continued)

4 Operating profit

Operating profit is stated after charging / (crediting):

	Note	2016 £	2015 £
Wages and salaries		8,986,712	8,715,032
Social security costs		1,236,664	970,658
Other pension costs	14	531,306	464,832
Cost of employee share schemes	6	78,022	194,742
Staff costs (including directors)		10,832,704	10,345,264
Amortisation of intangible assets	9	60,510	77,876
Depreciation of tangible fixed assets	10	816,470	477,789
Research and development expenditure		1,093,647	892,551
Foreign exchange losses/ (gains)		3,370	(6,394)
Auditor's remuneration for audit services		16,277	15,708

5 Employees and directors

Employees

The average number of persons (including executive directors) employed by the company during the year was:

	2016 Number	2015 Number
By activity		
Development	6	6
Operations and technical	82	83
Sales and distribution	16	17
Administration and other	1	1
	105	107

No emoluments were paid in the year ended 31 December 2016 to the directors of FIS Treasury Systems (UK) Limited (2015: £nil). The directors are employees of Fidelity National Information Services, Inc. or other group companies and are remunerated for their services to the group as a whole.

6 Share-based payments

The company is part of a group share based payment plan, under which its employees and directors are awarded shares and options for their service to the company in the ultimate parent company Fidelity National Information Services, Inc.

Historically SunGard has had a discretionary shared based payment scheme settled by way of SunGard Stock (not cash), eligible for key personnel integral to the success of SunGard. On acquisition by FIS, all legacy SunGard Class A shares were cancelled for nil consideration. All vested RSUs were settled by the merger defined mix of cash and FIS shares. The unvested RSUs at that time were exchanged for unvested FIS RSUs in accordance with the merger agreement.

FIS Treasury Systems (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

6 Share-based payments (continued)

As at 31 December 2016 the company has the following share based payments scheme in relation to the legacy SunGard schemes;

- **Converted SunGard RSUs** – there will be no further RSUs of this type granted.
The schemes are subject to time-based conditions only.
The converted RSUs kept their original vest dates from their date of grant.

In addition, during 2016 a further 2 types of equity instruments were granted on 29 March 2016 in FIS Stock;

- **RSAs** – These are restricted stock awards which have voting rights and accrue dividends which pay out when performance criteria is met.
- **Options** – These are non-qualified stock options.

Grant date	Method of settlement	Number of instruments	Vesting conditions	Contractual life of obligations
Converted RSUs – 15 November 2012	Equity	514	4 years' service	n/a
Converted RSUs – 1 June 2013	Equity	1,096	4 years' service	n/a
Converted RSUs – 1 June 2014	Equity	5,641	3 years' service	n/a
Converted RSUs – 1 June 2015	Equity	4,105	3 years' service	n/a
RSAs – 29 March 2016	Equity	1,551	Performance condition (*) & 3 years' service	n/a
Options – 29 March 2016	Equity	10,625	Performance condition (*) & 3 years' service	7 years

(*) One-third of the Restricted Stock/ Options can be earned based on company performance in each of the calendar years 2016, 2017 and 2018. In order for the Restricted Stock/ Options to be earned, the Compensation Committee of the Board of Directors of the Company (the "Committee") must determine that the Company has achieved the performance restriction based on an EBITDA measurement, in each of the three calendar years, 2016, 2017 and 2018, independent of each other. The Committee will evaluate whether the Performance Restriction has been achieved following the completion and filing of the Annual Report on Form 10-K with the SEC for each of the years 2016, 2017 and 2018.

The company is a member of a group share based payment plan, and it recognises its share based payment expense on the basis of a reasonable allocation of the expense recognised for the group. The basis for the reasonable allocation is the actual cost incurred by the ultimate parent for vested awards to the employees and directors of this company during the year. The charge for 2016 was £78,022 (2015: £194,742).

FIS Treasury Systems (UK) Limited

Notes forming part of the financial statements
for the year ended 31 December 2016 (continued)

7 Interest

	2016 £	2015 £
Interest receivable and similar income		
Inter-company interest receivable	79,067	81,187
	<u>79,067</u>	<u>81,187</u>
Interest payable and similar charges		
Cash pooling interest payable	4,419	2,601
	<u>4,419</u>	<u>2,601</u>

8 Tax on profit on ordinary activities

Tax expense included in the income statement:

	2016 £	2015 £
<i>UK corporation tax</i>		
Current tax on profits of the year	416,548	381,216
Adjustments in respect of prior years	10,393	(36,826)
	<u>426,941</u>	<u>344,390</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(35,087)	1,707
Adjustments in respect of prior years	(7,802)	(914)
Changes to tax rates	-	7,042
	<u>(42,889)</u>	<u>7,835</u>
Taxation of profit on ordinary activities	<u>384,052</u>	<u>352,225</u>

Reconciliation of tax charge:

The tax assessed for the year is higher (2015: lower) than the standard rate of corporation tax in the United Kingdom applied to profit on ordinary activities before taxation. The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	1,845,044	1,871,130
Profit on ordinary activities at the standard rate of corporation tax in the United Kingdom of 20.00% (2015: 20.25%)	369,009	378,904
Effects of:		
Expenses not deductible for tax purposes	2,169	4,232
Changes in statutory tax rates	10,283	6,829
Adjustments in respect of prior years	2,591	(37,740)
Tax charge for the year	<u>384,052</u>	<u>352,225</u>

FIS Treasury Systems (UK) Limited

Notes forming part of the financial statements
for the year ended 31 December 2016 (continued)

8 Tax on profit on ordinary activities (continued)

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2016 has been calculated based on these rates.

9 Intangible assets

	Purchased software £
<i>Cost</i>	
At 1 January 2016	899,540
Additions	50,636
At 31 December 2016	<u>950,176</u>
<i>Accumulated Amortisation</i>	
At 1 January 2016	762,903
Charge for the year	60,510
At 31 December 2016	<u>823,413</u>
<i>Net book value</i>	
At 31 December 2016	<u>126,763</u>
At 31 December 2015	<u>136,637</u>

10 Tangible assets

	Computer equipment £	Fixtures & fittings £	Total £
<i>Cost</i>			
At 1 January 2016	4,074,927	3,770	4,078,697
Additions	1,009,978	-	1,009,978
At 31 December 2016	<u>5,084,905</u>	<u>3,770</u>	<u>5,088,675</u>
<i>Accumulated Depreciation</i>			
At 1 January 2016	2,202,831	3,770	2,206,601
Charge for the year	816,470	-	816,470
At 31 December 2016	<u>3,019,301</u>	<u>3,770</u>	<u>3,023,071</u>
<i>Net book value</i>			
At 31 December 2016	<u>2,065,604</u>	<u>-</u>	<u>2,065,604</u>
At 31 December 2015	<u>1,872,096</u>	<u>-</u>	<u>1,872,096</u>

FIS Treasury Systems (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

11 Debtors

	Note	2016 £	2015 £
Amounts owed by group undertakings		3,964,629	1,312,778
Other debtors		216,031	470,120
Loans owed by group undertaking		2,700,000	2,700,000
Deferred tax asset	13	105,473	62,584
Prepayments and accrued income		2,855,631	1,081,154
		<u>9,841,764</u>	<u>5,626,636</u>

All amounts shown under debtors fall due for payment within one year except:

- prepayments of £38,589 (2015: £58,573)
- loans owed by group undertakings £2,700,000 (2015: £2,700,000)

Trade debtors are stated after provisions for impairment of £nil (2015: £nil).

Effective 27 October 2011, a promissory note of £2,700,000 was issued by FIS UK Holdings Limited. The principal balance was payable in full on 27 October 2013. The interest for the period beginning on 1 January 2013 and ending on 27 October 2013 was twelve month LIBOR as at first business day in the period, plus 200 basis points. Before 27 October 2013, the company agreed to amend the terms applicable to the underlying loan to treat it as a revolving credit facility and extend its term. In this regard, effective 27 October 2013, FIS UK Holdings Limited was deemed to have repaid the underlying loan and drawn down an advance of £2,700,000 from the credit facility. The principal balance is repayable in full on 26 October 2018. The interest rate is twelve month LIBOR plus a margin of 200 basis points and is re-set on the first business day of each quarter to the then prevailing twelve month LIBOR plus a margin of 200 basis points.

All other amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

12 Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	1,211	5,129
Trade creditors	241,471	154,943
Amounts owed to group undertakings	1,739,786	1,881,735
Corporation tax	416,548	370,809
Loans owed to group undertakings	3,295,915	586,137
Accruals and deferred income	1,762,174	1,520,582
	<u>7,457,105</u>	<u>4,519,335</u>

FIS Treasury Systems (UK) Limited

Notes forming part of the financial statements
for the year ended 31 December 2016 (continued)

12 Creditors: amounts falling due within one year (continued)

Loans owed to group undertakings of £3,295,915 (2015: £586,137) relate to an unsecured revolving cash pooling arrangement agreed to on 30 June 2011. Interest accrues on a daily basis and is payable on 31 December each year, unless agreed otherwise. The applicable rate of interest is equal to the Bank of England base rate minus 25 basis points. During 2015 and up to 4 August 2016, the rate applied was 0.25%. From 4 August 2016 the rate became 0%. On 7 November 2016, the rate changed to 3% to reflect the rate charged by the Bank of America on loans owed by group undertaking.

All amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

13 Deferred tax asset

Amounts recognised in respect of deferred tax are as follows:

	2016 £	2015 £
Accelerated depreciation	<u>105,473</u>	<u>62,584</u>

Analysis of movement in the deferred tax asset is as follows:

	Note	2016 £	2015 £
At 1 January		62,584	70,419
Transferred to the income statement		<u>42,889</u>	<u>(7,835)</u>
At 31 December	11	<u>105,473</u>	<u>62,584</u>

14 Post-employment benefits

Defined contribution scheme

The company operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The charge to the income statement of £531,306 (2015: £464,832) represents the contributions payable to the pension scheme in respect of the accounting year.

Any outstanding or prepaid contributions are borne by FIS Systems Limited which is the group operator for the scheme.

15 Called up share capital

	2016 £	2015 £
<i>Allotted, called up and fully paid</i>		
1,000 (2015: 1,000) ordinary shares at £1 each	<u>1,000</u>	<u>1,000</u>

FIS Treasury Systems (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

16 Controlling parties

The directors regard FIS Holdings Limited, a company registered in England and Wales, as the immediate parent company.

Fidelity National Information Services, Inc., a company incorporated in the United States of America, is the undertaking that heads the smallest and largest group of companies for which consolidated financial statements are prepared. The directors consider Fidelity National Information Services, Inc. to be the ultimate controlling party and ultimate parent company.

Copies of the financial statements of Fidelity National Information Services, Inc. can be obtained from 601 Riverside Avenue, Jacksonville, Florida 32204, USA.