

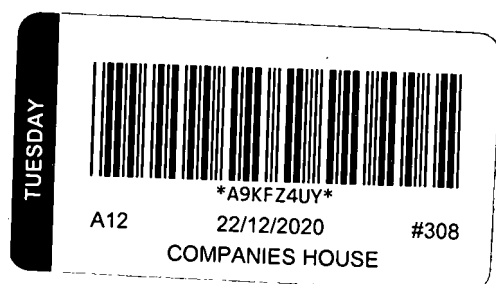
## **FIS Treasury Systems (UK) Limited**

**Report and Financial Statements**

**Year ended**

**31 December 2019**

**Company Number: 02893376**



# **FIS Treasury Systems (UK) Limited**

## **Report and financial statements for the year ended 31 December 2019**

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# FIS Treasury Systems (UK) Limited

## **Strategic report for the year ended 31 December 2019**

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The directors present their strategic report for the company for the year ended 31 December 2019.

### **Principal activities**

The principal activity of the company for the year ended 31 December 2019 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 £24,119,669 (2018: £22,043,090). The profit before taxation decreased by £861,117. Both the level of the business and the year-end financial position remain satisfactory and consistent with prior years.

Effective 25 September 2020, the directors have approved the sale of the entire business to FIS Capital Markets UK Limited (formerly known as FIS Sherwood Systems Group Limited) a fellow group company incorporated and registered in England and Wales. The sale was part of on-going efforts to simplify the organizational structure of the Fidelity National Information Services, Inc. group with the objective of better aligning the operating model to commercial segments, simplifying the business model and reducing administrative expenditure.

Following the sale, it is the directors' intention to wind up the company as soon as reasonably and practicably possible and, accordingly, the financial statements have not been prepared on a going concern basis.

### **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.

Although the company recorded a profit for the financial year of £1,130,869 it manages its cash resources through a group cash pooling arrangement which means the company does not hold any cash resources itself and therefore does not expect to have sufficient funds to settle its liabilities of £4,623,800 due within one year as they fall due. Accordingly, the company is dependent on the financial support of the ultimate parent company, Fidelity National Information Services, Inc. The directors have received a letter from Fidelity National Information Services, Inc confirming its intention to provide financial support as is necessary to enable the company to continue to discharge its liabilities for the period of at least 12 months from the date these financial statements are approved by the Board.

## FIS Treasury Systems (UK) Limited

### Strategic report for the year ended 31 December 2019 (continued)

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#### 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.

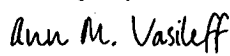
The directors manage each of the above mentioned financial risks as follows:

- 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.

Market conditions are expected to remain challenging in 2020. While the full impact of the UK EU referendum will remain unclear for the medium term, the directors are confident in the long-term fundamentals of the business and the opportunities from the markets in which it operates.

#### Approval

This Strategic report was approved on behalf of the Board on December 18, 2020 | 09:47 PST

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**Ann M. Vasileff**  
Director

## FIS Treasury Systems (UK) Limited

### **Directors' report for the year ended 31 December 2019**

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The directors present their report and the audited financial statements for the year ended 31 December 2019.

#### **Results and dividends**

The company's profit for the financial year amounted to £1,130,869 (2018: £1,829,872).

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2019 (2018: £3,200,000) and the profit for the financial year has been transferred to reserves.

The coronavirus (Covid-19) has had no significant impact on the company's operations and activities subsequent to the end of the year as employees were able to carry out their duties through remote working from home. At this time, the company is still assessing the nature or extent of any impacts and/or the time over which the company will be impacted. It is possible that the company may be materially affected, as the impacts and remedies for the current situation are outside the company's control and are far reaching in both the UK and globally.

#### **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  
Marc M. Mayo  
Ann M. Vasileff

#### **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 £259,815 (2018: £374,194).

#### **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, 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;

## FIS Treasury Systems (UK) Limited

### Directors' report for the year ended 31 December 2019 (continued)

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#### Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements (continued)

- 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so (as explained in note 1 these accounts have not been prepared on a going concern basis as the directors expect to wind up the company).

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 auditor

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.

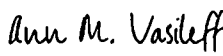
The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions relating to small companies in Part 15 of the Companies Act 2006.

#### Auditor

KPMG LLP has been appointed as statutory auditor of the company. Pursuant to s487 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

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**Ann M. Vasileff**  
**Director**

**Date:** December 18, 2020 | 09:47 PST

**Registered address**  
25 Canada Square,  
London, E14 5LQ

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIS TREASURY SYSTEMS (UK) LIMITED**

### **Opinion**

We have audited the financial statements of FIS Treasury Systems (UK) Limited ("the company") for the year ended 31 December 2019 which comprise the income statement, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Emphasis of matter – non-going concern basis of preparation**

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

### **Strategic report and Directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIS TREASURY SYSTEMS (UK) LIMITED (continued)**

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

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 3-4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

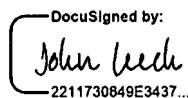
### **Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.

DocuSigned by:  
  
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**John Leech (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 : December 18, 2020 | 09:53 PST



## FIS Treasury Systems (UK) Limited

**Income statement**  
**for the year ended 31 December 2019**

		2019	2018
	Note	£	£
<b>Revenue</b>	3	<b>24,119,669</b>	22,043,090
Cost of sales		<u>(3,906,364)</u>	<u>(4,482,058)</u>
<b>Gross profit</b>		<b>20,213,305</b>	17,561,032
Administration expenses		<u>(18,779,193)</u>	<u>(15,183,972)</u>
<b>Operating profit</b>	4	<u><b>1,434,112</b></u>	<u>2,377,060</u>
Interest payable and similar charges	6	<u>(30,407)</u>	<u>(112,238)</u>
<b>Profit before taxation</b>		<u><b>1,403,705</b></u>	<u>2,264,822</u>
Tax on profit	7	<u>(272,836)</u>	<u>(434,950)</u>
<b>Profit for the financial year</b>		<u><b>1,130,869</b></u>	<u>1,829,872</u>

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

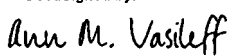
The notes on pages 10 to 22 form part of these financial statements.

## FIS Treasury Systems (UK) Limited

Balance sheet  
as at 31 December 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	8	52,522	55,937
Tangible assets	9	<u>2,759,708</u>	<u>2,698,715</u>
		<b>2,812,230</b>	<b>2,754,652</b>
<b>Current assets</b>			
Debtors			
(including £47,821 (2018: £21,920) due after more than one year)	10	<u>7,644,383</u>	<u>6,867,767</u>
Creditors: amounts falling due within one year	11	<u>(4,623,800)</u>	<u>(4,920,475)</u>
<b>Net current assets</b>		<b>3,020,583</b>	<b>1,947,292</b>
<b>Total assets less current liabilities</b>		<b>5,832,813</b>	<b>4,701,944</b>
<b>Net assets</b>		<b>5,832,813</b>	<b>4,701,944</b>
<b>Capital and reserves</b>			
Called up share capital	14	1,000	1,000
Profit and loss account		<u>5,831,813</u>	<u>4,700,944</u>
<b>Total equity</b>		<b>5,832,813</b>	<b>4,701,944</b>

The financial statements were authorised for issue by the Board of Directors on December 18, 2020 | 09:47 PST and were signed on its behalf.

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**Ann M. Vasileff**  
**Director**  
**FIS Treasury Systems (UK) Limited**  
**Registered number: 02893376**

The notes on pages 10 to 22 form part of these financial statements.

## FIS Treasury Systems (UK) Limited

Statement of changes in equity  
for the year ended 31 December 2019

## For the year ended 31 December 2019

	Called up share capital £	Profit and loss account £	Total equity £
1 January 2019	1,000	4,700,944	4,701,944
Profit for the financial year	-	1,130,869	1,130,869
Total comprehensive income for the financial year	-	1,130,869	1,130,869
Dividend paid	-	-	-
31 December 2019	1,000	5,831,813	5,832,813

## For the year ended 31 December 2018

	Called up share capital £	Profit and loss account £	Total equity £
1 January 2018	1,000	6,071,072	6,072,072
Profit for the financial year	-	1,829,872	1,829,872
Total comprehensive income for the financial year	-	1,829,872	1,829,872
Dividend paid	-	(3,200,000)	(3,200,000)
31 December 2018	1,000	4,700,944	4,701,944

The notes on pages 10 to 22 form part of these financial statements.

# FIS Treasury Systems (UK) Limited

## Notes forming part of the financial statements for the year ended 31 December 2019

### 1 Accounting policies

FIS Treasury Systems (UK) Limited (the "company") is a private company incorporated, domiciled and registered in England and Wales. The registered number is 02893376 and the registered address is 25 Canada Square, London E14 5LQ, United Kingdom.

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.

#### (a) Basis of accounting

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

Effective 25 September 2020, the directors approved the sale of the entire business to FIS Capital Markets UK Limited (formerly known as FIS Sherwood Systems Group Limited) a fellow group company incorporated and registered in England and Wales. The sale was part of on-going efforts to simplify the organizational structure of the Fidelity National Information Services, Inc. group with the objective of better aligning the operating model to commercial segments, simplifying the business model and reducing administrative expenditure. Following the sale, it is the directors' intention to wind up the company as soon as reasonably and practicably possible and, accordingly, the financial statements have not been prepared on a going concern basis.

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 2019 (continued)

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#### **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 average 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 during the year 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 13.

# FIS Treasury Systems (UK) Limited

## Notes forming part of the financial statements for the year ended 31 December 2019 (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.

#### (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.

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.

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.

# FIS Treasury Systems (UK) Limited

## Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

### 1 Accounting policies (continued)

#### (h) Intangible assets (continued)

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.

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.

# FIS Treasury Systems (UK) Limited

## Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

### 1 Accounting policies (continued)

#### (j) Cash and cash equivalents

Cash and cash equivalents include 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 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 in the financial statements. However, when the flow of economic benefits associated with a contingent asset becomes virtually certain, the asset meets the asset recognition criteria and is recognised.

#### (l) 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.



# FIS Treasury Systems (UK) Limited

## Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

### 1 Accounting policies (continued)

#### (l) Financial instruments (continued)

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 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, and 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.

#### *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.

# FIS Treasury Systems (UK) Limited

## Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

### 1 Accounting policies (continued)

#### (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:

- 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.

#### Other key sources of uncertainty

##### *Intangible and tangible assets (see notes 8 and 9)*

Intangible and tangible 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 10 for the net carrying amount of the debtors and associated impairment provision.

# FIS Treasury Systems (UK) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2019 (continued)

## 3 Revenue

Geographical analysis of revenue by destination:

	2019	2018
	£	£
United Kingdom	401	-
Rest of Europe	17,742	945,966
North America	23,991,770	21,081,754
Rest of World	109,756	15,370
	<u>24,119,669</u>	<u>22,043,090</u>

## 4 Operating profit

Operating profit is stated after charging:

	Note	2019	2018
		£	£
Wages and salaries		11,137,977	10,518,334
Social security costs		1,309,240	1,082,949
Other pension costs	13	557,147	497,387
Cost of employee share schemes		457,624	316,130
<b>Staff costs (including directors)</b>		<u>13,461,988</u>	<u>12,414,800</u>
Amortisation of intangible assets	8	28,192	46,279
Depreciation of tangible assets	9	1,057,256	930,150
Research and development expenditure		259,815	374,194
Foreign exchange losses		2,526	35,538
Auditor's remuneration for audit services		<u>24,448</u>	<u>24,988</u>

## 5 Employees and directors

### Employees

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

	2019	2018
	Number	Number
<b>By activity</b>		
Development	5	5
Operations and technical	74	76
Sales and distribution	16	13
Administration and other	2	1
	<u>97</u>	<u>95</u>

No emoluments were paid in the year ended 31 December 2019 to the directors of FIS Treasury Systems (UK) Limited (2018: £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.

## FIS Treasury Systems (UK) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2019 (continued)**6 Interest**

	2019 £	2018 £
<b>Interest payable and similar charges</b>		
Cash pooling interest payable	30,407	112,238
	<u>30,407</u>	<u>112,238</u>

**7 Tax on profit****Tax (income)/expense included in the income statement:**

	Note	2019 £	2018 £
<i>UK corporation tax</i>			
Current tax on profits of the year		307,576	458,725
Adjustments in respect of prior years		1,215	2,749
		<u>308,791</u>	<u>461,474</u>
<i>Deferred tax</i>			
Origination and reversal of timing differences	12	(35,955)	(24,516)
Adjustments in respect of prior years		-	(2,008)
		<u>(35,955)</u>	<u>(26,524)</u>
<b>Taxation of profit</b>		<u>272,836</u>	<u>434,950</u>

Adjustments in respect of prior years relate to difference in corporation tax recorded in prior year financial statements and tax return.

**Reconciliation of tax (credit) / charge:**

The tax assessed for the year is higher (2018: higher) than the standard rate of corporation tax in the United Kingdom applied to profit on ordinary activities before taxation. The differences are explained below:

	2019 £	2018 £
Profit before tax	1,403,705	2,264,822
Tax at the standard rate of corporation tax in the United Kingdom of 19% (2018: 19%)	266,704	430,316
Effects of:		
Expenses not deductible for tax purposes	686	1,009
Changes in statutory tax rates	4,231	2,884
Adjustments in respect of prior years	1,215	741
<b>Tax charge / (credit) for the year</b>	<u>272,836</u>	<u>434,950</u>

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the deferred tax asset as at 31 December 2019 has been calculated on this rate. In the 11 March 2020 budget, it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020. If this rate change had been substantively enacted at the current balance sheet date, there would not have been a material effect on the company's future tax charge.

## FIS Treasury Systems (UK) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2019 (continued)

**8 Intangible assets**

	Purchased software £
<i>Cost</i>	
At 1 January 2019	182,953
Additions	24,777
Disposals	(100,762)
<b>At 31 December 2019</b>	<b>106,968</b>
<i>Accumulated Amortisation</i>	
At 1 January 2019	127,016
Charge for the year	28,192
Disposals	(100,762)
<b>At 31 December 2019</b>	<b>54,446</b>
<i>Net book value</i>	
<b>At 31 December 2019</b>	<b>52,522</b>
At 31 December 2018	55,937

**9 Tangible assets**

	Computer equipment £	Fixtures & fittings £	Total £
<i>Cost</i>			
At 1 January 2019	7,505,542	3,770	7,509,312
Additions	1,119,093	-	1,119,093
Disposals	(844)	-	(844)
<b>At 31 December 2019</b>	<b>8,623,791</b>	<b>3,770</b>	<b>8,627,561</b>
<i>Accumulated Depreciation</i>			
At 1 January 2019	4,806,827	3,770	4,810,597
Charge for the year	1,057,256	-	1,057,256
<b>At 31 December 2019</b>	<b>5,864,083</b>	<b>3,770</b>	<b>5,867,853</b>
<i>Net book value</i>			
<b>At 31 December 2019</b>	<b>2,759,708</b>	<b>-</b>	<b>2,759,708</b>
At 31 December 2018	2,698,715	-	2,698,715

# FIS Treasury Systems (UK) Limited

## Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

### 10 Debtors

	Note	2019 £	2018 £
Trade Debtors		42,664	205,270
Amounts owed by group undertakings		4,356,916	3,651,743
Other debtors		142,806	87,096
Loans owed by group undertaking		2,652,788	-
Deferred tax assets	12	185,839	149,884
Prepayments and accrued income		263,370	2,773,774
		<u>7,644,383</u>	<u>6,867,767</u>

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

- prepayments of £47,821 (2018: £21,920)

The interest-bearing loans owed by group undertaking of £2,652,788 (2018: £nil) is due from FIS UK Holdings Limited and relate to an unsecured revolving cash pooling arrangement first agreed on 30 June 2011 and amended on 12 July 2013 and 13 November 2017. Under the amended arrangement, interest accrued on a daily basis and was payable monthly on such interest payment date as may be determined by the Pool Header acting in a commercially reasonable manner (or by the company's bank under any interest reallocation arrangement or similar). From 1 January 2018, the interest rate applied was 0.0% for credit balances and 3.5% for debit balances.

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

### 11 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	546,732	294,116
Amounts owed to group undertakings	2,016,295	1,813,599
Corporation tax	307,576	458,725
Accruals and deferred income	1,753,197	2,354,035
	<u>4,623,800</u>	<u>4,920,475</u>

Included in amounts owed to group undertaking of £nil (2018: £185,204) is due to FIS UK Holdings Limited and relates to an unsecured revolving cash pooling arrangement first agreed on 30 June 2011, amended on 12 July 2013 and 13 November 2017. Under the amended arrangement, interest accrued on a daily basis and was payable monthly on such interest payment date as may be determined by the Pool Header acting in a commercially reasonable manner (or by the company's bank under any interest reallocation arrangement or similar). From 1 January 2018, the interest rate applied was 0.0% for credit balances and 3.5% for debit balances.

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

# FIS Treasury Systems (UK) Limited

## Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

### 12 Deferred tax assets

Amounts recognised in respect of deferred tax assets are as follows:

	2019	2018
	£	£
Accelerated depreciation	<u>185,839</u>	<u>149,884</u>

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

	Note	2019	2018
		£	£
At 1 January		149,884	123,360
Transferred to the income statement		35,955	24,516
Adjustment in respect of prior year		-	2,008
At 31 December	10	<u>185,839</u>	<u>149,884</u>

### 13 Post-employment benefits

#### Defined contribution scheme

The company operated 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 £557,147 (2018: £497,387) represents the contributions payable to the pension scheme in respect of the accounting year.

During the year, any outstanding or prepaid contributions were borne by FIS Systems Limited which was the group operator for the scheme.

### 14 Called up share capital

	2019	2018
	£	£
<i>Allotted, called up and fully paid</i>		
1,000 (2018: 1,000) ordinary shares at £1 each	<u>1,000</u>	<u>1,000</u>

### 15 Controlling parties

The directors regard FIS UK 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.

## FIS Treasury Systems (UK) Limited

### Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

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#### **16 Subsequent events**

**Coronavirus Pandemic** – Since the start of January 2020, the outbreak of Coronavirus COVID-19, which is a rapidly evolving situation, has adversely impacted global commercial activities. The rapid development and fluidity of this situation precludes any prediction as to its ultimate impact, which may have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The directors consider that this event is a non-adjusting post balance sheet event and accordingly have made no adjustments to these financial statements as a result. Management is monitoring developments relating to COVID-19 and is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, relevant governments, and general pandemic response best practices.

**Sale of Business** – The directors have approved the sale on 25 September 2020 of the entire business to FIS Capital Markets UK Limited (formerly known as FIS Sherwood Systems Group Limited) a fellow group company incorporated and registered in England and Wales, at a net book value of GBP 6,899,232. The sale was part of on-going efforts to simplify the organizational structure of the Fidelity National Information Services, Inc. group with the objective of better aligning the operating model to commercial segments, simplifying the business model and reducing administrative expenditure. The directors consider that this event is a non-adjusting post balance sheet event and accordingly have made no adjustments to these financial statements.