

Company registration number 3259295

Misys International Banking Systems (CIS) Limited

Report and financial statements
for the year ended
31 May 2011



Misys International Banking Systems (CIS) Limited

Company registration number 3259295

Directors' report for the year ended 31 May 2011

The Directors present their annual report and audited financial statements of the Company for the year ended 31 May 2011

Principal activities and review of the business

The principal activity of the Company is to supply computer software and consultancy services for the international banking market. The Company continued supplying computer software and consultancy services during the year and will continue to do so in the future.

This report has been prepared in accordance with the special provisions of section 415A of the Companies Act 2006 relating to small companies exemption.

Results and dividends

The results of the Company for the year are set out on page 5. No interim dividend was paid during the year (2010: £nil). The Directors do not recommend the payment of a final dividend (2010: £nil). A loss of £401,000 (2010: £39,000) has been transferred from reserves.

Overseas branches

Misys International Banking Systems (CIS) Limited operates through an overseas branch in Moscow.

Directors

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

Misys Corporate Director Limited

K Hughes

N Farrimond

T Homer

(resigned 29 June 2010)

(appointed 29 June 2010)

(appointed 29 June 2010)

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Misys International Banking Systems (CIS) Limited

Directors' report for the year ended 31 May 2011

Disclosure of information to auditors

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

Directors' indemnities

All Directors have been granted an indemnity by the ultimate parent company, Misys plc, to the extent permitted by law in respect of certain liabilities incurred as a result of their office in associated companies. They are indemnified against liability to third parties, excluding criminal liability and regulatory penalties and certain other liabilities. This is a qualifying third party indemnity provision for the purposes of the Companies Act 2006 which was made during the financial year and remains in force at the date of this report.

Independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors and are deemed automatically re-appointed.

By order of the Board



For and on behalf of
Misys Corporate Director Limited
Director
11 November 2011

Independent Auditors' Report to the members of Misys International Banking Systems (CIS) Limited

We have audited the financial statements of Misys International Banking Systems (CIS) Limited for the year ended 31 May 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 1, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 May 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors' Report to the members of
Misys International Banking Systems (CIS) Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Directors were not entitled to prepare the Directors' report in accordance with the small company regime



Giles Hannam (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
11 November 2011

Misys International Banking Systems (CIS) Limited

Profit and loss account for the year ended 31 May 2011

	Note	2011 £'000	2010 £'000
Turnover	2	1,849	2,032
Cost of sales		<u>(285)</u>	<u>(211)</u>
Gross profit		1,564	1,821
Administrative expenses		<u>(1,894)</u>	<u>(1,934)</u>
Operating loss	3	(330)	(113)
Interest receivable and similar income	5	<u>32</u>	<u>11</u>
Loss on ordinary activities before taxation		(298)	(102)
Tax on loss on ordinary activities	6	<u>(103)</u>	63
Loss for the financial year	11	<u>(401)</u>	<u>(39)</u>

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

The results for the years reflect trading from continuing operations

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

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

Misys International Banking Systems (CIS) Limited

Balance sheet as at 31 May 2011

	Note	2011 £'000	2010 £'000
Fixed assets			
Tangible assets	7	12	13
Current assets			
Debtors			
- due within one year	8	3,608	2,628
- due after more than one year	8	516	1,347
Cash at bank and in hand		5	103
		<u>4,129</u>	<u>4,078</u>
Creditors. amounts falling due within one year	9	<u>(1,033)</u>	<u>(582)</u>
Net current assets		<u>3,096</u>	<u>3,496</u>
Total assets less current liabilities		<u>3,108</u>	<u>3,509</u>
Creditors. amounts falling due after more than one year	9	<u>(600)</u>	<u>(600)</u>
Net assets		<u>2,508</u>	<u>2,909</u>
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account	11	2,508	2,909
Total shareholders' funds	12	<u>2,508</u>	<u>2,909</u>

The financial statements on pages 5 to 12 were approved by the Board of Directors on 11 November 2011 and signed on its behalf by



T Homer
Director

Misys International Banking Systems (CIS) Limited

Notes to the financial statements for the year ended 31 May 2011

1. Accounting policies

Accounting convention

The financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies which have been applied consistently throughout the year are set out below.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight line basis. The expected useful lives of the assets to the business are reassessed periodically in the light of experience.

The most widely used straight line annual rates of depreciation are:

Furniture, fittings and equipment	10% - 25% per annum
-----------------------------------	---------------------

Turnover

Revenue from software sales is recognised when a signed contract exists, delivery to a customer has occurred with no significant vendor obligations remaining and where the collection of the resulting receivable is considered probable. Where these circumstances exist but no invoice to the customer has been raised, under the terms of the contracts revenue is recognised as normal but the corresponding receivable is shown as accrued income on the balance sheet.

In instances where a significant vendor obligation exists, revenue recognition is delayed until the obligation has been satisfied. No revenue is recognised for multiple element arrangements if an element of the contract remains undelivered and is essential to the functionality of the elements already delivered.

Maintenance fees are recognised rateably over the period of the contract. Transaction processing revenues are recognised as the services are performed. Revenue from professional services, such as implementation, training and consultancy, is recognised as the services are performed.

Deferred income

Deferred maintenance fees represent amounts invoiced in advance for contracts which provide technical support and trouble shooting assistance (helpdesk, etc) in addition to upgrades and enhancements to the Group's software products and hardware maintenance.

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

Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term. Any premium or discount on the acquisition of a lease is spread over the lease term.

Taxation

Current tax for the current and prior periods is provided at the amount expected to be paid (or recovered) using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or the right to pay less tax, at a future date, at tax rates expected to apply when the timing differences reverse based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Misys International Banking Systems (CIS) Limited

Notes to the financial statements for the year ended 31 May 2011

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date or at rates specified in related forward contracts. Transactions in foreign currencies are translated at the rate ruling at the date of each transaction or at rates specified in related forward contracts. Exchange differences arising from settlement of trading indebtedness are included in operating profit.

Pensions

Misys plc, the ultimate parent company, operates a defined contribution pension scheme covering senior staff. The costs of the pension scheme are charged to the profit and loss account as incurred.

Cash flow statements and related party disclosures

The Company is a wholly owned subsidiary of Misys plc and is included in the consolidated financial statements of Misys plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996) 'Cash Flow Statements'.

The Company has also taken advantage of the exemption under FRS 8 'Related party disclosures' not to disclose transactions with group undertakings since Misys plc is the beneficial owner of the entire equity share capital of the Company.

2. Turnover

Turnover is all derived from sales in Europe.

3. Operating loss

	2011 £'000	2010 £'000
Operating loss is arrived at after charging		
Depreciation of owned assets	4	3
Operating leases – land and buildings	81	135
Auditors' remuneration	10	17

Remuneration of the Directors' has been borne by a fellow subsidiary as was the case in the prior year. The Directors' services to this Company are of non-executive nature and as such their emoluments are deemed to be wholly attributable to their services to other group companies.

4. Employees

	2011 Number	2010 Number
The average number of people employed by the Company was as follows		
Administrative and management staff	9	11
Employee costs during the year amounted to		
Wages and salaries	525	548
Social security costs	29	28
Pension costs	29	29
Share based payments	11	8
	594	613

Misys International Banking Systems (CIS) Limited

Notes to the financial statements for the year ended 31 May 2011

5. Interest receivable and similar income

	2011 £'000	2010 £'000
Amount receivable from Group undertakings	<u>32</u>	<u>11</u>

6. Tax on loss on ordinary activities

	2011 £'000	2010 £'000
Current tax		
UK corporation tax on loss for the year	-	17
Adjustments in respect of prior years	<u>(86)</u>	<u>29</u>
Total current tax	<u>(86)</u>	<u>46</u>
Deferred tax		
Deferred tax (charge) credit	<u>(17)</u>	<u>17</u>
Total tax credit for the year	<u><u>(103)</u></u>	<u><u>63</u></u>

The tax assessed for the year is higher (2010 higher) than the standard rate of corporation tax in the UK of 27.67% (2010 28%). The differences are explained as follows

	2011 £'000	2010 £'000
Loss on ordinary activities before taxation	<u>(298)</u>	<u>(102)</u>
Tax on loss for the year at the standard rate of UK tax of 27.67% (2010 28%)	83	29
Non deductible expenditure	(3)	-
Non taxable income	-	(24)
Capital allowance in excess of depreciation	5	6
Tax adjustment on inter-company transactions	-	6
Adjustments in respect of prior years	(86)	29
Group relief surrendered for nil consideration	<u>(85)</u>	<u>-</u>
Current tax (charge) credit for the year	<u><u>(86)</u></u>	<u><u>46</u></u>

A number of changes to the UK corporation tax system were announced in the March 2011 Budget Statement. The Finance Act 2011 was enacted in July 2011 and reduces the main rate of corporation tax from 28% to 26% from 1 April 2011. Further reductions are proposed to be enacted separately each year with the aim of reducing the rate by 1% per annum to 23% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. We estimate the reduction in the corporation tax rate from 26% to 23% will not have a material impact on the Company's results.

The following deferred tax assets have not been recognised as their use is uncertain or is not currently anticipated due to insufficient suitable profits within the Group

	2011 £'000	2010 £'000
Accelerated capital allowances	<u>22</u>	<u>-</u>

Misys International Banking Systems (CIS) Limited

Notes to the financial statements for the year ended 31 May 2011

7. Tangible assets

	Furniture, fittings and equipment £'000
Cost	
At 1 June 2010	63
Additions	3
At 31 May 2011	66
Accumulated depreciation	
At 1 June 2010	50
Charge for the year	4
At 31 May 2011	54
Net book value	
At 31 May 2011	12
At 31 May 2010	13

8. Debtors

	2011 £'000	2010 £'000
Amounts falling due within one year		
Trade debtors	776	236
Amounts owed by group undertakings	1,804	1,733
Other taxation and social security	24	43
Deferred tax asset	-	17
Prepayments and other debtors	81	103
Accrued income	923	496
	3,608	2,628
Amounts falling due after more than one year		
Amounts owed by group undertakings	516	1,347

Amounts owed by group undertakings are unsecured and are repayable on demand. The Company has no immediate intention to recall £0.5m (2010: £1.3m) of these loans in the short term and so these amounts are classified as non-current assets.

Of the amounts due from group undertakings above, £0.5m (2010: £1.3m) is interest bearing. The make-up of this amount has attracted interest at a floating rate ranging from 3.32% to 3.38% (2010: 0.5% to 0.6%) during the year.

Deferred tax asset

	2011 £'000	2010 £'000
Other timing differences	-	17

The unrecognised deferred tax asset consists of accelerated capital allowances of £22,000 (2010: £22,000).

Misys International Banking Systems (CIS) Limited

Notes to the financial statements for the year ended 31 May 2011

9. Creditors

	2011 £'000	2010 £'000
Amounts falling due within one year		
Trade creditors	-	17
Amounts owed to group undertakings	587	-
Corporation tax	-	195
Accruals and deferred income	446	370
	<u>1,033</u>	<u>582</u>

Amounts falling due after more than one year

Amounts owed to group undertakings	<u>600</u>	<u>600</u>
------------------------------------	------------	------------

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand. However, payment of £0.6m (2010: £0.6m) is not expected within the short term and so these amounts are classified as non-current liabilities.

10. Called up share capital

	2011 £	2010 £
Authorised		
1,000 (2010: 1,000) Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid		
2 (2010: 2) Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

11. Profit and loss account

	£'000
At 1 June 2010	2,909
Loss for the financial year	(401)
At 31 May 2011	<u>2,508</u>

12. Reconciliation of movements in shareholders' funds

	2011 £'000	2010 £'000
Loss for the financial year	(401)	(39)
Opening shareholders' funds	2,909	2,948
Closing shareholders' funds	<u>2,508</u>	<u>2,909</u>

13. Financial commitments

The annual commitments under non-cancellable operating leases in respect of land and buildings are as follows:

	2011 £'000	2010 £'000
Operating leases which expires:		
Within one year	-	19
Within 1-2 years	-	-
Within 2-5 years	73	93
	<u>73</u>	<u>112</u>

Misys International Banking Systems (CIS) Limited

Notes to the financial statements for the year ended 31 May 2011

14. Ultimate parent company

The Company's immediate parent company is Misys Holdings Limited

The parent company of both the largest and smallest group in which Misys International Banking Systems (CIS) Limited is included in consolidated financial statements is that of Misys plc

The Company's ultimate parent undertaking and controlling party is Misys plc, a company registered in England and Wales. Copies of the group financial statements of Misys plc may be obtained from The Registrar of Companies, Companies House, Crown Way, Mandy, Cardiff, CF14 3UZ