

**Company registration number 03259295**

**Misys International Banking Systems (CIS) Limited**

Report and financial statements

for the year ended

31 May 2014

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# **Misys International Banking Systems (CIS) Limited**

**Company registration number 03259295**

## **Directors' report for the year ended 31 May 2014**

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The Directors present their annual report and audited financial statements of the Company for the year ended 31 May 2014.

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

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

### **Principal activities**

The principal activity of the Company was to supply computer software and consultancy services for the international banking market. During the year, the overseas branch of the Company in Moscow was closed. Employees of the branch, who wished to remain with Misys, took up employment with a fellow group subsidiary, Turaz Global TRM S.à r.l. The furniture, fittings and equipment and operating lease commitments were also transferred to Turaz Global TRM S.à r.l. The Company's remaining contract was novated to another group subsidiary, Misys International Banking Systems Limited.

The Company will now be non-trading and will be liquidated following audit by the Russian tax authorities.

### **Results and dividends**

The results of the Company for the year are set out on page 5. No interim dividends were paid during the year (2013: nil). The Directors do not recommend the payment of a final dividend (2013: £nil). A loss of £1,053,000 (2013: £966,000) has been deducted from reserves.

### **Going concern**

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the intermediate parent company Misys Limited. The directors have received confirmation that Misys Limited intends to support the company for at least one year after these financial statements are signed.

### **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 (resigned 16 October 2013)

T Homer

J Hawkes (resigned 1 October 2013)

S Patel (appointed 16 October 2013, resigned 28 August 2014)

E Collins (appointed 16 October 2013, resigned 31 July 2014)

J van Harken (appointed 31 July 2014)

A Woodward (appointed 5 September 2014)

# Misys International Banking Systems (CIS) Limited

## Directors' report for the year ended 31 May 2014

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### Statement of Directors' responsibilities

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

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

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

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

### Disclosure of information to auditors

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

### Directors' indemnities

All Directors have been granted an indemnity by the intermediate parent company, Misys Newco 2 S.à r.l., to the extent permitted by law in respect of certain liabilities incurred as a result of their office in associated companies. They are indemnified against liability to third parties, excluding criminal liability and regulatory penalties and certain other liabilities. This is a qualifying third party indemnity provision for the purposes of the Companies Act 2006 which was made during the financial year and remains in force at the date of signing of this report.

### Independent auditors

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

On behalf of the Board



T Homer  
Director  
30 October 2014

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

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## **Report on the financial statements**

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### **Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 May 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

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### **What we have audited**

The financial statements, which are prepared by Misys International Banking Systems (CIS) Limited, comprise:

- the Balance sheet as at 31 May 2014;
- the Profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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### **Opinion on other matter prescribed by the Companies Act 2006**

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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**

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## **Other matters on which we are required to report by exception**

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### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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### **Directors' remuneration**

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

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### **Entitlement to exemptions**

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

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## **Responsibilities for the financial statements and the audit**

### **Our responsibilities and those of the directors**

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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



Alex Hookway (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
30 October 2014

# Misys International Banking Systems (CIS) Limited

## Profit and loss account for the year ended 31 May 2014

	Note	2014 £'000	2013 £'000
<b>Turnover</b>	2	<b>757</b>	1,106
Cost of sales		<u>(47)</u>	<u>(191)</u>
<b>Gross profit</b>		<b>710</b>	915
Administrative expenses		<u>(1,993)</u>	<u>(1,881)</u>
<b>Operating loss</b>	3	<b>(1,283)</b>	(966)
Interest receivable and similar income	5	<u>230</u>	-
<b>Loss on ordinary activities before taxation</b>		<b>(1,053)</b>	(966)
Tax on loss on ordinary activities	6	-	-
<b>Loss for the financial year</b>	11	<u><b>(1,053)</b></u>	<u>(966)</u>

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

The results for the years reflect trading from discontinued 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 2014

	Note	2014 £'000	2013 £'000
<b>Fixed assets</b>			
Tangible assets	7	-	186
<b>Current assets</b>			
Debtors			
- amounts falling due within one year	8	1,355	1,368
- amounts falling due after more than one year	8	3	3
Cash at bank and in hand		97	7
		<b>1,455</b>	<b>1,378</b>
<b>Creditors: amounts falling due within one year</b>	9	<b>(3,564)</b>	<b>(2,619)</b>
<b>Net current liabilities</b>		<b>(2,109)</b>	<b>(1,241)</b>
<b>Total assets less current liabilities</b>		<b>(2,109)</b>	<b>(1,055)</b>
<b>Creditors: amounts falling due after more than one year</b>	9	<b>(599)</b>	<b>(600)</b>
<b>Net liabilities</b>		<b>(2,708)</b>	<b>(1,655)</b>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Profit and loss account (deficit)	11	<b>(2,708)</b>	<b>(1,655)</b>
<b>Total shareholders' deficit</b>	12	<b>(2,708)</b>	<b>(1,655)</b>

The financial statements on pages 5 to 12 were approved by the Board of Directors on 30 October 2014 and signed on its behalf by:

  
A Woodward  
Director

Misys International Banking Systems (CIS) Limited – Registered number 03259295

# Misys International Banking Systems (CIS) Limited

## Notes to the financial statements for the year ended 31 May 2014

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### 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.

#### Going concern

The Company has a deficiency of capital. A letter of support has been received from the intermediate parent company, Misys Limited stating that it will provide continuing financial support as necessary to enable the Company to meet its obligations as and when they fall due for a period of at least 12 months from the date of this report. Accordingly, the Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

#### Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical purchase cost less accumulated depreciation. Cost includes the original purchase price of the 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
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#### Turnover

Turnover represents the fair value of consideration received or receivable from clients for goods and services provided by the Company, net of discounts and sales taxes. Turnover is recognised when a legal right to consideration 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, turnover is recognised but the corresponding receivable is shown as accrued income on the balance sheet.

Initial licence fees ('ILF') are the turnover generated when the Company sells the right to use a software product, including significant upgrades, and when a fee is payable for a significant variation of an existing product. ILF from sales of standard, unmodified software are recognised when a legal right to consideration exists, software has passed internal quality checks and is deemed generally available, delivery to a customer has occurred with no significant vendor obligations remaining and where the collection of the resulting receivable is considered probable. In instances where a significant vendor obligation exists, turnover recognition is delayed until the obligation has been satisfied. No turnover is recognised for multiple deliveries or multiple element products if an element of the contract remains undelivered and is essential to the functionality of the elements already delivered.

Licence and installation fees from sales of standard software sold on an Application Service Provider (ASP) model are recognised over the expected life of the contract.

Turnover from services, such as implementation, training and consultancy, is recognised as the services are performed. In certain circumstances, the percentage of completion method is used to determine the degree of completion of a contract. This involves a comparison of the costs incurred on the contract to date with the total expected costs of the contract. Losses on contracts are recognised as soon as a loss is foreseen by reference to the estimated costs of completion.

Initial licence fees on sales of bespoke or heavily customised software, together with turnover from the associated professional services contract, are recognised on a percentage of completion basis over the period from the commencement of performance on the contract to customer acceptance.



# Misys International Banking Systems (CIS) Limited

## Notes to the financial statements for the year ended 31 May 2014

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Maintenance fees are recognised rateably over the period of the contract. Turnover from Electronic Data Interchange (EDI) and remote processing services (transaction processing) 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 in addition to upgrades and enhancements to the Group's software products and hardware maintenance.

Maintenance fees are recognised as turnover 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 turnover 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 year is provided at the amount expected to be paid (or recovered) using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or the right to pay less tax, at a future date, at tax rates expected to apply when the timing differences reverse based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

### 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 loss.

### Pensions

Misys Limited, another group undertaking, 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 Newco 2 S.à r.l. and is included in the consolidated financial statements of Misys Newco 2 S.à r.l. 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 Newco 2 S.à r.l. is the beneficial owner of the entire equity share capital of the Company.

# Misys International Banking Systems (CIS) Limited

## Notes to the financial statements for the year ended 31 May 2014

### 2. Turnover

Turnover is all derived from sales in Europe.

Turnover by activity is as follows:

	2014 £'000	2013 £'000
Initial license fees	163	-
Maintenance	509	832
Professional Services	85	274
	<u>757</u>	<u>1,106</u>

### 3. Operating loss

	2014 £'000	2013 £'000
Operating loss is arrived at after charging:		
Depreciation of owned assets (note 7)	21	20
Operating leases – land and buildings	47	80
Auditors' remuneration	<u>11</u>	<u>11</u>

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

The average monthly number of people employed by the Company was as follows:

	2014 Number	2013 Number
Administrative and management staff	<u>9</u>	<u>14</u>

	2014 £'000	2013 £'000
Employee costs during the year amounted to:		
Wages and salaries	562	791
Social security costs	84	132
Other pension costs	20	34
	<u>666</u>	<u>957</u>

### 5. Interest receivable and similar income

	2014 £'000	2013 £'000
Accretion of discount on accrued income	<u>230</u>	<u>-</u>

# Misys International Banking Systems (CIS) Limited

## Notes to the financial statements for the year ended 31 May 2014

### 6. Tax on loss on ordinary activities

	2014 £'000	2013 £'000
<b>Current tax</b>		
UK corporation tax on loss for the year	-	-

The tax credit assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK of 22.67% (2013: 23.83%). The differences are explained as follows:

	2014 £'000	2013 £'000
<b>Loss on ordinary activities before taxation</b>	<b>(1,053)</b>	<b>(966)</b>
Tax credit on loss for the year at the standard rate of UK tax of 22.67% (2013: 23.83%)	239	230
Non deductible expenditure	(4)	(4)
Depreciation in excess of capital allowances	(5)	(5)
Group relief surrendered for nil consideration	(230)	(221)
Current tax for the year	-	-

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:

	2014 £'000	2013 £'000
Tax losses carried forward	621	472
Accelerated capital allowances	-	30
	<b>621</b>	<b>502</b>

### 7. Tangible fixed assets

	<b>Furniture, fittings and equipment £'000</b>
<b>Cost</b>	
At 1 June 2013	215
Additions	2
Disposals	(217)
<b>At 31 May 2014</b>	<b>-</b>
<b>Accumulated depreciation</b>	
At 1 June 2013	29
Charge for the year	21
Disposals	(50)
<b>At 31 May 2014</b>	<b>-</b>
<b>Net book value</b>	
<b>At 31 May 2014</b>	<b>-</b>
At 31 May 2013	186

During the year, the assets of the Company were transferred to a fellow group subsidiary, Turaz Global TRM S.à r.l.

# Misys International Banking Systems (CIS) Limited

## Notes to the financial statements for the year ended 31 May 2014

### 8. Debtors

	2014 £'000	2013 £'000
<b>Amounts falling due within one year</b>		
Trade debtors	-	198
Amounts owed by group undertakings	1,265	462
Taxation and social security	90	64
Prepayments and other debtors	-	148
Accrued income	-	496
	<u>1,355</u>	<u>1,368</u>
<b>Amounts falling due after more than one year</b>		
Amounts owed by group undertakings	<u>3</u>	<u>3</u>

Amounts owed by group undertakings are unsecured and are repayable on demand. The Company has no immediate intention to recall £3,000 (2013: £3,000) of these loans in the short term and so these amounts are classified as non-current assets.

### 9. Creditors

	2014 £'000	2013 £'000
<b>Amounts falling due within one year</b>		
Trade creditors	-	21
Amounts owed to group undertakings	3,560	2,140
Accruals and deferred income	4	458
	<u>3,564</u>	<u>2,619</u>
<b>Amounts falling due after more than one year</b>		
Amounts owed to group undertakings	<u>599</u>	<u>600</u>

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand. However, payment of £599,000 (2013: £600,000) is not expected within the short term and so these amounts are classified as non-current liabilities.

### 10. Called up share capital

	2014 £	2013 £
<b>Authorised</b>		
1,000 (2013: 1,000) Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted and fully paid</b>		
2 (2013: 2) Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

### 11. Profit and loss account

	£'000
At 1 June 2013	(1,655)
Loss for the financial year	(1,053)
<b>At 31 May 2014</b>	<u><b>(2,708)</b></u>

# Misys International Banking Systems (CIS) Limited

## Notes to the financial statements for the year ended 31 May 2014

### 12. Reconciliation of movements in shareholders' deficit

	2014 £'000	2013 £'000
Loss for the financial year	(1,053)	(966)
Dividends paid	-	-
	<u>(1,053)</u>	<u>(966)</u>
Opening shareholders' deficit	(1,655)	(689)
Closing shareholders' deficit	<u>(2,708)</u>	<u>(1,655)</u>

### 13. Financial commitments

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

	2014 £'000	2013 £'000
<b>Operating leases which expires:</b>		
Within one year	-	-
Between two and five years	-	184
More than five years	-	-
	<u>-</u>	<u>184</u>

All leases have been transferred to a fellow group subsidiary, Turaz Global TRM S.à r.l.

### 14. Ultimate parent company

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

The parent company of the smallest group in which the Company is included in consolidated financial statements is that of Misys Newco 2 S.à r.l. a company incorporated in Luxembourg. The parent company of the largest group in which the Company is included in consolidated financial statements is that of Misys Newco S.à r.l. a company incorporated in Luxembourg.

Copies of the group financial statements of Misys Newco 2 S.à r.l. and Misys Newco S.à r.l. may be obtained from the Misys Group Secretariat, One Kingdom Street, Paddington, London W2 6BL.

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