

Company registration number 03259295

Misys International Banking Systems (CIS) Limited

Report and financial statements
for the year ended
31 May 2015

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Misys International Banking Systems (CIS) Limited

Company registration number 03259295

Directors' report for the year ended 31 May 2015

The Directors present their annual report and audited financial statements of the Company for the year ended 31 May 2015

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 prior year, the overseas branch of the Company in Moscow was closed. The Company is now non-trading and will be liquidated as and when its related party liabilities have been settled.

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 (2014: nil). The Directors do not recommend the payment of a final dividend (2014: £nil). A loss of £137,000 (2014: £1,053,000) 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 Magic Bidco Limited. The directors have received confirmation that Magic Bidco 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:

T Homer

S Patel (resigned 28 August 2014)

E Collins (resigned 31 July 2014)

J van Harken (appointed 31 July 2014)

A Woodward (appointed 5 September 2014, resigned 20 July 2015)

J Olivier (appointed 20 July 2015)

Misys International Banking Systems (CIS) Limited

Directors' report for the year ended 31 May 2015

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.

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

As a result of the Company taking the exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006 ("the Act"), PricewaterhouseCoopers LLP are not deemed to be re-appointed as auditors, and thus, have resigned as auditors of the Company.

On behalf of the Board



T Homer
Director
13 November 2015

Misys International Banking Systems (CIS) Limited

Profit and loss account for the year ended 31 May 2015

	Note	2015 £'000	2014 £'000
Turnover	2	-	757
Cost of sales		-	(47)
Gross profit		-	710
Administrative expenses		(113)	(1,993)
Operating loss	3	(113)	(1,283)
Interest receivable and similar income	5	-	230
Loss on ordinary activities before taxation		(113)	(1,053)
Tax on loss on ordinary activities	6	(24)	-
Loss for the financial year	10	(137)	(1,053)

The notes to the financial statements are on pages 5 to 9

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 2015

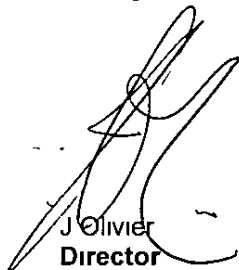
	Note	2015 £'000	2014 £'000
Current assets			
Debtors			
- amounts falling due within one year	7	73	1,355
- amounts falling due after more than one year	7	-	3
Cash at bank and in hand		-	97
		<u>73</u>	<u>1,455</u>
Creditors. amounts falling due within one year	8	<u>(2,918)</u>	<u>(3,564)</u>
Net current liabilities		<u>(2,918)</u>	<u>(2,109)</u>
Total assets less current liabilities		<u>(2,845)</u>	<u>(2,109)</u>
Creditors' amounts falling due after more than one year	8	-	(599)
Net liabilities		<u>(2,845)</u>	<u>(2,708)</u>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account (deficit)	10	<u>(2,845)</u>	<u>(2,708)</u>
Total shareholders' deficit	11	<u>(2,845)</u>	<u>(2,708)</u>

The Directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006 ("the Act") relating to subsidiary companies

The members have not required the Company to obtain an audit of its financial statements for the period in question in accordance with section 476 of the Act

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements

The financial statements on pages 3 to 9 were approved by the Board of Directors on 13 November 2015 and signed on its behalf by


J. Olivier
Director

Misys International Banking Systems (CIS) Limited

Notes to the financial statements for the year ended 31 May 2015

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, Magic Bidco 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.

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.

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.

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.

Misys International Banking Systems (CIS) Limited

Notes to the financial statements for the year ended 31 May 2015

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.

2. Turnover

Turnover in the prior year was all derived from sales in Europe.

Turnover by activity is as follows

	2015 £'000	2014 £'000
Initial licence fees	-	163
Maintenance	-	509
Professional Services	-	85
	<u>-</u>	<u>757</u>

3. Operating loss

	2015 £'000	2014 £'000
Operating loss is arrived at after charging		
Depreciation of owned assets	-	21
Operating leases – land and buildings	-	47
Auditors' remuneration	<u>-</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.

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Notes to the financial statements for the year ended 31 May 2015

4. Employees

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

	2015 Number	2014 Number
Administrative and management staff	-	9
Employee costs during the year amounted to	2015 £'000	2014 £'000
Wages and salaries	-	562
Social security costs	-	84
Other pension costs	-	20
	-	666

5. Interest receivable and similar income

	2015 £'000	2014 £'000
Accretion of discount on accrued income	-	230

6. Tax on loss on ordinary activities

	2015 £'000	2014 £'000
Current tax		
UK corporation tax on loss for the year	-	-
Overseas taxation prior year adjustment	(24)	-
	(24)	-

The tax charge assessed for the year is higher (2014 higher) than the standard rate of corporation tax in the UK of 20.83% (2014 22.67%). The differences are explained as follows

	2015 £'000	2014 £'000
Loss on ordinary activities before taxation	(113)	(1,053)
Tax credit on loss for the year at the standard rate of UK tax of 20.83% (2013 22.67%)	24	239
Non deductible expenditure	-	(4)
Depreciation in excess of capital allowances	-	(5)
Overseas taxation prior year adjustment	(24)	-
Group relief surrendered for nil consideration	(24)	(230)
Current tax for the year	(24)	-

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

	2015 £'000	2014 £'000
Tax losses carried forward	-	621

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Notes to the financial statements for the year ended 31 May 2015

7. Debtors

	2015 £'000	2014 £'000
Amounts falling due within one year		
Trade debtors	-	198
Amounts owed by group undertakings	73	1,265
Taxation and social security	-	90
	<u>73</u>	<u>1,355</u>
Amounts falling due after more than one year		
Amounts owed by group undertakings	<u>-</u>	<u>3</u>

Amounts owed by group undertakings are unsecured and are repayable on demand

8. Creditors

	2015 £'000	2014 £'000
Amounts falling due within one year		
Amounts owed to group undertakings	2,918	3,560
Accruals and deferred income	-	4
	<u>2,918</u>	<u>3,564</u>
Amounts falling due after more than one year		
Amounts owed to group undertakings	<u>-</u>	<u>599</u>

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

9 Called up share capital

	2015 £	2014 £
Authorised		
1,000 (2014 1,000) Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid		
2 (2014 2) Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

10. Profit and loss account

	£'000
At 1 June 2014	(2,708)
Loss for the financial year	(137)
At 31 May 2015	<u>(2,845)</u>

Misys International Banking Systems (CIS) Limited

Notes to the financial statements for the year ended 31 May 2015

11. Reconciliation of movements in shareholders' deficit

	2015 £'000	2014 £'000
Loss for the financial year	(137)	(1,053)
Dividends paid	-	-
	<u>(1,053)</u>	<u>(1,053)</u>
Opening shareholders' deficit	(2,708)	(1,655)
Closing shareholders' deficit	<u>(2,845)</u>	<u>(2,708)</u>

12. 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.