

Company registration number 03379662

Misys Group Holdings Limited

Report and financial statements

for the year ended

31 May 2013

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Misys Group Holdings Limited
Company registration number 03379662

Directors' report for the year ended 31 May 2013

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 May 2013

Principal activities and review of business

The Company acts as an intermediate holding company within the Misys Newco 2 S à r l group of companies (the "Group"). No further significant change in the activity of the Company is envisaged in the forthcoming year. The Directors believe the Company has operated satisfactorily during the year.

The Directors of the Misys Newco 2 S à r l Group manage the group operations on a group basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not appropriate for an understanding of the development, performance or position of the business of Misys Group Holdings Limited. The development, performance and position of the Group is discussed on page 2 of the Group's Annual Report which does not form part of this report.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of Misys Newco 2 S à r l, which include those of the Company, are discussed on pages 4 – 6 of the Group's annual report which does not form part of this report.

Results and dividends

The results of the Company for the year are set out in detail on page 5. No interim dividend was paid during the year (2012: £nil). The Directors do not recommend the payment of a final dividend (2012: £nil). Loss of £5,620,000 (2012: profit of £205,048,000) has been withdrawn from (2012: transferred to) reserves.

Financial risk management

The Company is exposed to a variety of financial risks including foreign exchange currency risk, credit risk and liquidity risk.

Foreign exchange currency risk

The Company is exposed to foreign currency movements, primarily the US Dollar. Foreign exchange risks arise when future commercial transactions and recognised assets and liabilities are denominated in currencies that are not the Company's functional currency.

The Group's net exposure to foreign currency risk is illustrated by the sensitivity analysis on page 49 of the Group's Annual Report.

Credit risk

The Company's principal financial assets are amounts owed by group undertakings. The Group regularly reviews intercompany balances for impairment and, where appropriate, adjustments to the carrying value are made at a subsidiary level.

Liquidity risk

The Company currently has no requirements for debt finance, sufficient funds for operations are maintained at a group level.

Further details of the group's risk policies are available within the Annual Report of Misys Newco 2 S à r l.

Misys Group Holdings Limited

Directors' report for the year ended 31 May 2013

Directors

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

J Dudley (resigned 31 Jul 2013)

T Homer

Misys Corporate Director Limited (resigned 2 December 2013)

N Farrimond (appointed 16 July 2012, resigned 6 September 2012)

B Patel (appointed 6 September 2012, resigned 31 May 2013)

J Hawkes (appointed 31 May 2013, resigned 1 October 2013)

E Collins (appointed 31 July 2013)

S Patel (appointed 16 October 2013)

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.

Misys Group Holdings Limited

Directors' report for the year ended 31 May 2013

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



E Collins

Director

10 December 2013

Independent Auditors' Report to the members of

Misys Group Holdings Limited

We have audited the financial statements of Misys Group Holdings Limited for the year ended 31 May 2013 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 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 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 2013 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 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 Group Holdings 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



Alex Hookway (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

10 December 2013

Misys Group Holdings Limited

Profit and loss account for the year ended 31 May 2013

	Note	2013 £'000	2012 £'000
Administrative expenses		<u>108</u>	<u>111</u>
Operating profit		108	111
Income from shares in group undertakings	3	-	187,914
Interest receivable and similar income	4	17,865	16,855
Interest payable and similar charges	4	<u>(4,299)</u>	<u>(9,825)</u>
Profit on ordinary activities before taxation	2	13,674	195,055
Tax on profit on ordinary activities	5	<u>(19,294)</u>	<u>9,993</u>
(Loss) profit for the financial year	10	<u>(5,620)</u>	<u>205,048</u>

The notes to the financial statements are on pages 8 to 12

Results for the years reflect continuing operations

There were no recognised gains or losses for the year other than those disclosed in the profit and loss account. Accordingly, no statement of total recognised gains and losses is given.

There are no material differences between the profit on ordinary activities before taxation and the (loss) profit for the financial years stated above and their historical cost equivalents.

Misys Group Holdings Limited

Balance sheet as at 31 May 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Investments	6	<u>31,678</u>	<u>29,678</u>
Current assets			
Debtors: amounts falling due after more than one year	7	620,997	622,309
Creditors: amounts falling due within one year	8	<u>(11)</u>	<u>-</u>
Net current assets		620,986	622,309
Total assets less current liabilities		<u>652,664</u>	<u>651,987</u>
Creditors: amounts falling due after more than one year	8	<u>(302,974)</u>	<u>(296,677)</u>
Net assets		<u><u>349,690</u></u>	<u><u>355,310</u></u>
Capital and reserves			
Called up share capital	9	127	127
Share premium account	10	99,908	99,908
Profit and loss account	10	249,655	255,275
Total shareholders' funds	11	<u><u>349,690</u></u>	<u><u>355,310</u></u>

The financial statements on pages 6 to 12 were approved by the Board of Directors on 10 December 2013 and signed on its behalf by



T Homer
Director

Misys Group Holdings Limited – Registered number 03379662

Misys Group Holdings Limited

Notes to the financial statements for the year ended 31 May 2013

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 directors believe that preparing the accounts 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.

Cash flow 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 that company, 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 owner of the entire equity share capital of the Company.

Fixed asset investments

Investments held as fixed assets are stated at cost less provision considered necessary for any impairment.

The need for any impairment write-down for investments or loans to fellow group companies is assessed by comparison of the carrying value of the asset against the recoverable amount. Any impairment losses are immediately charged to the profit and loss account.

Taxation

Current tax for the current and prior years 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.

Dividend

Dividend income is recognised when the right to receive payment is established.

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividend is approved by the Company's shareholders.

2. Profit on ordinary activities before taxation

Auditors' remuneration for the year is £5,600 (2012: £10,800). 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. There were no employees in the year (2012: nil).

Misys Group Holdings Limited

Notes to the financial statements for the year ended 31 May 2013

3. Income from shares in group undertakings

During the prior year, the Company received dividends from Kapiti Limited and Misys Finance Limited

4. Net interest receivable and similar income

Interest receivable and similar income represent intra-group interest income. Similarly interest payable and similar charges represent intra-group interest charges

5. Tax on profit on ordinary activities

	2013 £'000	2012 £'000
Current tax		
UK corporation tax on profit for the year	-	-
Adjustments in respect of prior years	-	-
Total current tax	-	-
Deferred tax		
Deferred tax (charge) credit (note 7)	(19,294)	9,993
Tax (charge) credit on profit on ordinary activities	(19,294)	9,993

The tax assessed for the current year is lower (2012 lower) than the standard rate of corporation tax in the UK of 23.83% (2012 25.7%). The differences are explained as follows

	2013 £'000	2012 £'000
Profit on ordinary activities before tax	13,674	195,055
Tax on profit at the standard rate of UK tax of 23.83% (2012 25.7%)	(3,259)	(50,129)
Non taxable income	-	48,293
Tax adjustment on intercompany transactions	862	(652)
Group relief claimed for nil consideration	2,397	2,488
Current tax credit for the year	-	-

Changes to the UK corporation tax rate were announced in the March 2012 Budget, including a reduction to the UK main corporation tax rate from 26% to 24% which became effective on 1 April 2012 and was substantively enacted on 26 March 2012. A further reduction to 23% is effective from 1 April 2013 and was substantively enacted on 3 July 2012. The March 2013 Budget announced further changes which are expected to be enacted separately each year and propose to reduce the UK corporation tax rate to 20% by 1 April 2015 with the reduction to 21% effective from 1 April 2014. The relevant deferred tax balances have been remeasured to 23.0%, the rate enacted by the balance sheet date.

Misys Group Holdings Limited

Notes to the financial statements for the year ended 31 May 2013

6. Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost	
At 1 June 2012	511,278
Additions	2,000
At 31 May 2013	513,278
Provision for impairment	
At 1 June 2012 and 31 May 2013	(481,600)
Net book value	
At 31 May 2013	31,678
At 31 May 2012	29,678

On 19 July 2012, Misys Group Holdings Limited subscribed for 20,000,000 additional 10p shares in Kapiti Limited

The Company's investments represent holdings of 100% of the Ordinary shares of Kapiti Limited, which is a holding company, Misys Finance Limited, which is a financing company, Misys Corporate Director Limited, which is a corporate Director and Misys Corporate Secretary Limited, which is a corporate secretary. All of these companies are incorporated and registered in England and Wales.

In the opinion of the Directors, the value of the Company's investments is not less than their recoverable amounts. The Company is a wholly-owned subsidiary of Misys Newco 2 S à r l and has consequently taken advantage of Section 400 of the Companies Act 2006 not to prepare group financial statements.

7. Debtors

	2013 £'000	2012 £'000
Amounts falling due after more than one year		
Deferred tax asset	-	19,294
Amounts owed by group undertakings	620,997	603,015
	620,997	622,309

Amounts owed by group undertakings are unsecured and repayable on demand. The Company has no immediate intention to recall these loans in the short term and so these amounts are classified as non-current assets.

Of the amounts due from group undertakings above, £481,837,000 (2012: £463,974,000) is interest bearing. £100,000,000 (2012: £100,000,000) of this amount has attracted interest at a fixed rate of 6.5%. £381,837,000 (2012: £363,974,000) of this amount has attracted interest at a floating rate ranging from 3.24% to 3.42% (2012: 3.32% to 3.38%) during the year.

Misys Group Holdings Limited

Notes to the financial statements for the year ended 31 May 2013

Deferred tax asset

	2013 £'000	2012 £'000
Opening balance	19,294	9,301
(Charge) credit during the year	(19,294)	9,993
Closing balance	-	19,294
Represented by		
Tax losses carried forward	-	19,294

At 31 May 2013 there was an unrecognised deferred tax asset of £19,402,000 relating to tax losses (2012 £nil). This deferred tax asset has not been recognised as its use is uncertain or is not currently anticipated due to insufficient suitable profits within the Group.

8. Creditors

	2013 £'000	2012 £'000
Amounts falling due within one year		
Accruals	11	-
	2013 £'000	2012 £'000
Amounts falling due after more than one year		
Amounts owed to group undertakings	302,974	296,677

Amounts owed to group undertakings are unsecured and repayable on demand. However, payment is not expected within the short term and so these amounts are classified as non-current liabilities.

Of the non-current amounts due to group undertakings above, £147,676,000 (2012 £296,677,000) is interest bearing. The make-up of this amount has attracted interest at a floating rate ranging from 3.24% to 3.42% (2012 3.32% to 3.38%) during the year.

9. Called up share capital

	2013 £'000	2012 £'000
Allotted and fully paid		
126,727 (2012 126,727) ordinary shares of £1 each	127	127

Misys Group Holdings Limited

Notes to the financial statements for the year ended 31 May 2013

10. Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 June 2012	99,908	255,275
Loss for the financial year	-	(5,620)
At 31 May 2013	99,908	249,655

11. Reconciliation of movements in shareholders' funds

	2013 £'000	2012 £'000
(Loss) profit for the financial year	(5,620)	205,048
	(5,620)	205,048
Opening shareholders' funds	355,310	150,262
Closing shareholders' funds	349,690	355,310

12. Contingent liabilities

The Company, together with several other wholly owned subsidiaries of Misys Newco 2 S à r l (formerly Magic Newco 2 S à r l) guarantees the credit facilities of the group. These facilities comprise secured credit agreements for US\$1,045m, US\$625m and Euro 100m, which mature between five and seven years. Under the credit facilities of the group, there is a fixed and floating charge over all of the assets of the Company.

13. Ultimate parent company

The immediate parent company undertaking is Misys Services 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. 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.

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 ultimate parent undertaking and controlling party is VEPF IV AIV II L P, a limited partnership incorporated in the Cayman Islands.

14. Events after the period end date

The Company, together with several other wholly owned subsidiaries of Misys Newco 2 S à r l, guarantees the credit facilities of the group. In August 2013, a re-pricing of existing first lien credit agreement was completed resulting in a favourable reduction of the minimum interest expense the Group is committed to in future periods. The Group incurred fees of approximately \$12.8m in relation to the re-pricing.

In November 2013, the Group increased its first lien borrowings by US\$140m and Euro 50m. These additional borrowings were used to repay preferred equity certificates which were payable to the Group's immediate parent company, Misys Newco S à r l. The Group incurred fees of approximately \$7.8m in relation to this increase in borrowings.