

Company registration number 3931299

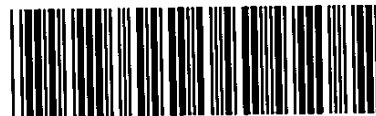
Misys Finance Limited

Report and financial statements

for the year ended

31 May 2011

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Misys Finance Limited
Company registration number 3931299

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 act as a finance company within the Misys Group. No significant change in the activity of the Company is envisaged in the forthcoming year. The Directors believe that the Company has operated satisfactorily during the year.

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 in detail on page 5. An interim dividend of £130.8m (2010: £nil) was paid during the year. The Directors do not recommend the payment of a final dividend (2010: £nil). Profits of £142.1m (2010: £9.4m) have been transferred to reserves.

Directors

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

N Farrimond	(appointed 2 June 2010)
Misys Corporate Director Limited	
R Ham	(resigned 2 June 2010)
J Cheesewright	(resigned 26 July 2010)
T Homer	(appointed 26 July 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 Finance Limited

Directors' report for the year ended 31 May 2011

Statement on 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 Finance Limited

We have audited the financial statements of Misys Finance 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 profit 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 Finance 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 Finance Limited

Profit and loss account for the year ended 31 May 2011

	Note	2011 £'000	2010 £'000
Administrative expenses		(17)	(910)
Exceptional items	3	<u>79,285</u>	<u>-</u>
Operating profit (loss)	2	79,268	(910)
Income from shares in group undertakings	4	65,447	-
Interest receivable and similar income	5	<u>2,148</u>	<u>1,309</u>
Profit on ordinary activities before taxation		146,863	399
Tax on profit on ordinary activities	6	<u>(4,725)</u>	<u>8,975</u>
Profit for the financial year	12	<u>142,138</u>	<u>9,374</u>

The notes to the financial statements are on pages 7 to 11

Results for the year reflect continuing operations

There were no 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 differences between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents.

Misys Finance Limited

Balance sheet as at 31 May 2011

	Note	2011 £'000	2010 £'000
Fixed assets			
Investments	8	<u>15,587</u>	<u>364,703</u>
Current assets			
Debtors			
- due within one year	9	-	20,811
- due after more than one year	9	<u>85,229</u>	<u>425,537</u>
Net current assets		<u>85,229</u>	<u>446,348</u>
Total assets less current liabilities		<u>100,816</u>	<u>811,051</u>
Creditors: amounts falling due after more than one year	10	<u>(29,780)</u>	<u>(751,345)</u>
Net assets		<u><u>71,036</u></u>	<u><u>59,706</u></u>
Capital and reserves			
Called up share capital	11	<u>1</u>	<u>29,681</u>
Profit and loss account	12	<u>71,035</u>	<u>30,025</u>
Total shareholders' funds	13	<u><u>71,036</u></u>	<u><u>59,706</u></u>

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



T Homer
Director

Misys Finance 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.

Cash flow and related party disclosures

The Company is a wholly owned subsidiary of Misys plc 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 plc is the beneficial owner of the entire equity share capital of the Company.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are converted at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are converted at the rate ruling at the date of each transaction. Exchange differences are included in the profit and loss account.

Interest payable and receivable

Interest payable and receivable is recognised on an accruals basis.

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 profit and loss account.

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.

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.

Misys Finance Limited

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

2. Operating profit (loss)

Auditors' remuneration for the audit of the statutory financial statements for the year is £10,000 (2010 £17,000) The Company does not have any employees (2010 none) The Directors have not received any remuneration in respect of qualifying services during either the current or prior year (2010 £nil) 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 Operating loss is stated after a foreign exchange loss of £nil (2010 £0.9m)

3. Exceptional items

During the year, the Company reversed provision of £79.3m against investment in Misys Curcon Limited after repayment of share capital as per note 8

4. Income from shares in group undertakings

The Company received a dividend from Misys Curcon Limited during the year which was settled through netting-off intercompany obligations

5. Interest receivable and similar income

	2011 £'000	2010 £'000
Interest receivable from group undertakings	1,106	1,309
Foreign exchange gain	1,042	-
	<u>2,148</u>	<u>1,309</u>

6. Tax on profit on ordinary activities

	2011 £'000	2010 £'000
Current tax		
UK corporation tax on profit for the year	-	5,364
Adjustments in respect of prior year	(4,725)	3,611
Total current tax	<u>(4,725)</u>	<u>8,975</u>

The tax benefit assessed for the year is lower (2010 lower) than the standard rate of corporation tax in the UK The difference is explained below

	2011 £'000	2010 £'000
Profit on ordinary activities before tax	<u>146,863</u>	<u>399</u>
Tax on profit at the standard rate of UK tax of 27.67% (2010 28%)	(40,637)	(112)
Tax adjustment on intercompany transactions	666	5,476
Non taxable income	40,048	-
Prior year adjustment	(4,725)	3,611
Group relief surrendered for nil consideration	(77)	-
Current tax (charge) credit for the year	<u>(4,725)</u>	<u>8,975</u>

There is no provided or unprovided deferred tax balance at 31 May 2011 (2010 £nil)

Misys Finance Limited

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

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.

7. Dividends

	2011 £'000	2010 £'000
Equity - ordinary		
Interim paid – 20p (2010: £nil) per £1 share	5,974	-
Interim paid – £124.8m (2010: £nil) per £1 share	124,834	-
	130,808	-

8. Fixed asset investments

	Shares in group undertakings £'000
Cost and net book value	
At 1 June 2010	364,703
Repayment of share capital	(428,401)
Provision written back	79,285
At 31 May 2011	15,587

The Company's investment comprises of 100% of the ordinary share capital of Misys Curcon Limited, a company registered in the Cayman Islands with its principal activity being a finance company within the Misys group.

During the current financial year, Misys Curcon Limited repurchased shares in Misys Curcon Limited from Misys Finance Limited, sole shareholder, as given below:

Date of repurchase	Number of shares	Consideration in US \$	Equivalent in GBP
24 September 2010	574,640,000	574,640,000	373,580,000
29 November 2010	9,542,067	9,542,067	5,973,000
9 May 2011	64,835,630	80,000,000	48,848,000
Total	648,717,697	664,182,067	428,401,000

Following the above repurchases, the Company now holds 31,666,588 shares in Misys Curcon Limited.

In the opinion of the Directors, the carrying value of the Company's investments is not greater than the underlying net asset value of those investments.

The Company is a wholly owned subsidiary of Misys plc and has consequently taken advantage of Section 400 Companies Act 2006 not to prepare group financial statements.

Misys Finance Limited

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

9. Debtors

	2011 £'000	2010 £'000
Amounts falling due within one year		
Corporation tax	<u>-</u>	<u>20,811</u>
Amounts falling due after more than one year		
Amounts owed by group undertakings	<u>85,229</u>	<u>425,537</u>

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

Of the amounts owed by group undertakings above, £55.9m (2010: £212.4m) 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.

10. Creditors

	2011 £'000	2010 £'000
Amounts falling due after more than one year		
Amounts owed to group undertakings	<u>29,780</u>	<u>751,345</u>

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand. However, payment of £29.8m (2010: £751.3m) is not expected within the short term and so these amounts are classified as non-current liabilities.

11. Called up share capital

	2011 £'000	2010 £'000
Authorised		
750,000,000 (2010: 750,000,000) ordinary shares of £1 each	<u>750,000</u>	<u>750,000</u>
Allotted and fully paid		
1,000 (2010: 29,681,000) ordinary shares of £1 each	<u>1</u>	<u>29,681</u>

The Company cancelled and extinguished 29,680,000 (2010: nil) shares during the year and the same amount was credited to the profit and loss reserve.

12. Profit and loss account

	£'000
At 1 June 2010	30,025
Profit for the financial year	142,138
Dividends paid	(130,808)
Share capital reduction	29,680
At 31 May 2011	<u>71,035</u>

Misys Finance Limited

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

13. Reconciliation of movements in shareholders' funds

	2011 £'000	2010 £'000
Profit for the financial year	142,138	9,374
Dividends paid	<u>(130,808)</u>	<u>-</u>
	11,330	9,374
Opening shareholders' funds	<u>59,706</u>	<u>50,332</u>
Closing shareholders' funds	<u>71,036</u>	<u>59,706</u>

14. Ultimate parent company

The immediate parent company undertaking is Misys Group Holdings Limited

The parent company of both the largest and smallest group in which Misys Finance Limited is included in consolidated financial statements is that of Misys plc

The Company's ultimate parent company 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, Maindy, Cardiff CF14 3UZ