

**Company registration number 3931564**

**Misys Investment Limited**

Report and financial statements

for the year ended

31 May 2010



**Misys Investment Limited**  
**Company registration number 3931564**

**Directors' report for the year ended 31 May 2010**

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The Directors present their annual report and audited financial statements of the Company for the year ended 31 May 2010

**Principal activities and review of the business**

The Company acts as an investment holding company within the Misys Group. No significant change in the activity of the Company is envisaged in the forthcoming 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 period are set out in detail on page 5.

No interim dividend was paid during the year (2009: £nil). The Directors do not recommend the payment of a final dividend (2009: £nil). Losses of £13.4m (2009: £7.9m) have been withdrawn from reserves.

**Directors**

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

R Johnson	(resigned 31 July 2009)
G Fulellove	(resigned 30 June 2009)
T Homer	(appointed 30 June 2009)
R Thorp	(appointed 31 July 2009)
Misys Corporate Director Limited	

**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 elected to prepare 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 Investment Limited**

## **Directors' report for the year ended 31 May 2010**

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### **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

A handwritten signature in black ink, consisting of a series of loops and a long vertical stroke, positioned above the signature block.

For and on behalf of  
Misys Corporate Director Limited  
**Director**  
13 December 2010

# **Independent Auditors' Report to the members of**

## **Misys Investment Limited**

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We have audited the financial statements of Misys Investment Limited for the year ended 31 May 2010 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 Directors' Responsibilities Statement 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.

### **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 2010 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 Investment Limited**

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### **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  
13 December 2010

## **Misys Investment Limited**

### **Profit and loss account for the year ended 31 May 2010**

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	Note	<b>2010</b> <b>£'000</b>	2009 £'000
Administration expenses		<b>(17)</b>	(21)
<b>Loss on ordinary activities before taxation</b>	2	<b>(17)</b>	(21)
Tax on loss on ordinary activities	3	<b>(13,372)</b>	(7,926)
<b>Loss for the financial year</b>	8	<b><u>(13,389)</u></b>	<b><u>(7,947)</u></b>

The notes to the financial statements are on pages 7 to 10

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 material differences between the loss on ordinary activities before taxation and the loss for the financial years stated above and their historical cost equivalents

**Misys investment Limited**  
**Balance sheet as at 31 May 2010**

	Note	2010 £'000	2009 £'000
<b>Fixed assets</b>			
Investments	4	<u>8,116</u>	<u>8,116</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	5	<b>603,469</b>	603,469
<b>Creditors:</b> amounts falling due within one year	6	<b>(30,946)</b>	(17,595)
<b>Net current assets</b>		<u><b>572,523</b></u>	<u>585,874</u>
<b>Total assets less current liabilities</b>		<u><b>580,639</b></u>	<u>593,990</u>
<b>Creditors:</b> amounts falling due after more than one year	6	<b>(73)</b>	(35)
<b>Total net assets</b>		<u><b>580,566</b></u>	<u>593,955</u>
<b>Capital and reserves</b>			
Called up share capital	7	<b>588,248</b>	588,248
Capital reserve redemption fund	8	<b>22,323</b>	22,323
Profit and loss account	8	<u><b>(30,005)</b></u>	<u>(16,616)</u>
<b>Total shareholders' funds</b>	9	<u><b>580,566</b></u>	<u>593,955</u>

The financial statements on pages 5 to 10 were approved by the Board of Directors on 13 December 2010 and signed on its behalf by



R Thorp  
**Director**

# Misys Investment Limited

## Notes to the financial statements for the year ended 31 May 2010

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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.

#### 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 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.

#### Interest receivable

Interest receivable is recognised on an accruals basis.

#### 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.

### 2. Loss on ordinary activities before taxation

Auditor's remuneration for the current year is £17,000 (2009 £21,000). 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 (2009 nil).



# Misys Investment Limited

## Notes to the financial statements for the year ended 31 May 2010

### 3. Tax on loss on ordinary activities

	2010 £'000	2009 £'000
UK corporation tax on loss for the year	(9,732)	(7,927)
UK corporation tax (charge) credit in respect of prior years	(3,640)	1
	<u>(13,372)</u>	<u>(7,926)</u>

The tax assessed for the year is higher (2009 higher) than the standard rate of corporation tax based on profit before tax for the following reasons

	2010 £'000	2009 £'000
<b>Loss on ordinary activities before tax</b>	<u>(17)</u>	<u>(21)</u>
Current tax credit at the standard rate of UK tax of 28% (2009 28%)	5	6
Tax adjustment on intercompany transactions	(6,284)	(7,933)
Prior year adjustment	(3,640)	1
Non deductible expenditure	(3,453)	-
Current tax charge for the year	<u>(13,372)</u>	<u>(7,926)</u>

The Company has an unrecognised deferred asset of £5,000 at 31 May 2010 (2009 £nil) related to carry forward losses. The 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.

A number of changes to the UK corporation tax system were announced in the June 2010 Budget Statement. The Finance (no 2) Act 2010 was enacted in July 2010 and reduces the main rate of corporation tax from 28% to 27% 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 24% 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 28% to 27% will not have a material impact on the Company's results.

### 4. Investments

	Shares in subsidiary undertakings £'000
<b>Cost and net book value</b>	
<b>At 1 June 2009 and 31 May 2010</b>	<u><b>8,116</b></u>

The Company's investments comprise 100% of the ordinary share capital of Misys Overseas Investments Sarl a company acting as an investment company within the Misys group and incorporated in Luxembourg.

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 plc and has consequently taken advantage of Section 400 Companies Act 2006 not to prepare group financial statements.

# Misys Investment Limited

## Notes to the financial statements for the year ended 31 May 2010

### 5. Debtors

	2010 £'000	2009 £'000
<b>Amounts falling due after more than one year</b>		
Amounts owed by group undertakings	<u>603,469</u>	<u>603,469</u>

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

### 6. Creditors

	2010 £'000	2009 £'000
<b>Amounts falling due within one year</b>		
Corporation tax	30,946	17,574
Amounts owed to group undertakings	<u>-</u>	<u>21</u>
	<u>30,946</u>	<u>17,595</u>
<b>Amounts falling due after more than one year</b>		
Amounts owed to group undertakings	<u>73</u>	<u>35</u>

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand. However, payment of £73,000 (2009: £35,000) is not expected within the short term and so these amounts are classified as non-current liabilities.

### 7. Called up share capital

	2010 £'000	2009 £'000
<b>Authorised</b>		
1,400,000,000 (2009: 1,400,000,000) ordinary shares of £1 each	<u>1,400,000</u>	<u>1,400,000</u>
628,000,000 (2009: 628,000,000) preference shares of £1 each	<u>628,000</u>	<u>628,000</u>
<b>Allotted, issued and fully paid</b>		
573,000,000 (2009: 573,000,000) ordinary shares of £1 each	<u>588,248</u>	<u>588,248</u>

In 2006, the functional currency of the Company was changed from US Dollars to Sterling Pound. The difference between the nominal value and the book value of share capital is due to conversion of the value of the share capital on the date of conversion.

### 8. Reserves

	Capital Redemption Fund £'000	Profit and Loss Account £'000
At 1 June 2009	22,323	(16,616)
Loss for the financial period	-	(13,389)
<b>At 31 May 2010</b>	<u>22,323</u>	<u>(30,005)</u>

## Misys Investment Limited

### Notes to the financial statements for the year ended 31 May 2010

#### 9. Reconciliation of movement in shareholders' funds

	2010 £'000	2009 £'000
Opening shareholders' funds	593,955	601,902
Loss for the financial year	(13,389)	(7,947)
Closing shareholders' funds	<u>580,566</u>	<u>593,955</u>

#### 10. Ultimate parent company

The immediate parent company undertaking is Kapiti Limited

The parent company of both the largest and smallest group in which Misys Investments Limited is included in consolidated accounts 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