

Company Registration No 4007036 (England and Wales)

CORILLIAN INTERNATIONAL LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2010**

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CORILLIAN INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	S Wood T J Hirsch C W Sprague
Secretary	Eversecretary Limited
Company number	4007036
Registered office	70 Great Bridgewater Street Manchester M1 5ES
Auditors	Cheesmans 4 Aztec Row Berners Road London N1 0PW

CORILLIAN INTERNATIONAL LIMITED

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CORILLIAN INTERNATIONAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and financial statements for the year ended 31 December 2010

Principal activities and review of the business

The principal activity of the company is providing solutions to financial institutions for the provision of banking facilities to customers via the internet

The company has historically focused its sales and marketing efforts to target the largest financial service providers and intends to continue to do so

The principal risks facing the business are as follows -

- We have a history of net losses and had an accumulated deficit at 31 December 2008. If we do not sign contracts with new customers or provide additional software and services to existing customers, we will incur significant operating losses in future years
- We derive a significant proportion of our revenues from a limited number of customers in each period. Accordingly, if we fail to close a sale with a major potential customer, if a contract is delayed or deferred or if an existing contract expires or is cancelled and we fail to replace the contract with new business, our revenues would be adversely affected
- Our solutions are complex and must integrate with other complex data processing systems. We generally recognise revenues on a percentage-of-completion basis, so our revenues are often dependent on our ability to complete implementations within the time periods that we establish for our projects
- The market for internet-based financial services is intensely competitive and rapidly changing. We expect competition to persist and intensify, which could result in price reductions, reduced gross margins and loss of market share for our products and services
- If we are unable to develop products that respond to changing technology, our business could be harmed
- The company is dependent on the continuing financial and operational support of its parent, Corillian Corporation. Should this cease it will not be able to trade and meet its liabilities and obligations

The directors are satisfied with the results for the year but in view of the principal risks detailed above this level of gross profit cannot be anticipated for future years

The key performance indicator for the company is the ability to maintain its Gross Profit, as its administrative expenses are relatively stable

Results and dividends

The results for the year are set out on page 6

The directors do not recommend payment of an ordinary dividend

Future developments

The company intends to seek new opportunities as they arise

CORILLIAN INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

Directors

The following directors have held office since 1 January 2010

S Wood

T J Hirsch

T Leshner

(Resigned 4 April 2011)

C W Sprague

Introduction of the euro

The directors do not consider that the introduction of the Single European Currency has had an effect on the operations of the business because the company currently and does not expect to trade with an entity that will be dealing with Euros. The company has therefore incurred no costs and has no commitments relating to costs incurred in the changeover to the Euro.

Auditors

The auditors, Cheesmans, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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, subject to any material departures disclosed and explained in the financial statements,
- 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.

CORILLIAN INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



S Wood

Director

September 21st, 2011

CORILLIAN INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CORILLIAN INTERNATIONAL LIMITED

We have audited the financial statements of Corillian International Limited for the year ended 31 December 2010 set out on pages 6 to 12. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, 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.

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 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- the financial statements 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,

CORILLIAN INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF CORILLIAN INTERNATIONAL 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



Carol Cheesman (Senior Statutory Auditor)
for and on behalf of Cheesmans

21 SEPTEMBER 2011

Chartered Accountants
Statutory Auditor

4 Aztec Row
Berners Road
London
N1 0PW

CORILLIAN INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 \$	2009 \$
Turnover	2	539,989	820,537
Cost of sales		(432,204)	(577,840)
Gross profit		107,785	242,697
Administrative expenses		(15,330)	(35,806)
Operating profit	3	92,455	206,891
Other interest receivable and similar income	4	10,917	10,190
Interest payable and similar charges	5	(110,847)	(216,413)
(Loss)/profit on ordinary activities before taxation		(7,475)	668
Tax on (loss)/profit on ordinary activities	6	-	-
(Loss)/profit for the year	11	(7,475)	668

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

CORILLIAN INTERNATIONAL LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2010

	Notes	2010 \$	\$	2009 \$	\$
Current assets					
Debtors	7	65,484		2,296	
Creditors amounts falling due within one year	8	<u>(155,787)</u>		<u>(157,493)</u>	
Total assets less current liabilities			(90,303)		(155,197)
Creditors amounts falling due after more than one year	9		<u>(11,101,643)</u>		<u>(11,029,274)</u>
			<u>(11,191,946)</u>		<u>(11,184,471)</u>
Capital and reserves					
Called up share capital	10		2		2
Profit and loss account	11		<u>(11,191,948)</u>		<u>(11,184,473)</u>
Shareholders' funds	12		<u>(11,191,946)</u>		<u>(11,184,471)</u>

Approved by the Board and authorised for issue on *September 21st, 2011*



S Wood
Director

Company Registration No 4007036

CORILLIAN INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

Amounts due from the company to its parent undertaking, Conllian Corporation have been formally subordinated and as such will not be called in to the detriment of third party creditors. It is on this basis that the directors are of the opinion that it is appropriate to prepare the financial statements on a going concern basis and that the company will be able to meet its debts as they fall due.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The following is a summary of the significant accounting policies adopted by the company in the preparation of the financial statements. The accounting policies have been consistently applied unless otherwise stated.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. It is invoiced by other group companies acting as agents on behalf of Conllian International Limited.

1.4 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.5 Foreign currency translation

The financial statements have been prepared in United States \$, because the majority of transactions are in that currency. The comparatives have been expressed in US \$ also. In previous years, the financial statements have been prepared in British pounds.

1.6 Group accounts

The company's financial statements are included in the published consolidated financial statements of the parent undertaking, Conllian Corporation, a company incorporated in the United States Of America. Accordingly, the company has taken advantage of the exemption conferred by Financial Reporting Standard No 8 - 'Related Party Disclosures', and transactions with group undertakings are not separately reported.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity which was undertaken outside of the European Community.

CORILLIAN INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

3	Operating profit	2010	2009
		\$	\$
	Operating profit is stated after charging		
	and after crediting		
	Profit on foreign exchange transactions	(7,410)	(2,340)
		<u></u>	<u></u>
	Auditors' remuneration		
	Fees payable to the company's auditor for the audit of the company's annual accounts	9,402	9,574
	Taxation services	1,453	3,966
	Other services	6,729	1,062
		<u>17,584</u>	<u>14,602</u>
4	Investment income	2010	2009
		\$	\$
	Other interest	10,917	10,190
		<u></u>	<u></u>
5	Interest payable	2010	2009
		\$	\$
	Other interest	110,847	216,413
		<u></u>	<u></u>

CORILLIAN INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

6	Taxation	2010	2009
		\$	\$
	Total current tax	-	-
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(7,475)	668
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 27.00% (2009 - 28.00%)	(2,018)	187
	Effects of		
	Capital allowances	-	(187)
	Tax losses utilised	2,018	-
		2,018	(187)
	Current tax charge for the year	-	-
	The company has estimated losses of approximately \$ 11,990,000 (2009 - \$ 11,375,000) available for carry forward against future trading profits		
	The losses represents a deferred tax asset of \$3,117,000 (2009 \$3,071,000) which has not been provided for, by the directors, on the grounds of prudence		
7	Debtors	2010	2009
		\$	\$
	Trade debtors	23,235	2,296
	Other debtors	2,049	-
	Prepayments and accrued income	40,200	-
		65,484	2,296
8	Creditors amounts falling due within one year	2010	2009
		\$	\$
	Taxes and social security costs	-	138
	Accruals and deferred income	155,787	157,355
		155,787	157,493

CORILLIAN INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

9	Creditors amounts falling due after more than one year	2010	2009
		\$	\$
	Amount owed to parent undertaking	<u>11,101,643</u>	<u>11,029,274</u>
	Analysis of loans		
	Not wholly repayable within five years by instalments	<u>11,101,643</u>	<u>11,029,274</u>
	Instalments not due within five years	<u>11,101,643</u>	<u>11,029,274</u>
	Loan maturity analysis		
	In more than five years	<u>11,101,643</u>	<u>11,029,274</u>
	Amounts due to the parent company, Corillian Corporation and have been formally subordinated by the parent and as such will not be called to the detriment of third party creditors		
10	Share capital	2010	2009
		\$	\$
	Allotted, called up and fully paid		
	2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
11	Statement of movements on profit and loss account		Profit and loss account
			\$
	Balance at 1 January 2010		(11,184,473)
	Loss for the year		(7,475)
	Balance at 31 December 2010		<u>(11,191,948)</u>
12	Reconciliation of movements in shareholders' funds	2010	2009
		\$	\$
	(Loss)/Profit for the financial year	(7,475)	668
	Opening shareholders' funds	<u>(11,184,471)</u>	<u>(11,185,139)</u>
	Closing shareholders' funds	<u>(11,191,946)</u>	<u>(11,184,471)</u>

CORILLIAN INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

13 Employees

Number of employees

There were no employees during the year apart from the directors

14 Control

The company was a wholly owned subsidiary of Corillian Corporation, a company registered in the United States of America at the year end

Corillian Corporation prepares consolidated group financial statements and copies can be obtained from Corillian Corporation, 3400 NW John Olsen Place, Hillsboro, Oregon, USA 97124. The ultimate holding company is Fiserv Inc (formerly CheckFree Corporation) based in Atlanta, Georgia, USA.

15 Related party transactions

The ultimate holding company charged Corillian International Limited \$432,204 for providing the support for the software, and it is this amount that is charged to the customers of Corillian International Limited.