

Company Registration No 4007036 (England and Wales)

CORILLIAN INTERNATIONAL LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2009**

THURSDAY



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CORILLIAN INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	T J Hirsch T Leshner C W Sprague S Wood
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 2009

The directors present their report and financial statements for the year ended 31 December 2009

Principal activities and review of the business

The principal activity of the company was 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 position 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 profitability cannot be anticipated for future years

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 2009

Directors

The following directors have held office since 1 January 2009

T J Hirsch	
K Madsen	(Resigned 2 March 2009)
T Leshner	
C W Sprague	
S Wood	

Directors' interests

None of the above directors had any beneficial interest in the share capital of the company during the year

	Ordinary shares of \$1 each	
	31 December 2009	1 January 2009
T J Hirsch	-	-
T Leshner	-	-
C W Sprague	-	-
S Wood	-	-

Auditors

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

CORILLIAN INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

Directors' responsibilities

The directors are responsible for preparing 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). The financial statements are required by law to 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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 proper accounting records that 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.

Statement of disclosure to auditor

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

28th September 2010.

CORILLIAN INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF CORILLIAN INTERNATIONAL LIMITED

We have audited the financial statements of Corillian International Limited for the year ended 31 December 2009 set out on pages 6 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 495 and 496 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 the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Companies Act 2006, and give a true and fair view. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

CORILLIAN INTERNATIONAL LIMITED


INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF CORILLIAN INTERNATIONAL LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended, and
- the information given in the directors' report is consistent with the financial statements, and
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice



Cheesmans

28/09/2010

Chartered Accountants

Registered Auditor

4 Aztec Row
Berners Road
London
N1 0PW

CORILLIAN INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 \$	2008 \$
Turnover	2	820,537	444,988
Cost of sales		(577,840)	(375,147)
Gross profit		242,697	69,841
Administrative expenses		(35,806)	(7,407)
Operating profit	3	206,891	62,434
Other interest receivable and similar income	4	10,190	13,951
Interest payable and similar charges		(216,413)	(21,214)
Profit on ordinary activities before taxation		668	55,171
Tax on profit on ordinary activities	5	-	-
Profit for the year	10	668	55,171

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

CORILLIAN INTERNATIONAL LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2009

	Notes	2009 \$	\$	2008 \$	\$
Current assets					
Debtors	6	2,296		119,644	
Creditors amounts falling due within one year	7	<u>(157,493)</u>		<u>(365,070)</u>	
Total assets less current liabilities			(155,197)		(245,426)
Creditors amounts falling due after more than one year	8		(11,029,274)		(10,939,714)
			<u>(11,184,471)</u>		<u>(11,185,140)</u>
Capital and reserves					
Called up share capital	9		2		2
Profit and loss account	10		<u>(11,184,473)</u>		<u>(11,185,142)</u>
Shareholders' funds	11		<u>(11,184,471)</u>		<u>(11,185,140)</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

Approved by the Board and authorised for issue on 28th September 2010



S Wood
Director

CORILLIAN INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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, Corillian 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 Corillian International Limited.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery etc	3 years / 5 years / 7 years straight line
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1.5 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.

1.6 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.

1.7 Group accounts

The company's financial statements are included in the published consolidated financial statements of the parent undertaking, Corillian 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.

CORILLIAN INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

3	Operating profit	2009	2008
		\$	\$
	Operating profit is stated after charging		
	Loss on disposal of tangible assets	-	1
	Loss on foreign exchange transactions	-	3,864
	Auditors' remuneration	9,574	2,496
	and after crediting		
	Profit on foreign exchange transactions	(2,340)	-
		<u> </u>	<u> </u>
4	Investment income	2009	2008
		\$	\$
	Other interest	10,190	13,951
		<u> </u>	<u> </u>
5	Taxation	2009	2008
	Current tax charge	-	-
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	668	55,171
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008 - 28.50%)	187	15,724
		<u> </u>	<u> </u>
	Effects of		
	Capital allowances	(187)	(834)
	Tax losses utilised	-	(14,890)
		<u> </u>	<u> </u>
		(187)	(15,724)
		<u> </u>	<u> </u>
	Current tax charge	-	-
		<u> </u>	<u> </u>

The company has estimated losses of \$ 11,375,000 (2008 - \$ 11,375,000) available for carry forward against future trading profits

The losses represents a deferred tax asset of \$3,242,000 which has not been provided for by the directors on the grounds of prudence

CORILLIAN INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

6 Debtors	2009	2008
	\$	\$
Trade debtors	2,296	111,354
Other debtors	-	8,290
	<u>2,296</u>	<u>119,644</u>
7 Creditors amounts falling due within one year	2009	2008
	\$	\$
Taxation and social security	138	-
Other creditors	157,355	365,070
	<u>157,493</u>	<u>365,070</u>
8 Creditors amounts falling due after more than one year	2009	2008
	\$	\$
Amount owed to parent undertaking	<u>11,029,274</u>	<u>10,939,714</u>
Analysis of loans		
Not wholly repayable within five years by instalments	<u>11,029,274</u>	<u>10,939,714</u>
Instalments not due within five years	<u>11,029,274</u>	<u>10,939,714</u>
Loan maturity analysis		
In more than five years	<u>11,029,274</u>	<u>10,939,714</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

CORILLIAN INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

9 Share capital	2009	2008
	\$	\$
Authorised		
2,000,000 Ordinary shares of \$1 each	2,000,000	2,000,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
2 Ordinary shares of \$1 each	2	2
	<u> </u>	<u> </u>

10 Statement of movements on profit and loss account

	Profit and loss account \$
Balance at 1 January 2009	(11,185,141)
Profit for the year	668
	<u> </u>
Balance at 31 December 2009	(11,184,473)
	<u> </u>

11 Reconciliation of movements in shareholders' funds	2009	2008
	\$	\$
Profit for the financial year	668	55,171
Opening shareholders' funds	(11,185,140)	(11,240,311)
	<u> </u>	<u> </u>
Closing shareholders' funds	(11,184,471)	(11,185,140)
	<u> </u>	<u> </u>

12 Employees

Number of employees

There were no employees during the year apart from the directors

13 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