
SDS TRADING APPLICATIONS LIMITED

UNAUDITED DORMANT

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

FRIDAY



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15/09/2017
COMPANIES HOUSE

SDS TRADING APPLICATIONS LIMITED

COMPANY INFORMATION

DIRECTORS	S J DOWNEY M D FAIRCHILD
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COMPANY NUMBER	04600715
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REGISTERED OFFICE	Baronsmede The Avenue Egham Surrey England TW20 9AB
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SDS TRADING APPLICATIONS LIMITED

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SDS TRADING APPLICATIONS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The Company continued to be dormant during the year.

BUSINESS REVIEW

The Company has not traded during the year or the preceding financial year. During these periods, the Company received no income and incurred no expenditure and therefore made neither profit nor loss.

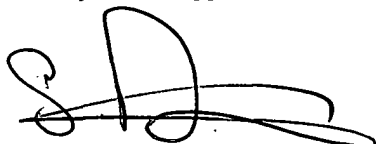
DIRECTORS

The directors who served during the year were:

S J Downey

M D Fairchild

This report was approved by the board on 12th September, 2017 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'S J Downey', with a large, stylized 'D' and a horizontal line across the bottom.

S J Downey
Director

SDS TRADING APPLICATIONS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The Company has not traded during the year or the preceding financial year. During these periods, the Company received no income and incurred no expenditure and therefore made neither profit nor loss.

SDS TRADING APPLICATIONS LIMITED
REGISTERED NUMBER: 04600715

BALANCE SHEET
AS AT 31 DECEMBER 2016

		2,016 £000	2,015 £000
	Note		
FIXED ASSETS			
Tangible Assets	2	-	-
CURRENT ASSETS			
Called up share capital not Paid		<u>1</u>	<u>1</u>
NET ASSETS		<u>1</u>	<u>1</u>
CAPITAL AND RESERVES			
Called up share capital	3	<u>1</u>	<u>1</u>
SHAREHOLDERS' FUNDS	4	<u>1</u>	<u>1</u>

For the year ended 31 December 2016 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006.

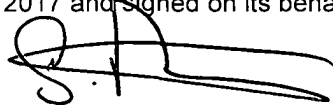
Members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:-

(i) ensuring the Company keeps accounting records which comply with section 386 of the Companies Act 2006 and

(ii) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year, in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the Company.

The financial statements were approved by the Board of Directors and authorised for issue on 12th September, 2017 and signed on its behalf by:



S J Downey
Director

The notes on pages 4 to 5 form part of these financial statements.

SDS TRADING APPLICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and on the assumption that the Company is a going concern.

The Company's immediate parent undertaking is SDS Applications Limited, which is a wholly-owned subsidiary of BancTec Limited. The company has therefore taken advantage of the exemption contained in Financial Reporting standard 8 'Related Party Transactions' and has therefore not disclosed transactions or balances with entities which form part of BancTec group (or investees of the group qualifying as related parties). The consolidated Financial statements of BancTec Inc., within which this company is included, can be obtained from the address given in note 5.

Under Financial Reporting Standard 1 (Revised) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

The directors have taken advantage of the exemption from preparing group accounts afforded by the Companies Act 2006, as the Company is a wholly-owned subsidiary of SDS Application Limited, which is a wholly-owned subsidiary of BancTec Inc., and the directors consider that the consolidated accounts of BancTec, Inc. are prepared in a manner equivalent to the requirements of the EU Seventh Directive; therefore these financial statements present information about the company only.

2 DEBTORS

	2,016	2,015
	£	£
Called up share capital not paid	1	1

3 SHARE CAPITAL

	2016	2,015
	£	£
Allotted, called up and fully paid		
1 ordinary shares of £1 each	1	1

4 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2,016	2,015
	£	£
Shareholders' funds at 1 January and 31 December	1	1

SDS TRADING APPLICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

5. IMMEDIATE AND ULTIMATE HOLDING COMPANIES

The Company's immediate parent undertaking is SDS Applications Limited, a Company incorporated in Great Britain and registered in England and Wales, whose principle place of business is at Baronsmede, 20th Avenue, Egham, Surrey TW209AB, UK,

The ultimate parent undertaking is Source HOV Holding Inc., incorporated in the USA, whose principal place of business is at 2701 E Grauwyler Road, Irving, Texas 75061. The group accounts of Source HOV Holding Inc. can be obtained from this address or www.sec.gov

The smallest and the largest group of which the Company is a member for which group accounts are drawn up is that headed by Source HOV Holding Inc.

In the opinion of the directors the overall controlling party is Source HOV Holding, Inc.

After the balance sheet date, on 12 July 2017, SourceHOV Holdings, Inc. completed a transaction whereby it merged into an existing public company, Quinpario Acquisition Corp. 2. Exela Technologies, Inc. formerly known as Quinpario Acquisition Corp. 2, has closed the previously announced business combination with SourceHOV Holdings, Inc. ("SourceHOV") and Novitex Holdings, Inc ("Novitex"). Exela Technologies, Inc. ("EXELA") became the Company's ultimate parent undertaking and controlling party from this date.

Berry, Sharon

From: Downey, Steve
Sent: 13 September 2017 15:16
To: Gohde, Ulf
Subject: RE: ICS resources

Well done...even though you didn't know☺

From: Gohde, Ulf
Sent: 13 September 2017 14:34
To: Graham, Gavin; Downey, Steve; Llewelyn, David; Shore, Anthony
Subject: WG: ICS resources

See below.

Apparently the resources have been approved. Not sure why this information did not get to us.

Gavin, David. Please start recruiting.

Ulf Gohde, SVP Business Solutions Europe
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BancTec
Solutions & Services
NOW PART OF EXELA

Technology Insight Innovation

Place of Incorporation / Sitz der Gesellschaft: BancTec GmbH, Monzastraße 4c, 63225 Langen, Germany / Branch office / Niederlassung: Monzastraße 4c, 63225 Langen, Germany / Register Court / Registergericht: Offenbach am Main, Germany / Trade Register Number / HRB: 32801 / VAT ID Number / USt-IdNr. DE113583665 / Managing Directors / Geschäftsführer: Steffen Link, Mark Fairchild, Andrej Jonovic, Jaymin Chhaya

Von: Par Chadha [<mailto:pchadha@hgmfund.com>]
Gesendet: Mittwoch, 13. September 2017 15:16
An: Gohde, Ulf <Ulf.Gohde@Banctec.de>
Cc: [ajonovic <ajonovic@hgmfund.com>](mailto:ajonovic@hgmfund.com); Sanjay Kulkarni <sanjay.kulkarni@exelatech.com>; Downey, Steve <Steve.Downey@banctec.co.uk>; Jaymin Chhaya <jchhaya@hgmfund.com>; Robu, Vitalie <Vitalie.Robu@banctec.co.uk>
Betreff: Re: ICS resources

Ulf, we have approved hiring of resources to be in parallel to the project level P/L and variance to budget analysis.

I cannot emphasize enough that this exercise should have been or should be undertaken in future and other projects that we may not be focused on right on. Finance needs to an equal partner in owning this and providing FPA to all management.

Best,

Par Chadha

On Sep 13, 2017, at 5:45 AM, Gohde, Ulf <Ulf.Gohde@Banctec.de> wrote:

Gentlemen,

Given the amount of emails and discussions and the criticality of the ICS projects I thought it might be helpful to provide some context outside of the P&L discussion.

There have been four major factors impacting BOI, AIB, COOP:

- Attestation against the Security code of conduct
- Late infrastructure delivery
- Complexity and Efforts for testing have been underestimated, meaning that the original resource plan was really a best case scenario without any buffers
- Management overhead has been underestimated. We knew the banks are very management intense but due to importance of this programme for the banks the need for calls and meetings are way above of what we ever encountered

Security Code of Conduct:

Earlier in the year in April it became apparent that we are not geared and staffed in Europe to provide all the information needed for this. Just understanding what is needed was a challenge, a fact that became obvious to the customers as well. Having technical people with hardly any experience in Information Security sitting in front of a group of Security experts from the customers was a frustrating experience. With the help from Tom Dolan we were able to provide a few documents and combined with the promise to hire someone with the necessary background we kept them at bay at the time but nevertheless a lot of time and effort went into this which kept people from doing what they were actually supposed to do, especially in the IT infrastructure team. Unfortunately it took until early August to get the new Information Security officer on board. That part of the project is still a huge challenge.

Testing:

Partly because of the above and other constraints it became obvious that the final test system would not be in place for the start of the test period. Therefore we built a test system utilising some of the existing hardware in Dublin.

I can't say for sure if the problems we encountered during testing would have been avoided with the final test system in place, but fact is that the environment was not stable for quite some time. We encountered memory issues, disk space issues and connectivity problems on top of the expected initial software problems. In addition some of the testers were not quality and needed a lot of handholding.

As a result we have been falling behind in executing the banks' test cases (latest AIB test report attached). To counter-act these problems and solve any system issues as quickly as possible we have BSG people always on-site (resulting in increased travel cost).

Last week we solved the last of the environmental issues and have been able to conduct testing since then without any hiccups but we obviously have some catching up to do. At the same time it has a knock-on effect. Testers that should have been freed up at one bank to conduct tests for another bank are still tied up. Also we won't be able to free up resources in time to plan and perform non-functional testing on the environments and the upcoming production environment. Hence the additional resource requirements. I will go into detail on those further down.

Note: We are obviously not the only ones struggling with getting through all mandatory tests. C&CCC have made changes to the test plan as a result. The tests have always been split into three priority categories all to be completed by 25 September. They now extended the deadline for the P3 tests to 15 December. This means that the number of tests to be completed by 25 September has been reduced by 38%. While this is reducing the formal pressure, neither the banks nor we have an interest in extending the testing phase more than necessary because it would bind resources for a longer period of time. So, we are still aiming to get as much test cases as possible finished by 25 September.

Management overhead:

The number of calls and meetings with the customers are excessive. This has been especially apparent on the Test Manager. At some times he spend more times in customer meetings than

actually managing the test team. In hindsight we should have had a Programme Manager in place on top of the individual Project Managers to be able to channel this. Since the individual projects were signed individually at different times a Programme Management role had not been planned or included in the calculations.

Requested Resources BSG:

Project Manager: Has been approved and is already in place. This is not an additional resource. It is a replacement for the BOI PM Stephen Sweeney who is fully engaged as a PM for Opus Capita and Nets in Sweden. As a result Stephen's cost will drop almost completely from the BOI project. The new PM is also working on release 1.5 across BOI, AIB and COOP which is an additional project with separate revenue. We have an LOE from COOP for this already. 1.5 for BOI and AIB will be coming but we don't have any commercial cover yet to my knowledge.

Programme Management: There are activities that go across the three banks and dependencies between the deliveries. The individual PMs are obviously focussed on their particular project. David Llewelyn has been stepping in in the background to synchronise activities between the projects which has made a huge difference but next to his Programme Management role for Vocalink he can only spend a day a week on this which is not sufficient. Krishna Iyer will take on this role.

Testers:

We need to catch up on testing while at the same time start working on non-functional testing. We had 10 Testers on board and are currently down to eight. We had testers dropping out of their contracts which we have not fully replaced and one permanent staff on long term sick leave. So, we have to backfill those and add four more testers to increase testing throughput and to make sure we have enough cover in case other testers are dropping of.

→ 6 Testers for the banks (we probably drop one of the existing testers because of lack of performance)

→ 1 Test resource for non-functional testing

With Danske as an additional Kappa customer which was not part of the original ICS plan we also need an additional tester for Kappa.

→ 1 KAPPA tester

Build&Configuration Management: We have in six complex environments where patches and software needs to be installed. This is mainly a manual process and therefore time intense and error prone. As much as a separate resource would be good to have, I don't think we will find someone with the necessary platform knowledge and bring them up to speed in time to make a difference. I am in final clarification on this but I think we have to continue with what we have, so we most likely won't hire for this.

With regards of the P&L our main problem to provide clarity quickly was that due to a lot of activities running across the projects Rather than being isolated for an individual project the cost has been tracked for the ICS as a whole rather than individually for AIB, BOI and COOP. The team has been working on separating the cost into the individual projects and we should have the data available shortly.

Finally as mentioned in meetings before, the overall situation is very transparent to the customers, especially AIB where we have their Programme Manager onsite in Dublin several days a week. They are obviously expecting actions from us to ensure that we are getting back on track. While every progress we are making is visible to them, every problem or inactivity to address a situation is also visible.

I hope this provides some context about the resource requests in parallel to the current P&L discussion.

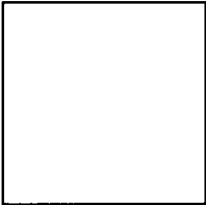
Kind regards,

Ulf Gohde, SVP Business Solutions Europe
BancTec GmbH, Now part of EXELA TECHNOLOGIES
Office: +49 6103 507150 Mobile: +49 163 5071650
Monzastr. 4c, 63225 Langen, Germany
www.ExelaTech.com | [About EXELA](#) | [EXELA LinkedIn](#)

<image001.jpg>

Place of Incorporation / Sitz der Gesellschaft: BancTec GmbH, Monzastraße 4c, 63225 Langen, Germany / Branch office / Niederlassung:
Monzastraße 4c, 63225 Langen, Germany / Register Court / Registergericht: Offenbach am Main, Germany / Trade Register Number /
HRB: 32801 / VAT ID Number / USt-IdNr. DE113583665 / Managing Directors / Geschäftsführer: Steffen Link, Mark Fairchild, Andrej Jonovic,
Jaymin Chhaya

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