

Registered number: 03455629

Applied Communications Inc (CIS) Limited

Annual report and financial statements

for the year ended 31 December 2017

FRIDAY



L7FERH9D

L14

28/09/2018

#213

COMPANIES HOUSE

Applied Communications Inc (CIS) Limited

Contents

	Page
Directors' report	1
Directors' responsibilities statement	3
Independent auditor's report to the members of Applied Communications Inc. (CIS) Limited	4
Profit and loss account	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10

Company Information

Directors

D King
S Behrens
P Thomalla (Resigned 31st December 2017)
D Byrnes

Secretary

D Byrnes

Registered addresses

55/57 Clarendon Road
Watford
Hertfordshire
WD17 1FQ
United Kingdom

12, Trubnaya Street
Ste. X, 5th Floor
Moscow
Russia,
107045

Controlling Party Addresses

ACI Worldwide Inc.
Suite 300
3520 Kraft Road
Naples
FL 34105
United States of America

Applied Communications Inc. U.K. Holding Limited
55/57 Clarendon Road
Watford
Hertfordshire
WD17 1FQ
United Kingdom

Independent auditor

Deloitte LLP
Statutory Auditor
2 New Street Square
London
EC4A 3BZ
United Kingdom

Applied Communications Inc (CIS) Limited

Directors' report

The directors present their annual report on the affairs of Applied Communications Inc. (CIS) Limited ('the Company'), together with the financial statements and auditor's report, for the year ended 31 December 2017. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Principal activities and business review

The principal activity of the Company in the year under review was the provision of consulting, marketing and engineering services in respect of computer software to the financial services sector.

The profit for the financial period after tax was £70k (2016: £2k).

Future developments

The Company will continue to provide consulting and marketing services in respect of computer software to the financial services sector.

Events after the balance sheet date

There are no significant events after the balance sheet date.

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. Associated business risks are minimal due to the nature of the company's current activities and foreseeable future activities.

Cash flow risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company does not use foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The Company's principal financial assets are bank balances, cash and debtors.

The Company's credit risk is primarily attributable to its debtors. The amounts presented in the balance sheet are net of allowances for doubtful accounts. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Company has no significant concentration of credit risk.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of long-term and short-term intercompany debt finance.

Applied Communications Inc (CIS) Limited

Directors' report (continued)

Directors

The directors, who served throughout the year except as noted, were as follows:

D King
S Behrens
P Thomalla (Resigned 31st December 2017)
D Byrnes

Director's indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Political contributions

The Company made no political contributions during the year (2016: £nil).

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approval of reduced disclosures

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholders have been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received. The company is consolidated in the financial statements of its parent, ACI Worldwide Inc., which may be obtained from <http://investor.aciworldwide.com/financial-information/annual-reports>.

Approved by the Board and signed on its behalf by:



D King
Director
27 September 2018
55/57 Clarendon Road
Watford
Hertfordshire
WD17 1FQ
United Kingdom

Applied Communications Inc (CIS) Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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), including FRS 102, the Financial Reporting Standards Applicable in the United Kingdom and Ireland. 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;
- 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.

Applied Communications Inc (CIS) Limited

Independent auditors' report to the members of Applied Communications Inc (CIS) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Applied Communications Inc (CIS) Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Applied Communications Inc (CIS) Limited

Independent auditors' report to the members of Applied Communications Inc (CIS) Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Applied Communications Inc (CIS) Limited

Independent auditors' report to the members of Applied Communications Inc (CIS) Limited (continued)

Matters on which we are required to report by exception

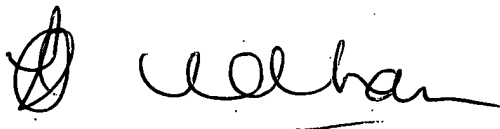
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

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 auditor's 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.



Lee Welham FCA (Senior Statutory Auditor)
For and behalf of Deloitte LLP
Statutory Auditor
Cambridge,
United Kingdom
September 2018

30

Applied Communications Inc (CIS) Limited

Profit and loss account

For the year ended 31 December 2017

	Note	2017 £000	2016 £000
Turnover	2	-	578
Administrative expenses		130	(538)
Operating profit		130	40
Interest receivable and similar income	6	8	-
Interest payable and similar charges	7	(43)	(24)
Profit before taxation	3	95	16
Tax on profit	8	(25)	(14)
Profit for the financial year attributable to the equity shareholders of the Company		70	2
Total comprehensive income attributable to equity shareholders of the Company		70	2

The notes on pages 10 to 16 form an integral part of these financial statements.

Applied Communications Inc (CIS) Limited

Balance sheet

As at 31 December 2017

	Note	2017 £000	2016 £000
Current assets			
Debtors	9	127	247
Cash at bank and in hand		7	1
		<u>134</u>	<u>248</u>
Creditors: amounts falling due within one year	10	-	(184)
Net current assets		<u>134</u>	<u>64</u>
Total assets less current liabilities		<u>134</u>	<u>64</u>
Net assets		<u>134</u>	<u>64</u>
Capital and reserves			
Called-up share capital	11	0	0
Share premium account		602	602
Profit and loss account		(468)	(538)
		<u>134</u>	<u>64</u>
Shareholder's funds		<u>134</u>	<u>64</u>

The financial statements of Applied Communications Inc (CIS) Limited (registered number 03455629) were approved by the board of directors and authorised for issue on 27 September 2018. They were signed on its behalf by:



D King
Director

The notes on pages 10 to 16 form an integral part of these financial statements.

Applied Communications Inc (CIS) Limited

Statement of changes in equity

For the year ended 31 December 2017

	Called-up share capital £000	Share premium account £000	Profit and loss account £000	Total £000
At 1 January 2016	0	602	(540)	62
Profit for the financial year	-	-	2	2
At 31 December 2016	0	602	(538)	64
Profit for the financial year	-	-	70	70
At 31 December 2017	0	602	(468)	134

The notes on pages 10 to 16 form an integral part of these financial statements.

Applied Communications Inc (CIS) Limited

Notes to the financial statements

For the year ended 31 December 2017

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a. General information and basis of accounting

Applied Communications Inc (CIS) Limited ('the Company') is a company incorporated in England and Wales under the Companies Act. It's a private Company, limited by shares. The address of the registered office is given on the Contents page. The nature of the Company's operations and its principal activities are set out in the directors' report on pages 1 to 2.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its parent, ACI Worldwide, Inc., which may be obtained from <http://investor.aciworldwide.com/financial-information/annual-reports>. Exemptions have been taken in these separate Company financial statements in relation to the presentation of a cash flow statement and disclosure of transactions or balances with entities which form part of the group.

b. Going concern

The Company has generated operating profit for the year. Thus, the directors expect the Company to generate profits in the foreseeable future and to have adequate resources to continue its operations for at least twelve months from the date of signing these financial statements.

The directors, having assessed the response of the directors of the Company's immediate parent to their enquiries have no reason to believe a material uncertainty exists that may cast significant doubt about the ability of the immediate parent company to continue as a going concern or its ability to continue providing the financial support to the Company as may be necessary.

Therefore the financial statements have been prepared using the going concern basis of accounting.

c. Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

d. Taxation

The charge for taxation is based on the profit and loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

e. Turnover

Turnover represents the amounts derived from the management fees charged to group companies based on a markup of expenses incurred.

Applied Communications Inc (CIS) Limited

Notes to the financial statements (continued) For the year ended 31 December 2017

1. Accounting policies (continued)

f. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

g. Leases

The Company as lessee

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

h. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

No critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

2. Turnover

An analysis of the Company's turnover by geographical market is set out below.

	2017 £000	2016 £000
Turnover:		
United Kingdom	-	578
	-	578

No management fee was charged in 2017.

Applied Communications Inc (CIS) Limited

Notes to the financial statements (continued)

For the year ended 31 December 2017

3. Profit before taxation

Profit on ordinary activities before taxation is stated after (charging)/crediting:

	2017 £000	2016 £000
Foreign exchange gain / (loss)	190	(471)
Operating lease costs	(9)	(5)
	<u>181</u>	<u>(476)</u>

The analysis of the auditor's remuneration is as follows:

Audit fee	12	15
	<u>12</u>	<u>15</u>

Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

4. Staff costs

	2017 £000	2016 £000
Wages and salaries	-	1
Social security costs	-	40
	<u>-</u>	<u>41</u>

For the year ended 31 December 2017, the Company had no employees (2016: none).

5. Directors' remuneration

The Directors were not paid any remuneration by the Company in either year, but were paid by related group companies. None of the Directors were members of a pension scheme (2016: none).

6. Interest receivable and similar income

	2017 £000	2016 £000
Interest receivable from group undertakings	8	-
	<u>8</u>	<u>-</u>

Applied Communications Inc (CIS) Limited

Notes to the financial statements (continued)

For the year ended 31 December 2017

7. Interest payable and similar charges

	2017 £000	2016 £000
Interest payable to group undertakings	43	24
	<u>43</u>	<u>24</u>

8. Tax on profit

The tax charge comprises:

	2017 £000	2016 £000
Current tax on profit		
Current tax on income for the year	24	8
Adjustments in respect of prior periods	-	6
Foreign branch and withholding taxes	24	8
Double tax relief	(24)	(8)
Total current tax	<u>24</u>	<u>14</u>
Deferred tax		
Prior year adjustment	-	-
Origination and reversal of timing differences	1	(0)
Adjustment in respect of prior periods	-	-
Total deferred tax (see note 13)	<u>1</u>	<u>(0)</u>
Total tax on profit on ordinary activities	<u>25</u>	<u>14</u>

The current tax charge for the year is higher (2016: higher) than the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are explained on the next page:

Applied Communications Inc (CIS) Limited

Notes to the financial statements (continued)

For the year ended 31 December 2017

8. Tax on profit (continued)

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2017 £000	2016 £000
Profit before tax	<u>95</u>	<u>16</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 19.25% (2015: 20.25%)	18	3
Effects of:		
- Group relief	(2) 9	5
- Capital allowances for period in excess of depreciation	(1)	(0)
- Foreign branch and withholding taxes	24	8
- Current year double tax relief	(24)	(8)
- Adjustments to tax charge in respect of previous periods	-	6
Total tax charge for period	<u>24</u>	<u>14</u>

The main rate of corporation tax is 19.25%. The government has announced that the tax rate is likely to be reduced to 17% from 1 April 2020. The potential deferred tax effect of this reduction is unlikely to be material.

9. Debtors

	2017 £000	2016 £000
Other debtors	-	24
Amounts owed by group undertakings	127	221
Deferred tax	-	1
	<u>127</u>	<u>246</u>

10. Creditors: amounts falling due within one year

	2017 £000	2016 £000
Amounts owing to group undertaking	-	184
	<u>-</u>	<u>184</u>

Refer to note 14 for payment and other terms of amounts owing to group undertaking.

Applied Communications Inc (CIS) Limited

Notes to the financial statements (continued)

For the year ended 31 December 2017

11. Called-up share capital and reserves

	2017 £000	2016 £000
Allotted, called-up and fully-paid		
3 ordinary shares of £1 each	0	0
Shares classified in shareholder's funds	0	0

The Company has one class of ordinary shares which carry no right to fixed income.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

12. Financial commitments

There were no financial commitments to report for 2017 (2016: none).

13. Deferred tax

Deferred tax is provided as follows:

	2017 £000	2016 £000
Difference between accumulated depreciation, amortisation and capital allowances	(1)	(0)
Provision for deferred tax	(1)	(0)

The following are the major deferred tax assets recognised by the Company and movements thereon during the current and prior reporting year.

	2017 £000	2016 £000
At 1 January	1	1
Charge/(credit) to income	(1)	0
At 31 December	-	1

Applied Communications Inc (CIS) Limited

Notes to the financial statements (continued)

For the year ended 31 December 2017

14. Loan commitments

The following transactions were carried out with related parties:

	2017 £000	2016 £000
Loan from ACI Worldwide B.V.	-	184
	-	184

The Company is a participant in ACI's international cash pool and depending on the movement of cash the Company can either be the lender or the borrower. This arrangement is underpinned by a signed loan agreement.

15. Off-balance sheet arrangements

As required by the 2006 Act regarding any off-balance sheet arrangements there is no information to disclose other than those included elsewhere in the financial statements.

16. Immediate parent company and ultimate controlling party

The Company's immediate parent undertaking is Applied Communications Inc. U.K. Holding Limited, a company incorporated in Great Britain and registered at 55/57 Clarendon Road, Watford, Hertfordshire, WD17 1FQ, United Kingdom. The ultimate parent undertaking and the controlling party which heads the largest and smallest group in which these accounts are consolidated is ACI Worldwide, Inc., a company incorporated in the United States of America and registered at Suite 300, 3520 Kraft Road, Naples, FL 34105 USA. The consolidated accounts may be obtained from <http://investor.aciworldwide.com/financial-information/annual-reports>.