

Reynolds & Reynolds Automotive Holdings Limited

Annual Report and Financial Statements

for the year ended 31 December 2009



DIRECTORS

R Burnett
M C Moss

SECRETARY

M C Moss

AUDITORS

RSM Tenon Audit Limited
Charterhouse
Legge Street
Birmingham
B4 7EU

BANKERS

National Westminster Bank Plc
1 Town Hall Buildings
Bridge Street
Banbury
OX16 8JS

REGISTERED OFFICE

1200 Bristol Road South
Northfield
Birmingham
B31 2RW

DIRECTORS' REPORT

The directors present their annual report on the affairs of the Company, together with the financial statements and auditors' report for the year ended 31 December 2009

PRINCIPAL ACTIVITY

The principal activity of the company is a holding company

RESULTS AND DIVIDENDS

The loss for the year after taxation was £20,000 (2008 – profit of £17,000)
No dividend payment was made during the year (2008 - nil)

BUSINESS REVIEW AND FUTURE PROSPECTS

The company acts solely as an intermediate holding company and received and paid interest on inter-company loans in the current year. The directors expect no change to this position in the foreseeable future.

At the end of the year, a group re-structure transferred the ownership of a number of subsidiary companies, however, the transfer of the subsidiaries was at a fair market value and has not altered the investment value held by the company.

A further group restructure on 1 January 2010 has seen the trade, assets and liabilities of MMI Automotive UK Limited transferred into Reynolds & Reynolds Automotive (UK) Limited, the directors believe that combining the trade of the two companies, which use a common software platform, will improve the profitability of the group.

DIRECTORS

The directors who served during the year were as follows

R D Burnett
M C Moss

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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). The financial statements are required 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 year. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent, 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

DIRECTORS' REPORT

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DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

During the year Ernst & Young LLP resigned as auditors and RSM Tenon Audit Limited were appointed in their place.

By order of the Board

Craig Moss
Secretary



Date 13th September 2010

**Independent Auditors' Report to the Members of
Reynolds & Reynolds Automotive Holdings Limited (Registration Number 237095)**

We have audited the financial statements of Reynolds & Reynolds Automotive Holdings Limited for the year ended 31 December 2009, set out on pages 5 to 11. 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 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 page 2, 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 (APB'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 2009 and of the 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 requirements of 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.

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.

RSM Tenon Audit Limited

Richard Eccles
Senior Statutory Auditor
for and on behalf of
RSM Tenon Audit Limited, Statutory Auditor

Charterhouse
Legge Street
Birmingham
B4 7EU

Date 16/9/10 -

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2009

	Notes	2009 £'000	2008 £'000
Operating income		61	135
Operating charges		(4)	(8)
OPERATING PROFIT	2	<u>57</u>	<u>127</u>
Deferred consideration on sale of subsidiary		-	200
Group interest receivable		392	1,197
Group interest paid		(469)	(1,507)
		<u> </u>	<u> </u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(20)	17
Tax on (loss)/profit on ordinary activities	4	<u>-</u>	<u>-</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED FOR THE YEAR	9	<u><u>(20)</u></u>	<u><u>17</u></u>

All amounts relate to continuing activities

There are no gains or losses for the current or prior year other than those included in the profit and loss account above, and no separate statement of total recognised gains and losses has therefore been prepared

BALANCE SHEET
at 31 December 2009

	Notes	2009 £'000	2008 £'000
FIXED ASSETS			
Investments	5	<u>7,221</u>	<u>7,221</u>
		7,221	7,221
CURRENT ASSETS			
Debtors	6	26,060	25,655
Cash at bank and in hand		<u>15</u>	<u>3</u>
		26,075	25,658
CREDITORS amounts falling due within one year	7	<u>(31,468)</u>	<u>(31,031)</u>
NET CURRENT LIABILITIES		<u>(5,393)</u>	<u>(5,373)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,828</u>	<u>1,848</u>
CAPITAL AND RESERVES			
Called up share capital	8	8,651	8,651
Share premium	9	14,602	14,602
Merger reserve	9	12,200	12,200
Profit and loss account	9	<u>(33,625)</u>	<u>(33,605)</u>
SHAREHOLDER'S FUNDS	9	<u>1,828</u>	<u>1,848</u>

The financial statements were approved and authorised for issue by the Board and signed on its behalf by



Craig Moss
Director

Date 13th September 2010

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2009

1 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom

Basis of Consolidation

The company has taken advantage of the exemption permitted by the Companies Act 2006 not to prepare group accounts as the results of the company and its subsidiaries are included in the financial statements of Universal Computer Systems Holding, Inc. These financial statements therefore present information about the company only, and not its group

Financial support

Universal Computer Systems Holding, Inc has provided in writing that it is its intention to continue to provide sufficient finance for the company to meet its liabilities when they fall due for a period of at least 12 months from the date of approval of these financial statements. The financial statements have therefore been prepared on a going concern basis

Investments

Investments are stated at cost less any provision for impairment where necessary to reduce book value to recoverable amount

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Universal Computer Systems Holding, Inc and the company is included in consolidated financial statements

Deferred taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the exception that deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign exchange

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date

All differences are taken to the profit and loss account

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2009

2 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2009 £'000	2008 £'000
Auditors remuneration - audit services	1	10
Release of accrual on settlement of legal claim	<u>(10)</u>	<u>(135)</u>

3 DIRECTORS' EMOLUMENTS AND STAFF COSTS

The directors did not receive any remuneration for their services as directors of the company in the current year

The company had no employees in the current or prior year

4 TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

a) Analysis of tax charge on ordinary activities

There was no tax charge in either the current or prior year

b) Factors affecting current tax charge

	2009 £'000	2008 £'000
(Loss)/profit on ordinary activities before tax	<u>(20)</u>	<u>17</u>
Tax at 28% (2008 - 28.5%) thereon	(6)	5
Effects of		
Non taxable income	-	(95)
Prior period losses utilised	(16)	-
Group relief (surrendered for nil payment)	22	90
	<u>-</u>	<u>-</u>

c) Factors that may affect future tax charges

The UK government has proposed that the corporation tax rate will decrease by 1% each year over the next four years from 28% to 24%. This will affect the future cash payments to be made by the company

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2009

4 TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES (continued)

d) Deferred tax

There was no provided deferred tax in either the current or previous period. A deferred tax asset of £1,162,000 (2008 - £1,150,000), in respect of carried forward losses has not been provided, due to the uncertainty as to when this would be recoverable.

5 FIXED ASSET INVESTMENTS

	£'000
Cost	
At 1 January 2009 and 31 December 2009	<u>29,455</u>
Provision	
At 1 January 2009 and 31 December 2009	<u>(22,234)</u>
Net book value	
At 31 December 2009 and 31 December 2008	<u><u>7,221</u></u>

Details of the principal investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

<i>Name of company</i>	<i>Registered in</i>	<i>Proportion of shares and voting rights held by the Company</i>	<i>Proportion of shares and voting rights held by subsidiaries</i>	<i>Nature of business</i>
DCS Automotive (France) SAS	France	-	100%	IT
Reynolds & Reynolds Automotive (UK) Ltd	England	-	100%	IT
DCS Automotive Holdings Ltd	England	100%	-	Holding company

The following indirectly owned companies were transferred to a sister company in the group:

Cardis Reynolds GmbH	Germany	100%	IT
Reynolds & Reynolds (Schweiz) AG	Switzerland	100%	IT

IT provider of information technology solutions

6 DEBTORS

	<i>2009</i>	<i>2008</i>
	<i>£'000</i>	<i>£'000</i>
Prepayments and accrued income	2	-
Amounts owed by subsidiary undertakings	<u>26,058</u>	<u>25,655</u>
	<u><u>26,060</u></u>	<u><u>25,655</u></u>

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2009

7 CREDITORS: amounts falling due within one year

	2009 £'000	2008 £'000
Bank overdraft	-	11
Trade creditors	-	2
Amounts owed to subsidiary undertakings	31,467	30,998
Accruals	1	20
	<u>31,468</u>	<u>31,031</u>

The bank overdraft is subject to an intra-group cross guarantee

8 SHARE CAPITAL

	2009 £	2008 £
<i>Authorised</i>		
45,000,000 Ordinary shares of £0.25 each	<u>11,250,000</u>	<u>11,250,000</u>
<i>Issued, allotted, called-up and fully paid</i>		
34,603,028 Ordinary shares of £0.25 each	<u>8,650,757</u>	<u>8,650,757</u>

9 RECONCILIATION OF SHAREHOLDER'S FUNDS AND MOVEMENTS ON RESERVES

	Share capital £'000	Share premium £'000	Merger reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2008	8,651	14,602	12,200	(33,622)	1,831
Profit for the year	-	-	-	17	17
At 1 January 2009	<u>8,651</u>	<u>14,602</u>	<u>12,200</u>	<u>(33,605)</u>	<u>1,848</u>
Loss for the year	-	-	-	(20)	(20)
At 31 December 2009	<u>8,651</u>	<u>14,602</u>	<u>12,200</u>	<u>(33,625)</u>	<u>1,828</u>

No dividends (2008 - nil) were paid to the ordinary shareholders during the year

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2009

10. POST BALANCE SHEET EVENTS

The trade, assets and liabilities of a fellow group subsidiary, MMI Automotive Limited was transferred into a subsidiary of the company on 1 January 2010. The turnover of this company for the year to 31 December 2009 was £1,625,000 and its profit after taxation was £355,000.

11. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related Party Transactions' not to disclose transactions with group companies as 100% of the voting rights are held within the group.

12. PARENT UNDERTAKING

The immediate parent company is Reynolds & Reynolds UK Holding Limited, a company incorporated in the U.K.

The ultimate parent undertaking and the controlling party of Reynolds & Reynolds Automotive Holdings Limited is Universal Computer Systems Holding, Inc, a company incorporated in the USA, and whose address is 6700 Hollister, Houston, Texas 77040.

The financial statements of the company are consolidated into those of Universal Computer Systems Holding, Inc. These accounts are available from 6700 Hollister, Houston, Texas 77040.