

SunGard Availability Services (UK) Limited
Annual report and financial statements
for the year ended 31 December 2010

Company Number: 02368123

MONDAY



AHHV6WW1

A07

22/08/2011

84

COMPANIES HOUSE

SunGard Availability Services (UK) Limited

Company information

Directors

Robert C Singer
Keith Tilley
Edward C McKeever

Registered office

12-13 Bracknell Beeches
Old Bracknell Lane West
Bracknell
Berkshire
RG12 7BW

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
9 Greyfriars Road
Reading
RG1 1JG

Bankers

Barclays Bank plc
Level 28
1 Churchill Place
Canary Wharf
E14 5HP

SunGard Availability Services (UK) Limited

Directors' report for the year ended 31 December 2010

The directors present their report and the audited financial statements of SunGard Availability Services (UK) Limited for the year ended 31 December 2010

Principal activities

The principal activities of the company during the year were that of business continuity, disaster recovery and IT managed services

Review of the business

The company has traded satisfactorily during the year and despite continuing harsh trading conditions within the UK, turnover grew by 1%. Operating profit declined by 12% due to the full year effect on costs of significant investment in fixed assets and new property that came on stream in 2009. During 2010 the company invested £23 million in fixed assets which included continued enhancement of existing data centres and further investment in the cloud service platform.

The company expanded its operations into new territories during the year with the following investments

On 11 March 2010, the company purchased the entire share capital of 365 Hosting Limited, a managed hosting and cloud services company based in Ireland, for £5.1m.

On 10 March 2010 the company purchased the entire share capital of Cipriano Investments Sp z o o for £12,215. The company was subsequently renamed SunGard Availability Services (Poland) Sp z o o.

On 8 October 2010, the company established a subsidiary in India, SunGard IT Availability (India) Private Limited.

Strategy

The company is focused on expanding its position as the provider of choice for a wide range of information availability services and managed services for IT departments of companies across virtually all industries. The strategy is to leverage its extensive customer base, deep domain knowledge and understanding of how to apply technology to support mission-critical business processes to produce innovative products and services. In pursuing expansion of the business, there is emphasis on fiscal discipline, sustainable revenue growth, improving margins and significant operating cash flow generation.

Future outlook

The company has invested significantly in recent years enhancing existing data centres, fitting out two new centres and launching a cloud service platform. It is anticipated that these investments and new services should help to continue the growth of the business in the future.

SunGard Availability Services (UK) Limited

Directors' report for the year ended 31 December 2010 (continued)

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks are set out below.

Competition

The company's greatest source of competition is from in-house dedicated solutions. Although these solutions provide customers with exclusive access to resources and infrastructure, the directors believe that for many customers, building and maintaining an in-house solution is significantly more costly and difficult than subscribing to comparable services from the company. This is because of the company's economies of scale, experience, technology expertise, resource management skills and vendor neutrality.

Economy

A slowdown or downturn in the economy, may cause the company's business and financial results to suffer for a number of reasons. Customers may react to worsening conditions by reducing their capital expenditures in general or by specifically reducing their IT spending. In addition, customers may curtail or discontinue trading operations, delay or cancel IT projects, or seek to lower their costs by renegotiating vendor contracts. Also, customers with excess IT resources may choose to take their information availability solutions in-house rather than obtain those solutions from us. Moreover, competitors may respond to market conditions by lowering prices and attempting to lure away our customers to lower cost solutions. If any of these circumstances remain in effect for an extended period of time, there could be a material adverse effect on our financial results. Because the company's financial performance tends to lag behind fluctuations in the economy, recovery from any particular downturn in the economy may not occur until after economic conditions have generally improved.

Key performance indicators

Performance during the year, together with historical trend data is set out in the table below.

	2010	2009	Definition method of calculation and analysis
Growth in sales (%)	1%	1%	Year on year sales growth expressed as a percentage. The increase has been consistent despite the harsh economic trading conditions.
Gross Margin (%)	16.3%	17.8%	Gross margin is the ratio of operating profit before goodwill amortisation to sales expressed as a percentage. This number has declined slightly on last year due to the full year effect of investments in fixed assets and property made in 2009.
EBITDA less capex	£27.5m	£23.7m	Operating profit before depreciation and amortisation and less capex spend. This is an approximation of the free cash the company generates in the year. This increase is before the £5.1m spent on the acquisition of 365 Hosting Ltd.

SunGard Availability Services (UK) Limited

Directors' report for the year ended 31 December 2010 (continued)

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in interest rates, liquidity risk, credit risk and foreign exchange risk

Management are responsible for monitoring financial risk management Policies covering financial risk management are documented in the SunGard Data Systems Group financial policy manual

Interest rate cash flow risk and liquidity risk

The company's ultimate parent undertaking, SunGard Data Systems Inc , manages the interest rate and liquidity risks associated with the whole SunGard Data Systems group, as disclosed in the financial statements of that company, which are available as disclosed in note 25 The company is not financed by bank or shareholder loans

The company pays and receives interest on intercompany borrowings and lending respectively at a rate of interest determined by the group No financial instruments were used by the company during the year to manage interest rate costs, and therefore no hedge accounting has been applied

Credit risk

The company requires appropriate credit checks on potential customers before sales are made and the amount of exposure to any individual counterparty is subject to a limit which is reassessed regularly by the company's management

Foreign exchange risk

The company is exposed to movements in foreign exchange rates as a result of transactions with a number of foreign suppliers and customers The company has no formal policy in place as regards the use of foreign exchange contracts, as the value and volume of foreign currency contracts is considered immaterial however, for any significant exposures the directors would consider on a case-by-case basis whether the use of such instruments is warranted.

Price risk

The company has limited exposure to price risk due to the long term nature of its contracts There is some pricing risk exposure from competitors and the cost of equipment and infrastructure

Results and dividends

The profit for the year after taxation was £10,269,000 (2009 £11,520,000) which was transferred to reserves

The directors paid interim dividends during the year of £676 per share (2009 £625 per share), they do not recommend the payment of a final dividend (2009 £nil) The total dividends paid during the year amount to £6,758,000 (2009 £6,252,000)

SunGard Availability Services (UK) Limited

Directors' report for the year ended 31 December 2010 (continued)

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below

Michael J Ruane (resigned 30 June 2011)
Robert C Singer (appointed 30 June 2011)
Keith Tilley
Edward C McKeever

Qualifying third party indemnity provision

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Employment policies

The employment policies of the company embody the principle of equal opportunities for all employees, regardless of gender, religion or ethnicity.

It is the company's policy to give full and fair consideration to applications for employment from people who are disabled having regard to their particular aptitudes and abilities, to continue wherever possible the employment of employees who become disabled (and for arranging appropriate training for them) and to provide equal opportunities for the training, career development and promotion of disabled employees.

The quality and performance of the company's employees are considered vital to the company's success and during the year the company held semi-annual briefings and publishes a regular newsletter, ensuring that significant developments were communicated to employees. The company also maintains an employee advisory board, which meets quarterly and provides an opportunity for the company to consult, where appropriate, with employees on decisions likely to affect their interests. Involvement in the company's performance was encouraged through an annual bonus scheme.

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 prepared 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.

SunGard Availability Services (UK) Limited

Directors' report for the year ended 31 December 2010 (continued)

Statement of directors' responsibilities (continued)

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.

Disclosure of information to auditors

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

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) he 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 auditors are aware of that information.

Independent Auditors

The independent auditors, PricewaterhouseCoopers LLP, have expressed their willingness to continue in office.

By order of the Board



Keith Tilley
Director

10th August 2011

SunGard Availability Services (UK) Limited

Independent auditors' report to the members of SunGard Availability Services (UK) Limited

We have audited the financial statements of SunGard Availability Services (UK) Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet, and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on pages 5 and 6 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 and express an opinion on 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 profit or 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.

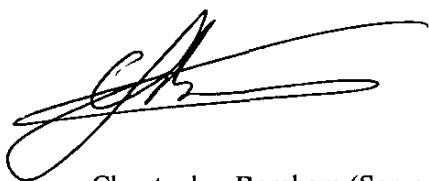
Matters on which we are required to report by exception

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:

SunGard Availability Services (UK) Limited

Independent auditors' report to the members of SunGard Availability Services (UK) Limited (continued)

- 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



Christopher Boreham (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

10 August

2011

SunGard Availability Services (UK) Limited

Profit and loss account for the year ended 31 December 2010

	Note	2010 £'000	2009 £'000
Turnover	2	163,282	162,024
Cost of sales	3	(97,789)	(94,605)
Gross profit		65,493	67,419
Administrative expenses		(47,882)	(47,498)
Operating profit		17,611	19,921
Interest receivable and similar income	4	754	783
Interest payable and similar charges	5	(154)	-
Profit on ordinary activities before taxation	6	18,211	20,704
Tax on profit on ordinary activities	9	(7,942)	(9,184)
Profit for the financial year	19, 20	10,269	11,520

All activities relate to continuing operations

The notes on pages 11 to 26 form an integral part of these financial statements

There is no difference between the profit on ordinary activities before taxation and after taxation as stated above and their historical cost equivalents

The company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented

SunGard Availability Services (UK) Limited

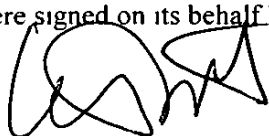
Balance sheet as at 31 December 2010

	Note	2010 £'000	2009 £'000
Fixed assets			
Intangible assets	10	49,399	58,381
Tangible assets	11	101,602	102,716
Investments	12	5,963	-
		156,964	161,097
Current assets			
Debtors	13	75,537	82,541
Cash at bank and in hand		59,613	32,008
		135,150	114,549
Creditors: amounts falling due within one year	14	(107,008)	(93,564)
Net current assets		28,142	20,985
Total assets less current liabilities		185,106	182,082
Creditors: amounts falling due after more than one year	15	(842)	(1,180)
Provision for liabilities	17	(18,018)	(17,955)
Net assets		166,246	162,947
Capital and reserves			
Called up share capital	18	10	10
Share premium account	19	119,975	119,975
Other reserve	19	117	329
Profit and loss reserve	19	46,144	42,633
Total shareholders' funds	20	166,246	162,947

The notes on pages 11 to 26 form an integral part of these financial statements

The financial statements on pages 9 to 26 were approved by the Board on
were signed on its behalf by

10th August 2011 and



Keith Tilley
Director
SunGard Availability Services (UK) Limited
Registered number 02368123

SunGard Availability Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2010

1 Accounting policies

(1) Accounting convention

These financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

The accounting policies have been applied consistently throughout the year

(2) Consolidated financial statements

The company is a wholly-owned subsidiary of SunGard SAS Holdings Inc and is included in the consolidated financial statements of SunGard Data Systems Inc which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006

(3) Tangible fixed assets and depreciation

Tangible fixed assets are shown at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on a straight-line basis to write down the cost of tangible fixed assets to their estimated residual values over their estimated useful economic lives as follows

Freehold buildings	-	30 years
Leasehold improvements	-	lesser of the remaining lease term or 10 years
Plant and machinery	-	2 to 10 years
Computer equipment	-	2 to 5 years
Transportable computer centres	-	5 to 10 years
Motor vehicles	-	6 years
Freehold land is not depreciated		
Construction in progress is not depreciated		

Where operating software is acquired as an integral part of an acquired asset then it is capitalised and written off over the same period as the appropriate asset. Software purchased from third parties is capitalised and depreciated over its estimated useful life being 2 to 5 years

The carrying values of tangible fixed assets are reviewed for impairment when events or circumstances indicate the carrying value may not be recoverable

The asset lives and residual values are assessed as appropriate each year end

Leasehold improvements

The company recognises the anticipated cost of significant re-instatement of leasehold properties at the end of the lease term in accordance with FRS 12 'Provisions, contingent liabilities and contingent assets'. This anticipated cost is capitalised on a present value basis within leasehold improvements. This is depreciated on a straight line basis

SunGard Availability Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

1 Accounting policies (continued)

(4) Property provision

The company holds a provision for anticipated future reinstatement costs associated with bringing several of the company's facilities back to original use at the end of the lease. Any movement in the provision is charged to the profit and loss account on a straight-line basis to the end of the lease term and is not discounted.

(5) Goodwill

Goodwill arising on acquisitions is capitalised and amortised on a straight-line basis (subject to impairment tests) over its estimated useful life of 12.5 years, based on management's assessment of future trading.

If businesses are disposed of, which, on acquisition, resulted in goodwill being written off to reserves, such goodwill will be included in the calculation of the profit or loss on the disposal of that business in accordance with the requirements of FRS10 'Goodwill and intangible assets'.

The company evaluates the carrying value of goodwill in each financial year to determine if there has been an impairment in value which would result in the inability to recover the carrying amount. When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account.

(6) Turnover

Turnover derives from the company's principal activity. It excludes value added tax and trade discounts, and represents the value of goods and services provided in respect of the period to which they relate.

Where the company enters into contracts to provide services, turnover is recognised generally on a straight-line basis daily over the life of those contracts. As a result, amounts invoiced prior to the year end in respect of services to be provided in the following year are included in deferred income at the year end and services provided prior to the year end are recognised as accrued income.

Implementation fees are allocated to the profit and loss account over the periods in which the related costs are incurred.

(7) Leases

Costs in respect of operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

Where assets are financed by lease agreements that give rights approximating to ownership (finance leases), the assets are treated as if they have been purchased outright and the corresponding leasing commitments are shown as obligations under finance leases. The relevant assets are depreciated over their estimated useful economic lives or the term of the lease, whichever is shorter. The interest element of the rental obligations is charged to the profit and loss account on a reducing-balance basis over the period of the lease. Future instalments net of finance charges are included within creditors.

SunGard Availability Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

1 Accounting policies (continued)

(7) Leases (continued)

Lease incentives

Benefits received and receivable as an incentive to sign an operating lease are spread on a straight line basis over the lease term or if shorter than the full lease term, over the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate. Accordingly any incentive received to sign a lease is included in accruals and will be credited to the profit and loss account over the appropriate period.

(8) Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Pension costs, which represent the contributions payable during the year, are written off directly to the profit and loss account as incurred.

(9) Deferred taxation

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 tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

(10) Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling on the balance sheet date. Exchange differences are included in the profit and loss account in the period in which they arise.

(11) Investments

Investments in subsidiaries and associated undertakings are stated in the balance sheet of the company at cost, less amounts written off where there has been impairment in value.

Impairment reviews are carried out by management on an annual basis.

SunGard Availability Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

1 Accounting policies (continued)

(12) Sales commission

Amounts paid relating to sales commissions are charged to the profit and loss account when incurred

(13) Share based payments

The company's parent undertaking, SunGard Data Systems Inc, operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest.

It recognises the impact of the revision to original estimates, if any, in the profit and loss account, with a corresponding adjustment to equity.

(14) Onerous lease

The company holds a provision for vacant properties. The provision is assessed by a valuation expert and reviewed by the directors. Any movement in the provision is charged to the profit and loss account.

(15) Cash flow statement and related party disclosures

The company is a wholly-owned subsidiary of SunGard Data Systems Inc and is included in the consolidated financial statements of SunGard Data Systems Inc, which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996) 'Cash flow statements'. The company is also exempt under the terms of FRS 8 paragraph 3(c) of 'Related party disclosures' from disclosing related party transactions with entities that are part of the SunGard Data Systems Inc group or investees of the SunGard Data Systems Inc group. See note 25.

SunGard Availability Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

2 Turnover

	2010 £'000	2009 £'000
Analysis by geographical destination of services		
United Kingdom	157,763	157,233
Europe	3,033	2,618
North America	2,297	1,844
Middle East	189	262
Other	-	67
	163,282	162,024

The company generated its turnover and profit on ordinary activities before taxation from one class of business, which predominantly arises in the United Kingdom, being the provision of business continuity, disaster recovery services and IT managed services

3 Cost of sales

Cost of sales includes building and equipment rental expenses, maintenance and depreciation. Amounts due to other parties under joint marketing agreements are also included within cost of sales

4 Interest receivable and similar income

	2010 £'000	2009 £'000
Bank interest	104	84
Interest on amounts owed by group undertakings	558	676
Other interest	-	10
Corporation tax refund interest	92	13
	754	783

5 Interest payable and similar charges

	2010 £'000	2009 £'000
Finance lease interest	154	-

6 Profit on ordinary activities before taxation

	2010 £'000	2009 £'000
Profit on ordinary activities before taxation is stated after charging/(crediting) the following items		
Depreciation - owned assets (note 11)	23,270	22,117
- leased assets	889	153
(Gain)/loss on disposal of tangible fixed assets	(193)	31
Goodwill amortisation (note 10)	8,982	8,982
Operating lease charges - land and buildings	19,578	18,618
- plant and machinery	2,895	3,316
Employment costs (note 8)	35,061	32,175
Net foreign exchange losses/(gains)	45	(60)
Services provided by the company's auditor:		
Fees payable for the audit	139	136

SunGard Availability Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

7 Directors' emoluments	2010 £'000	2009 £'000
Aggregate emoluments	394	222
Company contributions to defined contribution pension scheme	26	23
	420	245

Highest paid director

Aggregate emoluments and benefits under long-term incentive schemes	394	222
Company contributions to defined contribution pension scheme	26	23
	420	245

	2010 Number	2009 Number
Retirement benefits are accruing to the following number of directors under money purchase schemes	1	1

Michael J Ruane is paid by SunGard Data Systems Inc for his services to the SunGard Data Systems Inc group of companies, and his services as a director of the company were incidental to his other services within the SunGard Data System Inc group. His emoluments are disclosed in the financial statements of SunGard Data Systems Inc.

Edward C McKeever is paid by SunGard Availability Services LP for his services to the SunGard Availability Services group of companies, and his services as a director of the company were incidental to his other services with the SunGard Availability Services group. His emoluments are disclosed in the financial statements of SunGard Availability Services LP.

No directors (2009: none) exercised share options in the ultimate parent undertaking in the year.

8 Employees

(a) Number of employees

The average number of persons by month employed by the company (including directors) during the year, analysed by category, was as follows:

	2010 Number	2009 Number
Management	9	9
Sales and administration	473	470
	482	479

(b) Employment costs

The aggregate payroll costs of these persons were as follows:

	2010 £'000	2009 £'000
Wages and salaries	30,504	27,983
Social security costs	3,293	2,968
Other pension costs (note 23)	1,115	1,012
Cost of employee share schemes (note 24)	149	212
	35,061	32,175

Prior year numbers have been restated to include employee benefits within wages and salaries.

SunGard Availability Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

9 Tax on profit on ordinary activities	2010 £'000	2009 £'000
Current tax:		
UK Corporation tax charge on profits of the year	8,398	4,988
Payable to group undertakings in respect of group relief	-	3,241
Adjustment in respect of previous years	(238)	(450)
Total current tax	8,160	7,779
Deferred tax:		
Origination and reversal of timing differences	(134)	947
Adjustment in respect of previous years	(84)	458
Total deferred tax (note 17)	(218)	1,405
Tax on profit on ordinary activities	7,942	9,184

The tax assessed for the year is higher (2009 higher) than the standard rate of corporation tax in the UK 28% (2009 28%) The differences are explained below

	2010 £'000	2009 £'000
Profit on ordinary activities before tax	18,211	20,704
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 28% (2009 28%)	5,099	5,797
Effects of		
Expenses not deductible for tax purposes	2,590	2,533
Depreciation on assets not qualifying for capital allowances	1,010	1,121
Depreciation in excess of capital allowances	260	(1,100)
Increase in other timing differences	(268)	155
Non taxable reverse premiums	(293)	(277)
Adjustment in respect of previous years	(238)	(450)
Current tax charge for the period	8,160	7,779

Factors that may affect future tax charges

A number of further changes to the UK Corporation tax system were announced in the March 2011 UK Budget Statement. Resolutions were passed by Parliament on 29 March 2011 and 05 July 2011, reducing the main rate of corporation tax to 26% from 1 April 2011 and 25% from 1 April 2012 respectively. Legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 is expected to be included in the Finance Act 2011.

Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014. This expected rate reduction had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. The effect of the proposed additional changes is not material.

SunGard Availability Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

10 Intangible assets

	£'000
Cost	
At 1 January and 31 December 2010	112,270
Accumulated amortisation	
At 1 January 2010	53,889
Charge for the year	8,982
At 31 December 2010	62,871
Net book amount at 31 December 2010	49,399
Net book amount at 31 December 2009	58,381

Goodwill relates to the purchase of the businesses and undertaking carried on by SunGard Availability Services (DR) Limited (including the business of iXguardian Limited and Televault iT Limited) and the properties, assets and rights relating to the business and undertaking owned by SunGard Availability Services (DR) Limited

11 Tangible assets

	Freehold land and buildings £'000	Leasehold improve- ments £'000	Plant and machinery £'000	Computer equipment £'000	Transport- able computer centres and vehicles £'000	Construc- tion in progress £'000	Total £'000
Cost							
At 1 January 2010	4,922	145,651	18,289	127,989	1,955	-	298,806
Additions	-	7,995	272	12,864	-	2,141	23,272
Disposals	-	(311)	(385)	(5,185)	(41)	-	(5,922)
At 31 December 2010	4,922	153,335	18,176	135,668	1,914	2,141	316,156
Accumulated depreciation							
At 1 January 2010	1,465	72,803	16,719	103,279	1,824	-	196,090
Charge for the year	168	13,267	620	10,044	60	-	24,159
Disposals	-	(86)	(385)	(5,185)	(39)	-	(5,695)
31 December 2010	1,633	85,984	16,954	108,138	1,845	-	214,554
Net book value							
At 31 December 2010	3,289	67,351	1,222	27,530	69	2,141	101,602
At 31 December 2009	3,457	72,848	1,570	24,710	131	-	102,716

Included in freehold land and buildings is freehold land of £1,680,000 (2009 £1,680,000) on which no depreciation is charged

Leasehold improvements includes an asset with a cost of £14,531,000 (2009 £14,208,000) relating to the anticipated future reinstatement costs associated with bringing several of the company's facilities back to original use at the end of their lease life. This is being charged to the profit and loss account on a straight-line basis to the end of the lease term

Construction in progress related to costs incurred on a project that started in 2010 and will be brought into use in 2011

SunGard Availability Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

11 Tangible assets (continued)

Assets capitalised and held under finance leases are as follows

	Leasehold improvements £'000	Plant and machinery £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
2010					
Cost	363	1,205	7,559	40	9,167
Accumulated depreciation	(363)	(1,205)	(5,809)	(40)	(7,417)
Net book value	-	-	1,750	-	1,750
2009					
Cost	363	1,207	8,457	40	10,067
Accumulated depreciation	(363)	(1,207)	(6,436)	(40)	(8,046)
Net book value	-	-	2,021	-	2,021

At 31 December the company had the following commitments relating to future acquisition of tangible fixed assets

	2010 £'000	2009 £'000
Tangible assets	2,924	2,597

12 Fixed asset investments

Shares in subsidiary
undertakings
£'000

Cost	
At 1 January 2010	-
Additions in the year	5,963
At 31 December 2010	5,963
Net book value	
At 31 December 2010	5,963

On 11 March 2010 the company purchased the entire share capital of 365 Hosting Limited for £5,093,000. The company was subsequently renamed SunGard Availability Services (Ireland) Limited.

On 10 March 2010 the company purchased the entire share capital of Cipriano Investments Sp z o o for £12,215. The company was subsequently renamed SunGard Availability Services (Poland) Sp z o o.

On 8 October 2010 the company established a subsidiary undertaking in India, SunGard IT Availability (India) Private Limited. The share capital subscribed to amounted to £858,000.

SunGard Availability Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

12 Fixed asset investments (continued)

Subsidiary undertakings	Country of Incorporation	Principal activity	Class and % of nominal value of that class held
SunGard Availability Services (Ireland) Limited	Ireland	Business continuity and disaster recovery	Ordinary shares 100%
SunGard IT Availability (India) Private Limited	India	Business continuity and disaster recovery	Ordinary shares 100%
SunGard Availability Services (Poland) Sp Z o o	Poland	Business continuity and disaster recovery	Ordinary shares 100%

The directors believe that the carrying value of the investments is supported by their value in use

13 Debtors

	2010 £'000	2009 £'000
Trade debtors	32,951	32,351
Amounts owed by group undertakings	27,637	30,830
Corporation tax	-	2,741
Prepayments and accrued income	14,949	16,619
	75,537	82,541

Included in the amounts owed by group undertakings are the following "revolving loans"

Issued by	Interest rate	2010 £'000	2009 £'000
SunGard Public Sector Holdings Limited	200 basis points above 12 month LIBOR ^[1]	-	4,000
SunGard UK Holdings Limited	200 basis points above 12 month LIBOR ^[2]	9,900	6,900
SunGard Holdings Limited	200 basis points above 12 month LIBOR ^[3]	5,000	5,000

^[1] Repaid on 6 December 2010

^[2] Repayable on or before 25 March 2013

^[3] Repayable on or before 19 May 2014

All other amounts owed by group undertakings are unsecured, interest free and have no fixed repayment date

SunGard Availability Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

14 Creditors: amounts falling due within one year	2010	2009
	£'000	£'000
Trade creditors	10,280	5,706
Amounts due to group undertakings	650	2,793
Obligations under finance leases	764	533
Other creditors including taxation and social security		
Corporation tax	4,195	-
Other	2,871	3,078
Accruals and deferred income	88,248	81,454
	107,008	93,564

All other amounts due to group undertakings are unsecured, interest free and have no fixed repayment date

15 Creditors: amounts falling due after more than one year	2010	2009
	£'000	£'000
Obligations under finance leases	842	1,180

16 Obligations under finance leases	2010	2009
	£'000	£'000
Within one year	824	625
Due within one to two years	859	1,251
Total gross payments	1,683	1,876
Less finance charges included above	(77)	(163)
	1,606	1,713

Finance leases are secured upon the assets to which they relate

17 Provisions for liabilities and charges	Deferred tax	Onerous lease	Property provision	Total
	£'000	£'000	£'000	£'000
At 1 January 2010	2,428	1,319	14,208	17,955
Increase in the year	-	103	601	704
Charged to the profit and loss account	(218)	(145)	(278)	(641)
At 31 December 2010	2,210	1,277	14,531	18,018

Onerous lease

In 2002 and 2003 a business subsequently acquired by the company rationalised its property portfolio, resulting in vacant properties in the UK. A provision was made for the residual lease term. This provision was independently assessed by an independent expert in 2005. The revised provision is discounted at a rate of 6%.

Maturity of provision:	2010	2009
	£'000	£'000
Within one year	756	714
Between one to two years	256	214
Between two to five years	265	384
Over five years	-	7
	1,277	1,319

SunGard Availability Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

17 Provisions for liabilities and charges (continued)

Property provision

Leasehold improvements includes an asset with a cost of £14,531,000 (2009 £14,208,000) relating to the anticipated future reinstatement costs associated with bringing several of the company's facilities back to original use at the end of their lease life. During the year a number of the company's properties were reassessed generating an increase in the amount provided. This is charged to the profit and loss account on a straight-line basis to the end of the lease term and has not been discounted.

Maturity profile of provision:	2010	2009
	£'000	£'000
Within one year	686	171
Between one to two years	340	815
Between two to five years	6,153	3,633
Over five years	7,352	9,589
	14,531	14,208

Deferred tax

The movement in deferred tax liability during the year was as follows

	2010	2009
	£'000	£'000
At 1 January	2,428	1,023
(Credit) / charge to the profit and loss account for the year (note 9)	(218)	1,405
At 31 December	2,210	2,428

	2010	2009
	Amount	Amount
	recognised	recognised
	£'000	£'000
Difference between depreciation and capital allowances	2,311	2,740
Other timing differences	(101)	(312)
	2,210	2,428

At 31 December 2010 and 31 December 2009 there were no unrecognised deferred tax items

18 Called up share capital

	2010	2009
	£'000	£'000
Allotted and fully paid		
10,001 (2009 10,001) ordinary shares of £1 each	10	10

SunGard Availability Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

19 Reserves

	Share premium account £'000	Other reserve £'000	Profit and loss account £'000
At 1 January 2010	119,975	329	42,633
Employee share options recharge from parent undertaking (note 24)	-	(212)	-
Profit for the financial year	-	-	10,269
Dividends (note 21)	-	-	(6,758)
At 31 December 2010	119,975	117	46,144

Other reserves relates to the FRS 20 'Share-based Payment' charge for employee share option plans
See note 24

20 Reconciliation of movements in shareholders' funds

	2010 £'000	2009 £'000
Profit for the financial year	10,269	11,520
Dividends (note 21)	(6,758)	(6,252)
Employee share options (note 24)	(212)	(200)
Net increase in shareholders' funds	3,299	5,068
Opening shareholders' funds	162,947	157,879
Closing shareholders' funds	166,246	162,947

21 Dividends

	2010 £'000	2009 £'000
Interim paid of £676 per £1 share (2009 £625)	6,758	6,252

22 Financial commitments

Annual commitments under non-cancellable operating leases are as follows

	2010		2009	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Operating leases which expire				
Within one year	307	480	132	556
Between two and five years	7,261	2,267	5,222	2,051
Over five years	12,388	-	13,803	-
	19,956	2,747	19,157	2,607

23 Pension scheme

The company operates a defined contribution pension scheme. The pension cost for the year of £1,115,000 (2009 £1,012,000) represents contributions paid by the company to the scheme. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

SunGard Availability Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

24 Share-based payments

The company adopted FRS 20, 'Share-based Payment', on 1 January 2006 and recorded share-based payment expense for all awards granted after 7 November 2002 and still outstanding as of adoption date

Awards of time-based and performance-based options have been granted to purchase "Units" in SunGard Capital Corp and SunGard Capital Corp II (holding companies for SunGard Data Systems Inc collectively referred to as "Parents") Each "Unit" consists of 1.3 shares of Class A common stock and 0.1444 shares of Class L common stock of SunGard Capital Corp and 0.05 shares of preferred stock of SunGard Capital Corp II Option Units are exercisable only for whole Units and cannot be separately exercised for the individual classes of stock Beginning in 2007, hybrid equity awards generally were granted under the Plan, which awards are composed of restricted stock units ("RSUs") for Units and options to purchase Class A common stock in SunGard Capital Corp All awards under the Plan are granted at fair market value on the date of grant

Time-based options vest over five years as follows: 25% one year after date of grant, and 1/48th of the remaining balance each month thereafter for 48 months Time-based RSUs vest over five years as follows: 10% one year after date of grant, and 1/48th of the remaining balance each month thereafter for 48 months Performance-based options and RSUs vest upon the attainment of certain annual or cumulative earnings goals based on Internal EBITA (defined as income from operations before amortization of acquisition-related intangible assets, stock compensation expense and certain other items) targets during a specified performance period, generally five years Time-based and performance-based options can partly or fully vest upon a change of control and certain other termination events, subject to certain conditions, and expire ten years from the date of grant Once vested, time-based and performance-based RSUs become payable in shares upon the first to occur of a change of control, separation from service without cause, or the date that is five years after the date of grant During the third quarter of 2009, Parents amended the terms of unvested performance awards granted prior to 2009 by (i) reducing performance targets for 2009 and 2010, (ii) reducing the number of shares that are earned at the reduced targets, (iii) delaying vesting of earned shares, and, (iv) in the case of RSUs, increasing the length of time for distribution, or release, of vested awards All award holders participated in the amendments All amended equity awards were revalued at the modification dates at the respective fair market value There was no expense recognized as a result of the modifications During the second quarter of 2010, the Company amended the terms of all unvested performance awards outstanding with performance periods after 2010 by reducing the performance targets for those periods to the budgeted Internal EBITA for the applicable year All award holders participated in the amendments, and there was no expense recognized as a result of the modification

The Parents granted options to acquire their shares Time-based and performance-based options granted in 2005 and 2006 have an exercise price of \$18.00 Time-based and performance-based options granted in 2007 have an exercise price of \$20.72 Time-based and performance-based options to purchase Class A shares granted in 2008 have an exercise price of \$3.06 Time-based and performance-based RSUs were granted at a fair value of \$24.51 per Unit Time-based and performance-based RSUs were granted in 2010 at a fair value of \$21.32 per Unit

SunGard Availability Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

24 Share-based payments (continued)

The fair value of each option award is estimated on the date of grant using the Black-Scholes option-pricing model. Since SunGard Capital Corp. and SunGard Capital Corp. II are not publicly traded, equity valuations are utilized based on (a) stock market valuations of public companies in comparable businesses, (b) recent transactions involving comparable companies and (c) any other factors deemed relevant. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. Expected volatilities are based on implied volatilities from market comparisons of certain publicly traded companies and other factors. The expected term of stock options granted is derived from historical experience and expectations and represents the period of time that stock options granted are expected to be outstanding. The requisite service period is generally five years from the date of grant.

Options over ordinary share Units held by employees under the SunGard Data Systems Inc. Share Option Plan for the year ended 31 December 2010 and 31 December 2009, were as follows:

	31 December 2010		31 December 2009	
	Number of option Units	Weighted average exercise option price \$	Number of option Units	Weighted average exercise option price \$
Outstanding at the beginning of year	687,059	18.03	687,059	18.03
Options cancelled	(35,148)	18.00	-	-
Outstanding at end of year	651,911	18.03	687,059	18.03
Exercisable at end of year	379,042	18.05	328,472	18.03

Options over ordinary Class A shares held by employees under the SunGard Data Systems Inc. Share Option Plan for the year ended 31 December 2010 and 31 December 2009 were as follows:

	31 December 2010		31 December 2009	
	Number of option Units	Weighted average exercise option price \$	Number of option Units	Weighted average exercise option price \$
Outstanding at the beginning of year	55,372	3.06	55,372	3.06
Options cancelled	(12,389)	3.06	-	-
Outstanding at end of year	42,983	3.06	55,372	3.06
Exercisable at end of year	19,097	3.06	12,792	3.06

SunGard Availability Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

24 Share-based payments (continued)

The following information applied to options outstanding at 31 December 2010 and 31 December 2009

Range of exercise price \$	31 December 2010			31 December 2009		
	Number of options outstanding at year end Number	Weighted average remaining life (years)		Number of options outstanding at year end Number	Weighted average remaining life (years)	
		Expected	Contractual		Expected	Contractual
3.06	42,983	2.4	7.4	55,372	3.4	8.4
18.00	643,644	0.1	4.7	678,792	1.1	5.7
20.72	8,267	1.1	6.1	8,267	2.1	7.1

The total charge in respect of employee share option plans for the year was \$231,000, £149,000 (2009 \$361,000, £212,000) all of which related to equity settled share-based payment transactions. The charge has been included in the profit and loss account within administrative expenses \$559,000, £361,000 (2009 \$674,000, £412,000) of this charge was repaid to the parent undertaking in cash. For the remaining non-cash benefit of \$329,000, £212,000 (2009 \$313,000, £200,000) a corresponding debit has been recognised in reserves.

25 Ultimate parent undertaking and controlling party

The immediate parent undertaking is SunGard SAS Holdings Inc, a body incorporated in Delaware, USA. SunGard Data Systems Inc, a body incorporated in Delaware, USA, is the company's ultimate parent company and controlling party. SunGard Data Systems Inc is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2010 and the consolidated financial statements are available from

SunGard Data Systems Inc
680 East Swedesford Road
Wayne
Pennsylvania 19087
USA