Registered No 968498

northgate
PUBLIC SERVICES

NORTHGATE PUBLIC SERVICES (UK) LIMITED

(FORMERLY NORTHGATE INFORMATION SOLUTIONS UK LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2016

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Contents

Directors

Alan George O'Reilly (appointed 6 December 2016)

Stephen James Callaghan (appointed 10 October 2016)

Andrew Coll (resigned 6 December 2016)

David J Meaden (resigned 10 October 2016)

Ian Noble

Secretary

Pinsent Masons Secretarial Limited

Registered Office

Peoplebuilding 2
Peoplebuilding Estate
Maylands Avenue
Hemel Hempstead
Hertfordshire HP2 4NW

Auditor

KPMG LLP
58 Clarendon Road
Watford WD17 1DE

Strategic report

PRINCIPAL ACTIVITY

Northgate Public Services (UK) Limited is a member of the Argon Topco Limited group.

The principal activity of the company is providing software and outsourcing services to its public sector clients in the areas of local government, public safety, health, housing and central government.

TRADING REVIEW

Highlights for the year

Turnover for the financial year decreased by 3% to £170,556,000 (2015: £176,316,000).

Operating profit before one-off items and amortisation of intangible assets was £21,089,000 (2015: £42,888,000), and the profit for the financial year after tax was £8,353,000 (2015: profit of £29,923,000).

The business continues to focus on certain key performance indicators, namely divisional turnover, earnings before interest, tax, depreciation, amortisation and one-off items (EBITDA), and order book total contract value.

Business Model and Strategy

Our strategy is to drive continued growth in our markets through focusing on our core software platforms, IP-led business process services and business process outsourcing.

Our deep experience in the sector combined with our move to the cloud means we can deliver increasingly complex public services quickly and cost-effectively. With the HGV Levy and Blue Badge improvement programme we launched complex services within months of contract award and with no capital outlay for the client.

Risks and uncertainties

The Board has overall responsibility for the company's approach to assessing risk and the systems of internal control, and for monitoring their effectiveness. We endeavour to provide our stakeholders with a return that is consistent with a responsible assessment and mitigation of risks. This includes reviewing financial, operational and compliance controls and risk management procedures, which themselves include the security and controls around its customers and in-house data.

The Executive Committee and the Board have established ongoing processes for the identification, evaluation and management of the significant risks faced by the Company that accord with the Internal Control Guidance for Directors in the Combined Code (which only applies to UK listed companies but is used for best practice). Further independent assurance is available by auditors operating as required. All employees are accountable for operating within these policies.

The main operational risks are:
-Economic and market risk

The prevailing economic, political and market environment can affect the performance of the company's businesses. Through our continuous innovation program and product and service development the company seeks to continuously improve the service that we deliver to customers and ensure that we have a unique and market-leading suite of products and services. Cost savings to customers is a key component of the offering to customers and we continue to mitigate the effect of external cost pressures on our customers.

-Information security risk

The security of our information and technology infrastructure is crucial for maintaining the sensitive information of our customers. We have robust group-wide policies as well as staff training and monitor programmes to ensure that we protect the data of the company and our customers from theft, loss, destruction or alteration.

By order of the Board

Alan George O'Reilly
Director

Peoplebuilding 2
Peoplebuilding Estate
Maylands Avenue
Hemel Hempstead
Hertfordshire HP2 4NW

Directors' report

The directors submit their report and the financial statements of Northgate Public Services (UK) Limited ('the company') for the year ended 30 April 2016.

BUSINESS REVIEW

Current Markets

Northgate Public Services (UK) Limited is a software and outsourcing business with extensive experience in the public sector. We work with public service providers in four core markets: government agencies, local government, public safety and health and hold market-leading positions in all these areas.

We work with every police force and almost all local authorities. We also support a range of government agencies, helping them to streamline their transactions, keep transport running smoothly and manage health registries and screening systems.

Utilising technology to deliver game-changing models of public service delivery

In the UK, technology is accepted as holding the key to both public service transformation and effective policy change. Although the financial constraints on our clients will increase, our success is driven by our ability to innovate commercially and operationally to solve the problems they face. We remain confident in both the strength of the technology sector and our continued success within it.

Our decision to move our market-leading software to the cloud to meet the needs of our clients has enabled us to expand significantly within the sector and our products are increasingly seen as delivering significant value to our expanding customer base.

Looking ahead

New priorities and new challenges will continue to shape the political environment in the geographies in which we operate. By staying close to our clients and our markets to mitigate market risk and remaining focused on our core expertise we expect to deliver steady growth in the coming year.

Our services are an integral part of the community and successful, sustained relationships are critical to our success. Openness, honesty and fairness in dealing with our stakeholders – our employees, investors, clients, suppliers, government and communities – are essential for developing good relationships.

Audit Committee

The Committee assists the Board in fulfilling its overview responsibilities, primarily reviewing the reporting of financial and non-financial information, the systems of internal control and risk management, and the audit process. It comprises two representatives from the Northgate Public Services (UK) Ltd Board - the Chief Executive and Chief Financial Officer. The Committee intends to meet at least three times a year.

The terms of reference of the Audit Committee, including its role and the authority delegated to it by the Board, are available from the Company Secretary.

Auditor

Our auditor, KPMG LLP, was appointed on 26 February 2015. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Dividend policy

The Board reviews the dividend policy in conjunction with a policy of retaining significant funds for future growth. No dividends were declared during the year under review.

Employees

We actively promote an internal recruitment process encouraging internal succession planning and career development. All employees have the opportunity to elect members to an Employee Consultative Company (ECG). The ECG meets formally with Northgate Public Services (UK) Limited management on a quarterly basis to discuss issues of importance ensuring effective communication takes place with all employees. The Company also meets with the ECG as often as necessary to consult on matters important to the staff and the Company.

Directors' report (continued)

Equal opportunities and diversity

Northgate Public Services (UK) Limited aims to be an employer of choice for people from different backgrounds and through our policy and mandatory diversity training (completed annually) we promote respect for the individual and equality of opportunity for employment development and promotion. The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled it is the company policy, where practicable, to provide continuing employment under normal terms and conditions and it is the company's policy to provide training, career development and promotion to disabled employees wherever appropriate.

Health and safety

Northgate Public Services (UK) Limited has an established health and safety policy that focuses on the ability to measure performance and to pursue continuous improvement in managing health and safety. The policy is reviewed regularly by the Health and Safety Manager.

Financial

Northgate Public Services (UK) Limited has access to sources of capital that are sufficient to develop the business. Its funds are provided by a syndicate of leading banks and under the current agreement Northgate Public Services can call on up to £47 million of unused facilities as of 30 April 2016. These arrangements and the recurring nature of much of the NPS business give confidence over the Company's financial strength and provide the basis on which future investment decisions can be taken. The Board continually reviews the performance of its business and regularly reviews its divestment or investment strategies.

Donations

During the period the Company made no significant charitable donations and no political donations.

Relationships with key stakeholders

Northgate Public Services manages its relationships with key stakeholders as follows:

Customers
Northgate Public Services (UK) Limited customers have a nominated individual through which all customer contact is managed. Larger customers have dedicated account managers or teams that focus directly on customer needs. A number of active user groups are in place where customers can provide feedback on product performance, future requirements and issues of strategic significance.

Suppliers and partners
Northgate Public Services (UK) Limited performs reviews of its key suppliers and partners on a regular basis to ensure that maximum performance and value are being obtained, and that risk and reward are equitably shared. NPS negotiates clear agreements within which the Company and its suppliers operate.

Significant events since the period end

Since the period end the company has had no significant post balance sheet events.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company auditor is unaware and each director has taken the steps they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the Board

Alan George O'Reilly
Director

Peoplebuilding 2
Peoplebuilding Estate
Maylands Avenue
Hemel Hempstead
Hertfordshire HP2 4NW

Statement of directors' responsibilities in respect of the Strategic Report, Directors' Report and Financial statements

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice, including FRS 101 *Reduced Disclosure Framework)*.

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 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; 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Northgate Public Services (UK) Limited

We have audited the financial statements of Northgate Public Services (UK) Limited for the period ended 30 April 2016 set out on pages 8 to 28.The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 30 April 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period 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.

M Matthewman

Mark Matthewman (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

31 January 2017

Profit and loss account and other comprehensive income

	Notes	Year ended 30 April 2016 £'000	Year ended 30 April 2015 £'000
Turnover	2	**170,556**	176,316
Operating costs	3	**(157,997)**	(140,956)
Operating profit		**12,559**	35,360
Underlying EBITDA*		**21,089**	42,888
Non-recurring items	3	**(4,300)**	(5,658)
Amortisation of post acquisition intangible fixed assets	11	**(4,230)**	(1,870)
Operating profit		**12,559**	35,360
Interest receivable and similar income	4	**234**	575
Interest payable and similar charges	5	**(1,882)**	(3,446)
Other finance costs	6	**(1,575)**	(1,597)
Profit on ordinary activities before taxation	7	**9,336**	30,892
Taxation on profit on ordinary activities	8	**(983)**	(969)
Profit for the financial year	22	**8,353**	29,923

*Underlying EBITDA represents profitability before interest, taxation, amortisation of intangible fixed assets and non-recurring items, details of which are contained in note 3.

Other comprehensive income

	Notes	Year ended 30 April 2016 £'000	Year ended 30 April 2015 £'000
Profit for the financial year		**8,353**	29,923
Actuarial loss recognised in the pension schemes	20	**(3,449)**	(7,214)
Deferred tax arising on the actuarial loss recognised in the pension schemes	16	**690**	1,443
Total comprehensive income for the year		**5,594**	24,152

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

Balance Sheet

	Notes	30 April 2016 £'000	30 April 2015 £'000
Non-current assets			
Intangible fixed assets	11	155,153	146,357
Tangible fixed assets	12	8,188	7,510
Investments	13	130,081	130,081
Total non-current assets		293,422	283,948
Current assets			
Stocks	14	996	498
Debtors (including £3,086,000 due after more than one year (2015: £3,827,000))	15	75,777	88,687
Cash at bank and in hand		15,324	22,650
Total current assets		92,097	111,835
Total assets		385,519	395,783
Shareholders' funds			
Called up share capital	21	20,004	20,004
Share premium account	22	40,828	40,828
Capital contribution	22	4,519	4,519
Retained earnings	22	86,613	81,019
Total Shareholders' funds		151,964	146,370
Non-current liabilities			
Trade and other payables	18	1,226	2,421
Provisions for liabilities	19	997	997
Pension liabilities	20	16,998	14,844
Total non-current liabilities		19,221	18,262
Current liabilities			
Trade and other payables	17	214,334	231,151
Total current liabilities		214,334	231,151
Total liabilities and shareholders' funds		385,519	395,783

Approved by the Board of Directors on 31 Jan 2017 and signed on its behalf by:

Alan George O'Reilly
Director

Statement of changes in equity

	Share capital	*Share premium*	*Capital contribution*	*Retained earnings*	*Equity shareholders' funds*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
Balance at 30 April 2014	**20,004**	**40,828**	**4,519**	**56,867**	**122,218**
Profit for year ended 30th Apr 2015	-	-	-	29,923	**29,923**
Other comprehensive income for the year:					
Re-measurements of defined benefit pension schemes	-	-	-	(7,214)	**(7,214)**
Deferred tax on re-measurements of defined benefit pension schemes	-	-	-	1,443	**1,443**
Balance at 30 April 2015	**20,004**	**40,828**	**4,519**	**81,019**	**146,370**
Profit for year ended 30th April 2016	-	-	-	8,353	**8,353**
Other comprehensive income for the year:					
Re-measurements of defined benefit pension schemes	-	-	-	(3,449)	**(3,449)**
Deferred tax on re-measurements of defined benefit pension schemes	-	-	-	690	**690**
Balance at 30 April 2016	**20,004**	**40,828**	**4,519**	**86,613**	**151,964**

Notes to the financial statements

1. ACCOUNTING POLICIES

Northgate Public Services (UK) Limited is a company incorporated and domiciled in the UK.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1, whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the company is provided in note 25.

The consolidated accounts of Argon Topco Limited, within which this company is included, can be obtained from the address on note 24.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel;

As the consolidated financial statements of Argon Topco Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 30 April 2014 for the purposes of the transition to FRS 101.

Going concern

The company's business activities, together with the factors likely to affect its future position, are set out in the Business Review section of the strategic report and the directors' report on pages 3 to 5. The company has access to funds provided by Argon Topco Limited, a parent company. The directors, having assessed the responses of the directors of Argon Topco Limited to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Argon Topco Limited group to continue as a going concern. On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Argon Topco Limited, the company's directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Recognition of revenue

The recognition of the company's revenue was in line with the group's policy on revenue recognition, which is as follows:

Revenue on the outright sale of equipment and standard software, where no significant vendor obligations exist, is recognised on despatch. Revenue on non-standard software or where significant vendor obligations exist is recognised on customer acceptance. All revenue is reported exclusive of value added tax and other sales tax.

The group's approach to revenue recognition is that revenue is only recognised when:

1. persuasive evidence of an arrangement exists;
2. the price to the customer is fixed or determinable;
3. any services deliverable under the supply arrangement are clearly separable from the software supply;
4. physical delivery has occurred or services have been rendered;
5. contract milestones have been achieved; and
6. collectability is reasonably assured and there are no material outstanding conditions or contingencies attaching to receipt monies due

Notes to the financial statements

1.. ACCOUNTING POLICIES (continued)

Recognition of revenue (continued)

Revenue from the sale of perpetual software product licences is recognised at the time the software licence is granted in accordance with agreed contractual triggers, typically the supply of the software product to the customer. Revenue from the sale of term software product licences is recognised over the term of the license. Revenues from the attendant installation, maintenance and support services are recognised proportionately over the period that the services are provided with due regard for future anticipated costs. Payments received in advance of services are recorded in the balance sheet as deferred income.

Revenue from professional services (project management, implementation and training) is recognised as the services are performed. Revenue from software support and hardware maintenance agreements is recognised rateably over the term of the agreement. On contracts involving a combination of products and services, revenue is recognised separately on each deliverable in accordance with the above policy, unless all deliverables are considered to be interdependent when revenue is recognised on final acceptance.

On major contracts extending over more than one accounting period, revenue is taken based on the stage of completion when the outcome of the contract can be foreseen with reasonable certainty and after allowing for costs to completion.

When equipment and software licences are sold on deferred payment terms that include a financing element, the present value of the amounts receivable, after calculating a deduction for maintenance, is recognised in revenue. Interest income arising, which represents the turnover from this financing operation, is included in revenue and recognised over the term of the lease.

When equipment is an equipment lease or interest in a software licence, revenue is taken on the sales value after deferral of income for future maintenance, where applicable.

Revenue for maintenance on equipment or software licences as described above is released to revenue over the period of the contract. The related interest is credited to profit over the same period and represents a constant proportion of the balance outstanding.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Intangible fixed assets and amortisation

Goodwill is stated at costs less any accumulated impairment losses. Goodwill is allocated to cash-generating units. It is not amortised but is tested annually for impairment. This is not in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 which requires that all goodwill be amortised. The directors consider that this would fail to give a true and fair view of the profit for the year and that the economic measure of performance in any period is properly made by reference only to any impairment that may have arisen. It is not practicable to quantify the effect on the financial statements of this departure.

Negative goodwill arising on business combinations in respect of acquisitions is included within fixed assets and released to the profit and loss account in the periods in which the non-monetary assets arising on the same acquisition are recovered, whether through depreciation or sale. Any excess exceeding the fair value of the non-monetary assets acquired shall be recognised in profit or loss in the periods expected to benefit.

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development.

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (continued)

Intangible fixed assets and amortisation (continued)

Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

The cost of an intangible asset acquired in a business combination is its fair value at the acquisition date.

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- capitalised development costs - 5 years

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets, other than land, at rates calculated to write off the cost less estimated residual value of each asset evenly over its estimated useful life as follows:

Short leasehold improvements	Life of the lease
Fixtures and fittings, equipment	2-10 years
Motor vehicles	4 years

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Investments

Investments in subsidiary undertakings are stated at cost unless, in the opinion of the directors, there has been impairment to their value in which case they are immediately written down to their estimated recoverable amount.

Pensions

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. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

The company also operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company.

Pension scheme assets are measured using market values. For quoted securities, the current bid price is taken as market value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Financial guarantee contracts

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements, and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until when it becomes probable that the company will be required to make payment under the guarantee.

Notes to the financial statements (continued)

1. ACCOUNTING POLICIES (continued)

Classification of financial instruments issued by the company

Financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under the conditions that are potentially unfavourable to the company; and

b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy. The finance cost is correspondingly recognised in the profit and loss account over the life of the instrument.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholder's funds are dealt with as appropriate in the reconciliation of movements in shareholders' funds.

2. TURNOVER AND SEGMENTAL ANALYSIS

Turnover represents the amounts derived from the provision of goods and services stated net of value added tax, and includes interest arising on sales of equipment and software licenses on deferred payment terms. The company's entire turnover derives from the company's principal activity being the development and supply of information solutions, and has only one operating division, the Public Services division, into which all revenue and costs are attributed. All turnover and operating profit arises in the United Kingdom and in Ireland from the same class of business.

3. OPERATING COSTS

	Notes	Year ended 30 April 2016 £'000	Year ended 30 April 2015 £'000
Purchases of goods for resale, raw materials and consumables		34,142	26,288
Staff costs:			
Wages and salaries		61,803	65,710
Social security costs		7,291	7,916
Other pension costs defined contribution	20	3,225	3,188
Other pension costs defined benefit - current year service cost	20	745	669
Amortisation of intangible fixed assets - purchased software	11	399	608
Amortisation of intangible fixed assets - development costs	11	4,230	1,870
Depreciation of owned assets	12	1,708	1,549
Depreciation of assets held under finance leases	12	246	721
Other external operating charges		39,908	26,779
		153,697	135,298
One-off costs:			
Severance and restructuring		3,818	577
Business integration, development and business transformation		482	5,081
		4,300	5,658
		157,997	140,956

Notes to the financial statements (continued)

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 30 April 2016 £'000	Year ended 30 April 2015 £'000
Bank interest receivable	234	575
	234	575

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 30 April 2016 £'000	Year ended 30 April 2015 £'000
Bank interest payable	1,296	655
Foreign exchange loss	251	2,280
Finance charges payable under finance leases	335	511
	1,882	3,446

6. OTHER FINANCE COSTS

	Notes	Year ended 30 April 2016 £'000	Year ended 30 April 2015 £'000
Net pension finance expense	20	1,575	1,597
		1,575	1,597

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging/(crediting):	Year ended 30 April 2016 £'000	Year ended 30 April 2015 £'000
Research and development expenditure	10,532	11,949
Operating lease rentals:		
Land and buildings	833	1,482
Rental income relating to property	(94)	(66)
Plant and machinery	429	569
Auditor's remuneration in respect of the audit for these financial statements	45	45

Amounts paid to the company's auditor in respect of services to the company other than the audit of these financial statements have not been disclosed as the information is instead disclosed on a consolidated basis in the Annual Report and Accounts of Argon Topco Limited.

Notes to the financial statements (continued)

8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises:	Notes	Year ended 30 April 2016 £'000	Year ended 30 April 2015 £'000
Current tax			
Current tax charge		-	-
Adjustments relating to prior periods		(230)	-
Current tax credit		(230)	-
Deferred tax			
Current year charge		1,565	563
Change in the tax rate		-	-
Adjustments relating to prior periods		(352)	406
Deferred tax expense	16	1,213	969
Total tax expense		983	969

Reconciliation of effective tax rate

The rate of UK Corporation Tax for the year ended 30 April 2016 was 20%.

The current tax charge for the year differs from that calculated by applying the standard rate of corporation tax in the UK to profit before tax. The differences are as follows:

	Year ended 30 April 2016 £'000	Year ended 30 April 2015 £'000
Profit on ordinary activities before taxation	9,336	30,892
Tax on profit at average UK corporation tax rate of 20.08% (2015: 20.8%)	1,875	6,426
Depreciation in excess of capital allowances	104	77
Income not chargeable to tax/(expenses not deductible for tax)	2,000	3,207
Group relief received but not paid for	(3,969)	(9,374)
Reversal of temporary differences	1,565	563
Adjustments relating to prior periods	(582)	406
Short term timing differences	(10)	(336)
Total current tax expense	983	969

The Finance Act 2015 set the CT main rate at 20% for the Financial Year 2016. At the Summer Budget 2015, the government announced a reduction in the rate from 20% to 19% for the year beginning 1 April 2017, with a further reduction from 19% to 18% for the year beginning 1 April 2020. At Budget 2016, the government announced a further reduction to the Corporation Tax main rate (for all profits except ring fence profits) for the year starting 1 April 2020, setting the rate at 17%.

Notes to the financial statements (continued)

9. DIRECTORS' REMUNERATION

	Year ended 30 April 2016 £'000	Year ended 30 April 2015 £'000
Directors' emoluments	1,049	2,386
Pension contributions to defined contribution pension schemes	38	65
	1,087	2,451
The following relate to the highest paid director:		
Emoluments	564	1,296

	Year ended 30 April 2016 Number	Year ended 30 April 2015 Number
Number of directors who have benefits accruing to them under:		
Defined contribution schemes	1	1
Defined benefit schemes	2	2

10. EMPLOYEES

The average number of persons employed by the company, including directors, was as follows:

	Year ended 30 April 2016 Number	Year ended 30 April 2015 Number
Business Transformation	32	33
Executive	1	1
Sales	81	93
Operations	412	421
Product Support	588	592
Consulting	413	395
Support Functions	133	123
Average number employed during the year	1,660	1,658

Notes to the financial statements (continued)

11. INTANGIBLE FIXED ASSETS

	Notes	Goodwill	Purchased software	Capitalised Development	Total
		£'000	£'000	£'000	£'000
Cost					
At 1 May 2015		207,195	4,641	9,349	221,185
Additions		-	1,624	11,800	13,424
At 30 April 2016		**207,195**	**6,265**	**21,149**	**234,609**
Amortisation					
At 1 May 2015		68,486	4,472	1,870	74,828
Charge for the year	3	-	398	4,230	4,628
At 30 April 2016		**68,486**	**4,870**	**6,100**	**79,456**
Net book value					
At 30 April 2016		**138,709**	**1,395**	**15,049**	**155,153**
At 30 April 2015		138,709	169	7,479	146,357

12. TANGIBLE FIXED ASSETS

	Notes	Short leasehold improvements	Fixtures, fittings, equipment and motor vehicles	Total
		£'000	£'000	£'000
Cost				
At 1 May 2015		1,227	14,917	16,144
Additions		500	2,132	2,632
At 30 April 2016		**1,727**	**17,049**	**18,776**
Depreciation				
At 1 May 2015		829	7,805	8,634
Charge for the year	3	160	1,794	1,954
At 30 April 2016		**989**	**9,599**	**10,588**
Net book value				
At 30 April 2016		**738**	**7,450**	**8,188**
At 30 April 2015		398	7,112	7,510

The net book value of fixtures, fittings, equipment and motor vehicles at 30 April 2016 includes £2,836,000 (2015: £3,217,000) in respect of assets held under finance leases. Depreciation on those assets for the year ended 30 April 2016 amounted to £246,000 (2015: £721,000).

Notes to the financial statements (continued)

13. INVESTMENTS

	Subsidiary undertakings
Cost	**£000**
At 1 May 2015 and 30 April 2016	**131,234**
Provision for impairment	
At 1 May 2015 and 30 April 2016	(1,153)
Net book value	
At 30 April 2016	**130,081**
At 30 April 2015	130,081

The company's subsidiary undertakings at 30 April 2016, whose principal activity is the development and supply of software and related services (except where indicated), and which are all wholly owned and have only ordinary share capital, were:

Name:		**Country of Incorporation:**
Blue 8 Technologies Limited, and its subsidiary undertakings	Φ	England and Wales
Blue 8 Systems Limited	Φ	England and Wales
Blue 8 Technologies UK Limited	Φ	England and Wales
CIM Systems Limited	Φ	England and Wales
FHS First Housing Software Limited		Canada
First Software Limited, and its subsidiary undertaking	Φ	England and Wales
First Software Limited		England and Wales
Kendric Ash Limited, and its subsidiary undertaking	Φ	England and Wales
Kendric Ash Trustees Limited	Φ	England and Wales
McDonnell Limited	Φ	England and Wales
Microcentre Limited		Scotland
MVM Holdings Limited (holding company), and its subsidiary undertakings	Φ	England and Wales
MVM Central Land Charges Limited	Φ	England and Wales
MVM Cleveland	Φ	England and Wales
MVM Infrastructure Management Limited	Φ	England and Wales
MVM Pickwick Limited	Φ	England and Wales
NPS (UK4) Limited	Φ	England and Wales
Northgate PS Limited		Republic of Ireland
NPS (UK2) Limited (holding company), and its subsidiary undertakings	Φ	England and Wales
Braid Hill Holdings Limited	Φ	Scotland
Braid Hill Software Limited	Φ	Scotland
Business Computer Technology Limited	Φ	Scotland
CME Software Systems Limited	Φ	England and Wales
CME Systems Limited	Φ	England and Wales
Ideal Technology Services Limited	Φ	England and Wales
Imasys Local Government Limited	Φ	England and Wales
Micro Surveys Property Systems Limited	Φ	England and Wales
NPS (UK7) Limited	Φ	England and Wales
NPS (UK9) Limited	Φ	England and Wales
NPS (UK5) Limited	Φ	England and Wales
NPS (UK6) Limited	Φ	England and Wales
NPS (UK10) Limited	Φ	England and Wales
NPS (UK8) Limited	Φ	England and Wales
Sheridan Systems Limited	Φ	England and Wales
Transform Systems & Solutions Limited	Φ	England and Wales

Notes to the financial statements (continued)

13. INVESTMENTS (continued)

Northgate Public Services Pty Limited, and its subsidiary undertakings	Φ	Australia
SX3 Pty Limited	Φ	Australia
First Software Pty Limited	Φ	Australia
NPS (UK1) Limited	Φ	England and Wales
PBSD Limited, and its subsidiary undertakings	Φ	England and Wales
Daman Limited	Φ	England and Wales
Prolog Business Solutions Limited	Φ	England and Wales
Pro-IV Japan KK	Φ	Japan
SX3 Limited		Hong Kong
SX3 Limited		Northern Ireland
SX3 Limited		Republic of Ireland
Techsas Limited	Φ	England and Wales
XBS Limited		England and Wales

Φ Non trading

14. STOCKS

	30 April 2016 £'000	30 April 2015 £'000
Finished goods and goods for resale	996	498
	996	498

15. DEBTORS

	Notes	30 April 2016 £'000	30 April 2015 £'000
Due within one year			
Trade debtors		35,213	30,430
Amounts owing by group undertakings		7,393	7,264
Tax recoverable		963	482
Deferred tax	16	304	228
Prepayments and accrued income		28,245	45,846
Other debtors		573	610
		72,691	84,860
Due after more than one year			
Trade debtors		210	287
Deferred tax	16	2,876	3,540
		3,086	3,827
Total debtors		75,777	88,687

Notes to the financial statements (continued)

16. DEFERRED TAX

The elements of deferred tax are as follows:

	Notes	30 April 2016 £'000	30 April 2015 £'000
Deferred tax on deficit in defined benefit pension scheme	20	3,776	3,711
Difference between accumulated depreciation and capital allowances		3,874	3,540
Short term timing differences		(694)	228
Undiscounted deferred tax asset		3,180	3,768
Total recognised deferred tax asset		6,956	7,479
Deferred tax asset due within one year	15	304	228
Deferred tax asset due after more than one year	15	2,876	3,540
		3,180	3,768

The deferred tax asset associated with the pension liability is deemed recoverable by the directors and hence the pension liability is stated net of deferred tax.

The movement on the total deferred tax asset comprises:	Notes	Deferred tax £'000
At 1 May 2015		7,479
Profit and loss account	8	(1,213)
Other comprehensive income		
deferred tax arising on actuarial (gain)/loss recognised in the pension schemes		690
At 30 April 2016		**6,956**

17. TRADE AND OTHER PAYABLES (CURRENT)

	30 April 2016 £'000	30 April 2015 £'000
Obligations under finance leases	1,310	1,718
Trade creditors	20,486	21,359
Amounts owed to group undertakings	96,581	131,582
Corporation tax	-	-
Social security and taxation	9,430	5,879
Other creditors and accruals	27,307	14,644
Deferred income	59,220	55,969
	214,334	231,151

Notes to the financial statements (continued)

18. TRADE AND OTHER PAYABLES (NON-CURRENT)

	30 April 2016	30 April 2015
	£'000	£'000
Obligations under finance leases 2-5 years	1,226	2,421
	1,226	2,421

19. PROVISIONS FOR LIABILITIES

	Restructuring provisions	Property provisions	Total
	£'000	£'000	£'000
At 1 May 2015	-	997	997
Recognised in the profit and loss account	-	-	-
Utilised in the year	-	-	-
At 30 April 2016	-	997	997

Restructuring and other provisions

The company has provided in full for the anticipated costs of restructuring and the provision is the directors' best estimate of this cost.

Property provisions

The provision relates to properties that have either been sublet or are vacant. It consists of the discounted value of the future liabilities on the property less any expected future sublet receipts extrapolated to the earliest break point in the contract. In addition there is a dilapidations provision to make the property good at the end of the lease. This is made for all leased properties expiring within the next three years.

20. EMPLOYEE BENEFITS - PENSION SCHEMES

(a) Defined benefit scheme

The company operates a defined benefit pension scheme, the Northgate Public Services Pension Scheme (formerly named the Northgate Information Solutions Pension Scheme), which is closed to new entrants. The scheme funds are administered by trustees and are independent of the company's finances. Contributions are paid to the scheme in accordance with the Schedule of Contributions agreed between the trustee and the employers.

The scheme provides benefits for current and former employees of the company.

The expected rate of return on assets for the financial year ending 30 April 2016 was 5.0% pa (2015: 5.0% pa). The expected rate of return on scheme assets is determined as the company's best estimate of the long term return of major asset classes – equities, bonds, gilts, property, active currency, hedge funds and cash – weighted by the current strategic allocation at the company's best estimate of the long term return of major asset classes - equities, LDI, corporate bonds, secured loans and diversified growth funds - weighted by the current strategic allocation at the measurement date, less expenses.

The estimated amount of total employer contributions expected to be paid to the scheme over the year ending 30 April 2016 is £2.8m (2015: £2.4m).

The draft results of the formal actuarial valuation as at 31 October 2010 were updated to the accounting date by an independent qualified actuary. As required by International Accounting Standard 19 *Employee Benefits*, the defined benefit liabilities have been measured using the projected unit method. The scheme is closed to new entrants and, under the method used to calculate pension costs in accordance with International Accounting Standard 19, the service cost as a percentage of pensionable payroll will tend to increase as the average age of the membership increases.

Actuarial valuations of the scheme are carried out triennially. The last valuation was as at 31 October 2010. The accounting deficit was updated to 30 April 2016 by an independent qualified actuary, which disclosed a deficit in the scheme before deferred tax of £20,775,000 (2015: deficit £18,555,000). Extra contributions have been made and will continue to be made until 2017 to the scheme

Notes to the financial statements (continued)

20. EMPLOYEE BENEFITS - PENSION SCHEMES (continued)

(a) Defined benefit scheme (continued)

The main financial assumptions used for the scheme were:

	30 April 2016	30 April 2015
Retail price inflation	3.4%	3.5%
Consumer price inflation	2.0%	2.1%
Rate of increase in salaries	1.0%	1.0%
Rate of increase for pensions in payment and deferred pensions (LPI 5% where applicable)	2.8%	3.0%
Discount rate for scheme liabilities	3.4%	3.5%

The post-retirement mortality assumptions allow for future improvements in mortality. The assumed life expectancy for a man retiring at age 65 at the accounting date is 22.7 years (2015: 22.6). Allowance has been made for further improvements to mortality, whereby the assumed life expectancy of a man retiring at age 65 in 20 years time is 24.5 years (2015: 24.4 years).

The amount included in the balance sheet arising from the company's obligations in respect of the scheme is as follows:

	Notes	30 April 2016 £'000	30 April 2015 £'000
Present value of scheme liabilities		(111,606)	(111,535)
Fair value of scheme assets		90,832	92,980
Deficit before deferred tax		(20,774)	(18,555)
Deferred tax asset	16	3,776	3,711
Deficit after deferred tax		(16,998)	(14,844)

The amounts recognised in the profit and loss account are as follows:		Year ended 30 April 2016 £'000	Year ended 30 April 2015 £'000
Current service costs		745	669
Past service cost		-	-
Interest cost	6	3,853	4,223
Expected return on scheme assets	6	(3,247)	(3,711)
Total operating charge		1,351	1,181

Current service costs are recognised in the profit and loss account, operating costs, and interest costs and expected return on scheme assets are recognised through the profit and loss account, other finance costs.

The allocation of the scheme's assets is as follows:	Year ended 30 April 2016	Year ended 30 April 2015
Equities	19%	20%
Bonds/LDI	9%	11%
Diversified growth funds	34%	33%
Multi-asset credit	8%	7%
Emerging market multi-asset	9%	10%
Property	10%	10%
Cash and other	11%	9%
	100%	100%

Notes to the financial statements (continued)

20. EMPLOYEE BENEFITS - PENSION SCHEMES (continued)

(a) Defined benefit scheme (continued)

Changes in the present value of the defined benefit obligation are as follows:	Year ended 30 April 2016 £'000	Year ended 30 April 2015 £'000
Defined benefit obligation at 1 May	111,535	96,038
Employer's part of current service cost	745	669
Past service cost	-	-
Interest cost	3,853	4,223
Settlement in respect of employees transferred to another scheme	-	(2,073)
Actuarial (gain)/loss	(1,655)	15,052
Benefits paid	(2,872)	(2,374)
Curtailment/settlement	-	-
Defined benefit obligation at 30 April	111,606	111,535

Changes in the fair value of the scheme assets are as follows:	Year ended 30 April 2016 £'000	Year ended 30 April 2015 £'000
Fair value of the scheme assets at 1 May	92,980	83,062
Interest on plan assets	3,247	3,711
Actual return less interest on plan assets	(5,104)	7,840
Actuarial (loss)/gain	-	-
Contributions by the employer	2,804	3,228
Settlement in respect of employees transferred to another scheme	-	(2,073)
Benefits paid	(2,871)	(2,374)
Running costs	(224)	(414)
Fair value of the scheme assets at 30 April	90,832	92,980

The actual loss on the scheme assets over the year was £1,857,000 (2015: gain of £11,551,000).

The amount recognised outside the profit and loss account in the statement of total recognised gains and losses for the year ended 30 April 2016 is a loss of £3,449,000 (2015: loss of £7,214,000). The cumulative amount recognised outside the profit and loss account at 30 April 2016 is a loss of £20,461,000.

Notes to the financial statements (continued)

20. EMPLOYEE BENEFITS - PENSION SCHEMES (continued)

(a) Defined benefit scheme (continued)

The amounts to be shown for the current period and four previous periods are as follows:

	At 30 April				
	2016	2015	2014	2013	2012
	£'000	£'000	£'000	£'000	£'000
Present value of defined benefit obligations	(111,606)	(111,535)	(96,038)	(96,027)	(82,108)
Fair value of plan assets	90,832	92,980	83,062	80,836	72,400
Deficit	(20,774)	(18,555)	(12,976)	(15,191)	(9,708)

History of experience gains and losses:	Year ended 30 April				
	2016	2015	2014	2013	2012
	£'000	£'000	£'000	£'000	£'000
Actual return less expected return on scheme assets	5,104	(7,840)	(1,802)	4,024	377
Percentage of scheme assets	6%	(8%)	(2%)	5%	1%
Experience (losses)/gains arising on schemes' liabilities	(1,005)	(463)	309	-	(1,029)
Percentage of the IAS19 value of the schemes' liabilities	(1%)	-%	-%	-%	(1%)
(Losses)/gains due to changes in assumptions underlying the present value of schemes' liabilities	(650)	15,517	1,739	(11,487)	(2,806)
Percentage of the IAS19 value of the schemes' liabilities	(1%)	14%	2%	(12%)	(3%)
Actuarial gains/(losses) recognised in the statement of total realised gains and losses	3,449	7,214	246	(7,463)	(3,458)
Percentage of the IAS19 value of the schemes' liabilities	3%	6%	-%	(8%)	(4%)

(b) Defined contribution scheme

The company operates a defined contribution scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and for the year ended 30 April 2016 amounted to £3,225,000 (2015: £3,188,000). At 30 April 2016 contributions payable to the scheme and included in creditors were £nil (2015: £nil).

21. CALLED UP SHARE CAPITAL

	30 April 2016	30 April 2015
	£'000	£'000
Allotted, called up and fully paid		
20,003,534 ordinary shares of £1.00	20,004	20,004

Notes to the financial statements (continued)

22. RESERVES

	Notes	Share Premium	Capital contribution	Profit and loss account
		£'000	£'000	£'000
At 1 May 2015		40,828	4,519	81,019
Profit and loss account		-	-	8,353
Actuarial loss on defined benefit pension scheme	20	-	-	(3,449)
Deferred tax on the actuarial gain		-	-	690
At 30 April 2016		**40,828**	**4,519**	**86,613**

23. FINANCIAL COMMITMENTS

Total commitments under non-cancellable operating leases are as follows:

	30 April 2016		30 April 2015	
	Land and buildings	Other	Land and buildings	Other
Leases expiring:	£'000	£'000	£'000	£'000
Within one year	223	4	356	203
Within two to five years	4,255	1,227	4,242	1,382
Thereafter	3,003	376	3,379	453
	7,481	1,607	7,977	2,038

24. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The immediate holding company is NPS (Holdings) Limited, a company registered in England and Wales. The ultimate parent company is Argon Topco Limited, a company registered in Jersey, which in turn is controlled by funds advised by Cinven Capital Management (V) General Partner Limited.

The largest group in which the results of the company are consolidated is that headed by Argon Topco Limited, and the smallest group is that headed by Argon Topco Limited, a company registered in Jersey. No other group financial statements include the results of the company. Copies of the group accounts can be obtained from the registered office at 11-15 Seaton Place, St Helier, Jersey JE4 0QH.

25. EXPLANATION OF TRANSITION TO FRS 101 FROM OLD UK GAAP

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 30 April 2016, the comparative information presented in these financial statements for the year ended 30 April 2015 and in the preparation of an opening FRS 101 balance sheet at 1 May 2014.

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Notes to the financial statements (continued)

25. EXPLANATION OF TRANSITION TO FRS 101 FROM OLD UK GAAP (continued)

Reconciliation of Equity

	Note	UK GAAP £'000	1 May 2014 Effect of transition to FRS 101 £'000	FRS 101 £'000	30 April 2015 UK GAAP £'000	Effect of transition to FRS £'000	FRS 101 £'000
Non-current assets							
Intangible fixed assets	a,b	139,320	-	139,320	128,792	17,565	146,357
Tangible fixed assets		5,156	-	5,156	7,510	-	7,510
Investments		130,081	-	130,081	130,081	-	130,081
Total non-current assets		274,557	-	274,557	266,383	17,565	283,948
Current assets							
Stocks		574	-	574	498	-	498
Debtors		67,175	-	67,175	88,687	-	88,687
Cash at bank and in hand		41,194	-	41,194	22,650	-	22,650
Total current assets		108,943	-	108,943	111,835	-	111,835
Total assets		383,500	-	383,500	378,218	17,565	395,783
Shareholders' funds							
Called up share capital		20,004	-	20,004	20,004	-	20,004
Share premium account		40,828	-	40,828	40,828	-	40,828
Capital contribution		4,519	-	4,519	4,519	-	4,519
Profit and loss account	a,b	56,867	-	56,867	63,454	17,565	81,019
Total shareholders' funds		122,218	-	122,218	128,805	17,565	146,370
Non-current liabilities							
Trade and other payables		1,639	-	1,639	2,421	-	2,421
Provisions for liabilities		1,392	-	1,392	997	-	997
Pension liabilities		10,251	-	10,251	14,844	-	14,844
Total non-current liabilities		13,282	-	13,282	18,262	-	18,262
Current liabilities							
Trade and other payables		248,000	-	248,000	231,151	-	231,151
Total current liabilities		248,000	- #	248,000	231,151	-	231,151
Total liabilities and shareholders' funds		383,500	-	383,500	378,218	17,565	395,783

a) Under FRS 101 an internaly-generated intangible asset arising from the Company's software development is recognised only if the conditions outlined in note 1 are satisfied and any amortisation is charged to the income statement over a useful economic life of 5 years. This has led to the creation of an Intangible Asset with a Net Book Value of £7,479,000 at 30 April 2015.

b) Under FRS 101 Goodwill is not permitted to be amortised and therefore any amortisation charged after 1 May 2014 has been written back to the Goodwill value which has had the effect of increasing the value of Goodwill at 30 April 2015 by £10,086,000. This Goodwill has then been assessed for Impairment.

Notes to the financial statements (continued)

25. EXPLANATION OF TRANSITION TO FRS 101 FROM OLD UK GAAP (continued)

Reconciliation of profit for the comparative

	Notes	UK GAAP £'000	Year ended 30 April 2015 Effect of transition to FRS 101 £'000	FRS 101 £'000
Turnover		176,316	-	176,316
Operating costs	c,d	(158,521)	17,565	(140,956)
Operating profit		17,795	17,565	35,360
Operating before one-off items and amortisation of goodwill	c	33,539	9,349	42,888
One-off costs		(5,658)	-	(5,658)
Amortisation of post acquisition intangible fixed assets	c	-	(1,870)	(1,870)
Amortisation of goodwill	d	(10,086)	10,086	-
Operating profit		17,795	17,565	35,360
Interest receivable and similar income		575	-	575
Interest payable and similar charges		(3,446)	-	(3,446)
Other finance costs		(1,597)	-	(1,597)
Profit on ordinary activities before taxation		13,327	17,565	30,892
Taxation on on ordinary activities		(969)	-	(969)
Profit for the financial year		12,358	17,565	29,923

c) Under FRS 101 an internally-generated intangible asset arising from the Company's software development is recognised only if the conditions outlined in note 1 are satisfied and any amortisation is charged to the income statement over a useful economic life of 5 years. This has led to development costs of £9,349,000 being capitalised in the year ending 30 April 2015 and £1,870,000 of amortisation being charged against that.

d) Under FRS 101 Goodwill is not permitted to be amortised and therefore any amortisation charged for the year has been written back to the Goodwill value. This means that the £10,086,000 of amortisation charged under UK GAAP is not charged under FRS 101.