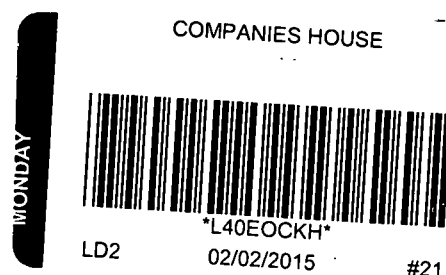




NORTHGATE INFORMATION SOLUTIONS UK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2014



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Directors

Andrew Coll

David J Meaden

Ian Noble

Edouard Pillot

Adel Al-Saleh

Kugan Sathiyandarajah

John R Stier

Secretary

Daniel W Schenck

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Hertfordshire HP2 4NW

Auditor

KPMG LLP
15 Canada Square
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Strategic Report

PRINCIPAL ACTIVITY

Northgate Information Solutions UK Limited is a member of the Northgate Information Solutions Limited group ("Northgate" or "group").

The principal activity of the company continues to be its Public Services ('PS') work with clients to deliver social, economic and environmental improvements in local government, social housing, criminal justice, public safety and central services for the Northgate group.

TRADING REVIEW

Highlights for the year

Northgate Information UK ("NIS UK") Limited has closed FY14 with strong momentum. Revenue and earnings before interest, tax, depreciation and amortisation (EBITDA) both grew; revenue by 6%, to £170.5m (2013: £160.7m) and EBITDA from £4.6m in 2013 to £16.5m.

Operating profit before one-off items, and amortisation of goodwill was £28.8m (2013: £25.1m) and the profit for the financial year after tax was £6.4m (2013: profit of £11.6m).

The Company delivered its 10th consecutive quarter of growth in both the top line (revenue) and bottom line (EBITDA). This is a significant achievement and a testimony to the successful transformation of the business. Growth was driven by innovation delivered through core technology platforms and applications to support new projects in local government as well as expansion in international markets. Our cash generation was very strong, reflecting strength to our relationships with our clients.

Order book grew 12% to reach £327.0m and the company secured in excess of £100m in Software as a Service (SaaS)-based contracts, reflecting the shift in its business to collaborative platforms that combine IP with innovative operational models. Growth was driven by innovation delivered through core technology platforms and applications to support new projects in local government as well as expansion in international markets.

The Public Services space remains a challenging environment with public organisations facing pressure and continued transformation. NIS UK's response has been to innovate and build flexible services and solutions that deliver outstanding customer value. NIS UK's solutions help clients respond to their challenges by integrating our software solutions and by combining Software as a Service (SaaS) platforms with our full Business Process as a Service (BPaaS) support. We expect momentum to continue in FY15 for the Northgate Public Services business.

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

Business Model and Strategy

In the Public Services sector, growth was driven by innovation delivered through core technology platforms and applications to support new projects in local government as well as expansion in international markets. Public service providers must take a flexible approach to delivery, and consider how they themselves may need to adapt and maintain a dialogue with citizens so that changes stay aligned to their needs and preferences.

Over the past year we have secured significant strategic contracts in our chosen markets and have continued our expansion. Over the course of the year we have driven additional efficiencies in procurement, real estate and IT to support the business's financial performance.

Risks and uncertainties

The Board has overall responsibility for the company's approach to assessing risk and recognises that creating value is the reward for taking and accepting risk. Executive management implements the Board's policies on risk and control and provides assurance on compliance with these policies. Further independent assurance is provided by an internal audit function which operates across the group, and through the external auditor. This system is designed to manage, rather than eliminate, the risk of failure to achieve corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

Strategic Report (continued)**Risks and uncertainties**

The company's financial assets and liabilities mainly comprise cash, trade payables and receivables and other payables and receivables arising directly from operations.

The main operational risks are:

- Economic and market risk

The economic environment can affect the performance of the company's businesses in terms of both sales and costs. Through development of our products and services the company works to ensure that we deliver value to all our customers. The company works hard to mitigate the impact of external cost pressures on our customers and the company's overall profitability through the delivery of cost savings.

- Credit risk

The directors review and agree policies for managing credit risk, which is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's trade and other receivables from customers. Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The company does not require collateral in respect of financial assets.

At the balance sheet date there were no significant concentrations of credit risk.

By order of the Board



John R Stier
Director
24 October 2014

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

Directors' report

The directors submit their report and the financial statements of Northgate Information Solutions UK Limited ('the company') for the year ended 30 April 2014.

BUSINESS REVIEW

Current Markets

Northgate Information Solutions UK Limited is an integrated, software and outsourcing services business. Our solutions are used extensively in the areas of Government, Housing, Police and Healthcare where we have market-leading positions.

The company understands the business of public services and the communities that they serve. For over 30 years, we have combined strategy, innovation, information and technology in a problem-solving approach that has created relationships which last.

We embrace shared value. It drives everything that we do - whether it is running services or developing software solutions. We work together with our clients in the public and not for profit sectors in trusted partnerships that fully engage the public and enhance the quality of life.

Northgate Information UK Limited works in the UK with central government, 95% of local authorities, every police force and a wide group of organisations in health and social care, social housing, utilities and transport in the UK.

BUSINESS REVIEW

Leveraging technology for people-critical services

Around the world, organisations that deliver public services are facing extraordinary challenges. The local environment may differ but change is inevitable.

Public service providers must take a flexible approach to delivery, and consider how they themselves may need to adapt and maintain a dialogue with citizens so that changes stay aligned to their needs and preferences. With growing demand but smaller budgets, doing the same for less is no longer enough; organisations must do things better and do better things.

NIS UK has responded by innovating and building flexible services and solutions that deliver outstanding value. In areas like Eligibility, Collaboration, Preventative Care and Housing, we have delivered world leading 'Software as a Service' (SaaS) platforms with full 'Business Process as a Service' (BPaaS) support.

This approach has helped deliver strong performance over the past 12 months, achieving growth in revenue and EBITDA. We have secured in excess of £100m in SaaS-based contracts, reflecting the shift in our business to collaborative platforms that combine our IPR with new commercial and operational models. We have also seen an increase in the order book of 12.0% to £327m with order intake up 18% in the year, rapidly expanding our recurring revenue base. Our cash generation was very strong, reflecting the strength of our relationships with our clients.

At the core of our success is the fact that NIS UK is an integrated software and outsourcing business, with deep experience in the public sector.

We help organisations to deliver more efficient and effective public services, working with local and central governments, health providers and public safety bodies. We support our clients to respond to new challenges, keep costs down and transform the services they provide to citizens.

Every day, the work we do means that individuals get the services they need faster, employees spend less time on administration and organisations can improve outcomes, even when resources are increasingly limited.

Success based on understanding

This is because we are a technology company that focuses on people-critical services. Our success comes from understanding the needs of the organisations that provide public services as well as the citizens that use them.

Our housing business performed strongly, with new contracts and clients in the UK and internationally. In local government, our revenues and benefits performance also remained strong and saw the successful conversion of our IPR into new commercial SaaS, BPO and BPaaS platforms.

In health, our screening and registries work continues to expand and provides an increasing proportion of our revenues and profits in this market.

In public safety we have a broad portfolio of products which continue to drive growth and will form a core part of our Athena ecosystem, the first collaborative SaaS platform in UK policing.

Directors' report (continued)**BUSINESS REVIEW***Looking ahead*

In the UK and elsewhere, public finances will remain constrained but this is a unique chance for us to help our clients to innovate and to deliver their services in new and better ways.

Our continued success would not be possible without the NIS UK Team. Our people share the same values of embracing innovation, improving customer service and enhancing quality and I would like to extend my thanks to them for their continued contribution and hard work.

DIVIDENDS

The directors do not propose a dividend (2013: £nil)

TRANSFER OF CENTRAL FUNCTIONS

On 1st May 2013, the employees and assets and liabilities relating to the central functions of Northgate Information Solutions Group (finance, human resources, executive team, treasury etc.) were transferred to Northgate Information Solutions Holdings Limited, another Group entity at book value. This resulted in a £412m reduction in amounts due from group undertakings and a corresponding reduction in net interest receivable in FY14.

DIRECTORS

The current directors of the company are listed on page 1. There have been no changes since the start of the financial year.

DISABLED PERSONS

It is the company's policy to treat people with disability on an equal basis for employment, development and promotion. Opportunities also exist for employees of the company who become disabled to continue their employment or to be trained for other positions in the company. An Equality Survey is conducted every two years.

EMPLOYEE INVOLVEMENT

The company places considerable value on the involvement of its employees and uses a variety of methods, including regular discussion platforms and the periodic publication of internal information, to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. The group conducts biennial employee surveys through a professional employee opinion consultancy to maintain a strong employee dialogue.

PENSIONS

The company participates in a defined contribution scheme, the assets of which are held separately from those of the company in independently administered funds.

The company also operates a defined benefit scheme, the Northgate Public Services Pension Scheme (formerly named the Northgate Information Solutions Pension Scheme), which is closed to new entrants. The trustee of the scheme is the corporate trustee, Northgate Pension Trustees Limited.

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 2014 by an independent qualified actuary, which disclosed a deficit in the scheme before deferred tax of £12,976,000 (2013: deficit £15,191,000). Extra contributions have been made and will continue to be made until 2017 to the scheme by the company to reduce the deficit.

The Company has established a joint working group with the Investment Sub-Committee of the Trustee to carry out a detailed review of investment strategy in light of current market conditions. The outcome of this review has led to the adoption of a liability driven investment strategy aimed at protecting returns over the long term whilst mitigating the effects of short term volatility. The Company is committed to working with the Trustee to keep the investment strategy under regular review and to explore ways of managing the pension assets and liabilities efficiently in the current economic climate.

DONATIONS

During the year the company made no charitable or political donations (2013: £ nil).

Directors' report (continued)

PAYMENTS TO SUPPLIERS

Business units are responsible for agreeing the terms and conditions under which they conduct transactions with their suppliers. The company does not have a code or standard concerning payment to suppliers.

At 30 April 2014 there were 65 days purchases in trade creditors (2013: 57 days).

DISCLOSURE OF INFORMATION TO THE 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's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



John R Stier
Director
24 October 2014

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

Statement of directors' responsibilities in respect of the 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).

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 judgments 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included in the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Northgate Information Solutions UK Limited

We have audited the financial statements of Northgate Information Solutions UK Limited for the year ended 30 April 2014 set out on pages 9 to 29.

The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our 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 statement of directors' responsibilities set out on page 7, 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 (APB'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/auditscopeprivate.cfm.

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 2014 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Mark Matthewman (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

Profit and loss account

	Notes	Year ended 30 April 2014 £'000	Year ended 30 April 2013 £'000
Turnover	2	170,478	160,683
Operating costs	3	(153,964)	(156,116)
Operating profit		16,514	4,567
Operating profit before exceptional 'one off' items and amortisation of goodwill		28,836	25,109
Exceptional costs	3	(2,179)	(10,400)
Amortisation of goodwill	11	(10,143)	(10,142)
Operating profit		16,514	4,567
Interest receivable and similar income	4	883	44,354
Interest payable and similar charges	5	(6,598)	(29,121)
Other finance costs	6	(136)	(438)
Profit on ordinary activities before taxation	7	10,663	19,362
Taxation on profit on ordinary activities	8	(4,121)	(7,811)
Profit for the financial year	22	6,542	11,551

Statement of total recognised gains and losses

		Year ended 30 April 2014	Year ended 30 April 2013
	Notes	£'000	£'000
Profit for the financial year		6,542	11,551
Actuarial gain/(loss) recognised in the pension schemes	20	246	(7,463)
Deferred tax arising on the actuarial gain/(loss) recognised in the pension schemes	16	(51)	1,717
Change in the tax rate	16	(304)	97
Currency translation difference on overseas branches		33	(85)
Total recognised gains and losses relating to the financial year		6,466	5,817

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.

Reconciliation of movements in shareholders' funds

		Year ended 30 April 2014	Year ended 30 April 2013
	Notes	£'000	£'000
Profit for the financial year		6,542	11,551
Actuarial gain/(loss) recognised in the pension schemes	20	246	(7,463)
Deferred tax arising on the actuarial gain/(loss) recognised in the pension schemes	16	(51)	1,717
Change in the tax rate	16	(304)	97
Currency translation differences on overseas branches		33	(85)
Net increase in shareholders' funds		6,466	5,817
Shareholders' funds at the start of the year		115,752	109,935
Shareholders' funds at the end of the year		122,218	115,752

Balance sheet as at 30 April 2014

	Notes	30 April 2014 £'000	30 April 2013 £'000
Fixed assets			
Intangible fixed assets	11	139,320	153,620
Tangible fixed assets	12	5,156	4,933
Investments	13	130,081	130,081
		<u>274,557</u>	<u>288,634</u>
Current assets			
Stocks	14	574	282
Debtors (including £4,511,000 due after more than one year (2013: £32,663,000))	15	67,175	509,335
Cash at bank and in hand		41,194	74,537
		<u>108,943</u>	<u>584,154</u>
Creditors: amounts falling due within one year	17	<u>(248,000)</u>	<u>(738,904)</u>
Net current liabilities		<u>(139,057)</u>	<u>(154,750)</u>
Total assets less current liabilities		135,500	133,884
Creditors: amounts falling due after more than one year	18	(1,639)	(3,945)
Provisions for liabilities	19	<u>(1,392)</u>	<u>(2,490)</u>
Net assets excluding pension liabilities		132,469	127,449
Pension liabilities	20	<u>(10,251)</u>	<u>(11,697)</u>
Net assets		<u>122,218</u>	<u>115,752</u>
Capital and reserves			
Called up share capital	21	20,004	20,004
Share premium account	22	40,828	40,828
Capital contribution	22	4,519	4,519
Profit and loss account	22	56,867	50,401
Shareholders' funds		<u>122,218</u>	<u>115,752</u>

Approved by the Board of Directors on 24 October 2014 and signed on its behalf by:



John R Stier
Director

The notes on pages 12 to 29 form part of these financial statements.

Notes to the financial statements

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with UK Generally Accepted Accounting Practice in line with the group's policy for subsidiary undertakings.

The financial statements are prepared on a going concern basis, notwithstanding net current liabilities of £139.1m, which the directors feel to be appropriate for the following reasons.

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 2 to 6. The company has access to funds provided by Northgate Information Solutions Limited, a parent company. The directors, having assessed the responses of the directors of Northgate Information Solutions Limited to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Northgate Information Solutions 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 Northgate Information Solutions 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.

Cash flow statement

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated accounts.

Related parties

As the company is a wholly owned subsidiary of Northgate Information Solutions Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated accounts of Northgate Information Solutions Limited, within which this company is included, can be obtained from the address given on page 1.

Group accounts

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.

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 the receipt of monies due.

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.

Notes to the financial statements (continued)**1. ACCOUNTING POLICIES (continued)*****Recognition of revenue (continued)***

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.

Research and development

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

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.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

Intangible fixed assets and amortisation

Purchased goodwill arising on business combinations in respect of acquisitions before 1 January 1998, when Financial Reporting Standard 10 *Goodwill and intangible assets* was adopted, was written off to reserves in the year of acquisition. When a subsequent disposal occurs any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit or loss on disposal.

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life, which, in the opinion of the directors, is normally 20 years, though the directors consider the appropriate estimated useful life of the local government contracts acquired from a fellow subsidiary undertaking during the year is 10 years. Amounts capitalised under purchased software are amortised straight line over periods between 2-5 years. Intangible fixed assets are subject to an annual impairment review. Any impairment is recognised immediately in the profit and loss account.

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.

Notes to the financial statements (continued)**1. ACCOUNTING POLICIES (continued)*****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 such time as it becomes probable that the company will be required to make a payment under the guarantee.

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.

Notes to the financial statements (continued)**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

		Year ended 30 April 2014 £'000	Year ended 30 April 2013 £'000
	Notes		
Purchases of goods for resale, raw materials and consumables		29,644	26,549
Staff costs:			
Wages and salaries		63,214	69,826
Social security costs		7,731	8,543
Other pension costs defined contribution	20	2,950	2,388
Other pension costs defined benefit - current year service cost	20	711	668
Amortisation of intangible fixed assets - current year charge	11	10,729	14,508
Amortisation of intangible fixed assets - incorrect amortisation relating to prior years		(1,777)	-
Depreciation of owned assets	12	276	493
Depreciation of assets held under finance leases	12	586	812
Loss on disposal of fixed assets		54	-
Other external operating charges		37,667	21,929
		151,785	145,716
Exceptional costs:			
Severance and restructuring		300	2,694
Business integration, development and business transformation		1,454	6,168
Property provisions		425	253
Non recurring fees and other		-	1,285
		2,179	10,400
		153,964	156,116

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 30 April 2014 £'000	Year ended 30 April 2013 £'000
Bank interest receivable	883	793
Interest receivable from group undertakings	-	37,727
Foreign exchange gain	-	5,834
	883	44,354

Notes to the financial statements (continued)

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 30 April 2014 £'000	Year ended 30 April 2013 £'000
Bank interest payable	566	1,909
Interest payable to group undertakings	4,586	26,323
Foreign exchange loss	1,144	-
Finance charges payable under finance leases	302	889
	<u>6,598</u>	<u>29,121</u>

6. OTHER FINANCE COSTS

		Year ended 30 April 2014 £'000	Year ended 30 April 2013 £'000
	Notes		
Interest on pension scheme liabilities	20	4,183	4,077
Expected return on pension scheme assets	20	(4,047)	(3,639)
		<u>136</u>	<u>438</u>

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	Year ended 30 April 2014 £'000	Year ended 30 April 2013 £'000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Research and development expenditure	14,495	12,053
Operating lease rentals:		
Land and buildings	1,474	3,033
Rental income relating to property	(42)	(594)
Plant and machinery	530	647
Auditor's remuneration in respect of the audit for these financial statements	<u>37</u>	<u>37</u>

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 Northgate Information Solutions Limited.

Notes to the financial statements (continued)**8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

		Year ended 30 April 2014 £'000	Year ended 30 April 2013 £'000
The tax charge comprises:			
	Notes		
Current tax			
Current tax charge		3,662	3,595
Adjustments relating to prior periods		(1,699)	4,239
Current tax charge		<u>1,963</u>	<u>7,834</u>
Deferred tax			
Current year charge		1,119	(558)
Change in the tax rate		475	685
Adjustments relating to prior periods		<u>564</u>	<u>(150)</u>
Deferred tax charge/(credit)	16	<u>2,158</u>	<u>(23)</u>
Total tax charge		<u><u>4,121</u></u>	<u><u>7,811</u></u>

Reconciliation of current tax

The rate of UK Corporation Tax changed from 23% to 21% from 1 April 2013. The average corporation tax rate for the year ended 30 April 2014 is 22.83%.

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 2014 £'000	Year ended 30 April 2013 £'000
Profit on ordinary activities before taxation	<u>10,663</u>	<u>19,362</u>
Tax on profit at average UK corporation tax rate of 22.84% (2013: 23.92%)	2,435	4,632
Depreciation in excess of capital allowances	210	1,190
Income not chargeable to tax/(expenses not deductible for tax)	2,035	(1,343)
Proceeds on sale of asset	-	(10)
Utilisation of tax losses - Group relief	(2,816)	(3,858)
Payments made for Group Relief	2,816	3,858
Withholding tax written off	459	(264)
Adjustments relating to prior periods	(1,699)	4,239
Short term timing differences	<u>(1,477)</u>	<u>(610)</u>
Total current tax	<u><u>1,963</u></u>	<u><u>7,834</u></u>

Reductions in the UK corporation tax rate from 24% to 23% (effective from 1 April 2013) and to 21% (effective 1 April 2014) were substantively enacted on 3 July 2012 and 2 July 2013 respectively. Further reduction to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly and reduce the deferred tax asset at 30 April 2014 (which has been calculated based on the rate of 21% substantively enacted at the balance sheet date) by £408,000.

Notes to the financial statements (continued)

9. DIRECTORS' REMUNERATION

	Year ended 30 April 2014 £'000	Year ended 30 April 2013 £'000
Directors' emoluments	2,592	2,967
Pension contributions to defined contribution pension schemes	58	58
	<u>2,650</u>	<u>3,025</u>
The following relate to the highest paid director:		
Emoluments	<u>1,071</u>	<u>1,723</u>
	Year ended 30 April 2014 Number	Year ended 30 April 2013 Number
Number of directors who have benefits accruing to them under:		
Defined contribution schemes	2	2
Defined benefit schemes	<u>3</u>	<u>3</u>

10. EMPLOYEES

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

	Year ended 30 April 2014 Number	Year ended 30 April 2013 Number
Business Transformation	32	34
Executive	1	1
Sales	103	97
Operations	386	331
Product Support	537	496
HR Consulting	360	329
Support Functions	<u>115</u>	<u>101</u>
Average number employed during the year	<u>1,534</u>	<u>1,389</u>

Notes to the financial statements (continued)

11. INTANGIBLE FIXED ASSETS

		Goodwill	Purchased software	Total
	Notes	£'000	£'000	£'000
Cost				
At 1 May 2013		207,195	32,683	239,878
Additions		-	249	249
Transfers out to group undertakings		-	(28,457)	(28,457)
At 30 April 2014		207,195	4,475	211,670
Amortisation				
At 1 May 2013		58,343	27,915	86,258
Charge for the year	3	10,143	586	10,729
Transferred out to group undertakings		-	(24,637)	(24,637)
At 30 April 2014		68,486	3,864	72,350
Net book value				
At 30 April 2014		138,709	611	139,320
At 30 April 2013		148,852	4,768	153,620

12. TANGIBLE FIXED ASSETS

		Short leasehold improvements	Fixtures, fittings, equipment and motor vehicles	Total
	Notes	£'000	£'000	£'000
Cost				
At 1 May 2013		2,884	10,976	13,860
Additions		146	2,352	2,498
Disposals		(144)	(290)	(434)
Transferred out to group undertakings		(1,659)	(2,745)	(4,404)
At 30 April 2014		1,227	10,293	11,520
Depreciation				
At 1 May 2013		2,079	6,848	8,927
Disposals		(102)	(30)	(132)
Charge for the year	3	88	774	862
Transferred out to group undertakings		(1,236)	(2,057)	(3,293)
At 30 April 2014		829	5,535	6,364
Net book value				
At 30 April 2014		398	4,758	5,156
At 30 April 2013		805	4,128	4,933

The net book value of fixtures, fittings, equipment and motor vehicles at 30 April 2014 includes £2,947,000 (2013: £2,388,000) in respect of assets held under finance leases. Depreciation on those assets for the year ended 30 April 2014 amounted to £586,000 (2013: £812,000).

Notes to the financial statements (continued)

13. INVESTMENTS

	Subsidiary undertakings
Cost	£'000
At 1 May 2013 and 30 April 2014	131,234
Provision for impairment	
At 1 May 2013 and 30 April 2014	(1,153)
Net book value	
At 30 April 2014	130,081
At 30 April 2013	130,081

The company's subsidiary undertakings at 30 April 2014, 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
Northgate Land and Property Solutions Limited	Φ	England and Wales
Northgate PS Limited		Republic of Ireland
Northgate Public Sector Holdings 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
Northgate Government Systems Limited	Φ	England and Wales
Northgate On-Line Limited	Φ	England and Wales
Northgate Public Sector Limited	Φ	England and Wales
Northgate Secure Information Solutions Limited	Φ	England and Wales
Northgate Work Management Limited	Φ	England and Wales
Northgate.Net 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
Northgate CSG 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 2014 £'000	30 April 2013 £'000
Finished goods and goods for resale	574	282
	<u>574</u>	<u>282</u>

15. DEBTORS

	Notes	30 April 2014 £'000	30 April 2013 £'000
Due within one year			
Trade debtors		22,970	17,790
Amounts owing by group undertakings		1,451	412,654
Tax recoverable		614	-
Deferred tax	16	43	98
Prepayments and accrued income		34,803	42,941
Other debtors		2,783	3,189
		<u>62,664</u>	<u>476,672</u>
Due after more than one year			
Trade debtors		274	3,250
Amounts owing by group undertakings		-	17,205
Deferred tax	16	4,237	12,208
		<u>4,511</u>	<u>32,663</u>
Total debtors		<u>67,175</u>	<u>509,335</u>

Notes to the financial statements (continued)**16. DEFERRED TAX**

The elements of deferred tax are as follows:

	<i>Notes</i>	30 April 2014 £'000	30 April 2013 £'000
Deferred tax on deficit in defined benefit pension scheme	20	<u>2,725</u>	<u>3,494</u>
Difference between accumulated depreciation and capital allowances		4,041	10,526
Short term timing differences		<u>239</u>	<u>1,780</u>
Undiscounted deferred tax asset		<u>4,280</u>	<u>12,306</u>
Total recognised deferred tax asset		<u><u>7,005</u></u>	<u><u>15,800</u></u>
Deferred tax asset due within one year	15	43	98
Deferred tax asset due after more than one year	15	<u>4,237</u>	<u>12,208</u>
		<u><u>4,280</u></u>	<u><u>12,306</u></u>

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.

Based on current capital investment plans the company expects to continue to be able to claim capital allowances in excess of depreciation in future years at a similar level to the current year.

The movement on the total deferred tax asset comprises:

	<i>Notes</i>	Deferred tax £'000
At 1 May 2013		15,800
Profit and loss account	8	(2,158)
Transferred to group entities		(6,282)
Statement of total recognised gains and losses		
deferred tax arising on actuarial (gain)/loss recognised in the pension schemes		(51)
change in the tax rate		<u>(304)</u>
At 30 April 2014		<u><u>7,005</u></u>

Notes to the financial statements (continued)**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30 April 2014 £'000	30 April 2013 £'000
Obligations under finance leases	1,413	3,217
Bank loans	-	880
Trade creditors	13,716	13,443
Amounts owed to group undertakings	144,570	605,634
Corporation tax	50	2,145
Social security and taxation	13,516	7,932
Other creditors and accruals	12,668	45,328
Deferred income	62,067	60,325
	248,000	738,904

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30 April 2014 £'000	30 April 2013 £'000
Obligations under finance leases 2-5 years	1,639	3,945
	1,639	3,945

19. PROVISIONS FOR LIABILITIES

	Restructuring provisions £'000	Property provisions £'000	Total £'000
At 1 May 2013	950	1,540	2,490
Recognised in the profit and loss account	213	529	742
Utilised in the year	(875)	(965)	(1,840)
At 30 April 2014	288	1,104	1,392

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.

Notes to the financial statements (continued)

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 2014 was 5.0% pa (2013: 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 2014 is £2.0m. 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 Financial Reporting Standard 17 *Retirement 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 Financial Reporting Standard 17, the service cost as a percentage of pensionable payroll will tend to increase as the average age of the membership increases.

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 2014	30 April 2013
Retail price inflation	3.3%	3.3%
Consumer price inflation	2.2%	2.2%
Rate of increase in salaries	1.0%	1.0%
Rate of increase for pensions in payment and deferred pensions (LPI 5% where applicable)	3.2%	3.2%
Discount rate for scheme liabilities	4.5%	4.4%

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 22.8 years (2013: 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 25.8 years (2013: 25.6 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 2014 £'000	30 April 2013 £'000
Present value of scheme liabilities		(96,038)	(96,027)
Fair value of scheme assets		83,062	80,836
Deficit before deferred tax		(12,976)	(15,191)
Deferred tax asset	16	2,725	3,494
Deficit after deferred tax		(10,251)	(11,697)

The amounts recognised in the profit and loss account are as follows:

		Year ended 30 April 2014 £'000	Year ended 30 April 2013 £'000
Current service costs		711	668
Past service cost		(199)	(461)
Interest cost	6	4,183	4,077
Expected return on scheme assets	6	(4,047)	(3,639)
Total operating charge		648	645

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 2014	Year ended 30 April 2013
Equities	22%	21%
Bonds/LDI	16%	37%
Secured loans	-%	9%
Diversified growth funds	33%	32%
Multi-asset credit	8%	-%
Emerging market multi-asset	10%	-%
Property	10%	-%
Cash and other	1%	1%
	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 2014 £'000	Year ended 30 April 2013 £'000
Defined benefit obligation at 1 May	96,027	82,108
Employer's part of current service cost	711	668
Past service cost	(199)	(462)
Interest cost	4,183	4,077
Actuarial (gain)/loss	(2,048)	11,487
Benefits paid	(2,415)	(1,851)
Curtailment/settlement	(221)	-
Defined benefit obligation at 30 April	<u>96,038</u>	<u>96,027</u>

Changes in the fair value of the scheme assets are as follows:

	Year ended 30 April 2014 £'000	Year ended 30 April 2013 £'000
Fair value of the scheme assets at 1 May	80,836	72,400
Expected return on scheme assets	4,047	3,639
Actuarial (loss)/gain	(1,802)	4,024
Contributions by the employer	2,617	2,624
Benefits paid	(2,415)	(1,851)
Curtailment/settlement	(221)	-
Fair value of the scheme assets at 30 April	<u>83,062</u>	<u>80,836</u>

The actual return on the scheme assets over the year was £2,245,000 (2013: gain of £7,663,000).

The amount recognised outside the profit and loss account in the statement of total recognised gains and losses for the year ended 30 April 2014 is a gain of £246,000 (2013: loss of £7,463,000). The cumulative amount recognised outside the profit and loss account at 30 April 2014 is a loss of £9,798,000.

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				
	2014	2013	2012	2011	2010
	£'000	£'000	£'000	£'000	£'000
Present value of defined benefit obligations	(96,038)	(96,027)	(82,108)	(75,540)	(73,007)
Fair value of plan assets	83,062	80,836	72,400	67,730	59,642
Deficit	(12,976)	(15,191)	(9,708)	(7,810)	(13,365)

History of experience gains and losses:

	Year ended 30 April				
	2014	2013	2012	2011	2010
	£'000	£'000	£'000	£'000	£'000
Actual return less expected return on scheme assets	(1,802)	4,024	377	1,509	6,162
Percentage of scheme assets	(2%)	5%	1%	2%	10%
Experience gains/(losses) arising on schemes' liabilities	309	-	(1,029)	366	1,541
Percentage of the FRS17 value of the schemes' liabilities	-%	-	(1%)	-%	2%
Gains/(losses) due to changes in assumptions underlying the present value of schemes' liabilities	1,739	(11,487)	(2,806)	(2,726)	(13,437)
Percentage of the FRS17 value of the schemes' liabilities	2%	(12%)	(3%)	(4%)	(18%)
Actuarial gains/(losses) recognised in the statement of total realised gains and losses	246	(7,463)	(3,458)	(851)	(5,734)
Percentage of the FRS17 value of the schemes' liabilities	-%	(8%)	(4%)	(1%)	(8%)

(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 2014 amounted to £2,950,000 (2013: £2,388,000). At 30 April 2014 contributions payable to the scheme and included in creditors were £nil (2013: £100,000).

21. CALLED UP SHARE CAPITAL

	30 April 2014	30 April 2013
	£'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

		Share Premium	Capital contribution	Profit and loss account
	Notes	£'000	£'000	£'000
At 1 May 2013		40,828	4,519	50,401
Profit and loss account		-	-	6,542
Actuarial gain on defined benefit pension scheme	20	-	-	246
Deferred tax on the actuarial gain		-	-	(51)
Change in the tax rate		-	-	(304)
Currency translation differences on overseas branches		-	-	33
At 30 April 2014		<u>40,828</u>	<u>4,519</u>	<u>56,867</u>

23. FINANCIAL COMMITMENTS

Capital commitments and contingent liabilities at 30 April 2014 amounted to £1,214,000 (2013: £127,000).

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

	30 April 2014		30 April 2013	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Leases expiring:				
Within one year	364	151	745	151
Within two to five years	905	695	2,122	777
Thereafter	60	-	102	-
	<u>1,329</u>	<u>846</u>	<u>2,969</u>	<u>928</u>

24. CONTINGENT LIABILITIES

The company has in the normal course of business issued guarantees securing the performance by itself and other group undertakings of

The company participates in the group's syndicated banking facility agreement.

The group has syndicated Senior and Subordinated facility agreements with a number of banks and investment companies providing £670 million and €360 million of available funding. Of these facilities, the group has the following available committed floating rate borrowing facilities at 30 April 2014 in respect of which all conditions precedent had been met at that date:

	30 April 2014 £'000	30 April 2013 £'000
Expiring between 2 and 10 years	<u>101,500</u>	<u>109,394</u>

Notes to the financial statements (continued)**25. IMMEDIATE AND ULTIMATE HOLDING COMPANY**

The immediate holding company is Northgate UK Company, a company registered in England and Wales. The ultimate parent company is New NIS Holdings S.à r.l., a company registered in Luxembourg, which in turn is controlled by funds advised by Kohlberg Kravis Roberts & Co. LP.

The largest group in which the results of the company are consolidated is that headed by New NIS Holdings S.à r.l., and the smallest group is that headed by Northgate Information Solutions Limited, a company registered in England and Wales. No other group financial statements include the results of the company. Copies of the group accounts can be obtained from the registered office at Peoplebuilding 2, Peoplebuilding Estate, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 4NW.