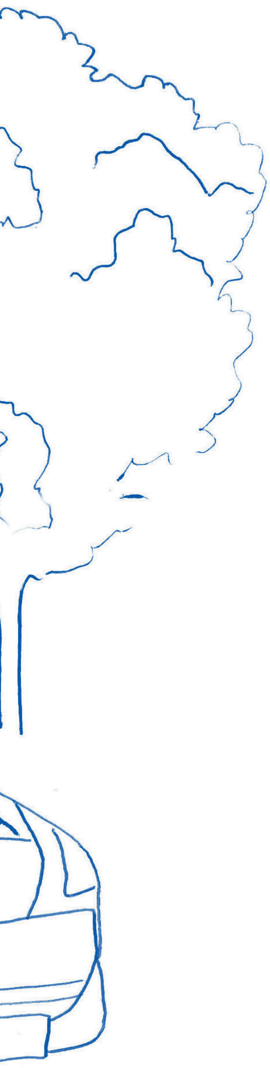
PUTTING VITAL INFORMATION IN THE

HANDS OF THOSE WHO NEED IT

ANNUAL REVIEW 2016

northgate PUBLIC SERVICES

CONTENTS



Northgate Public Services is an IP-led software business with extensive experience in the public sector. We help to rethink public services, build seamless connections and put vital information in the hands of those who need it.

CORE MARKETS

Government agencies
Local government
Public safety
Housing
Health

CLIENTS

Government departments and agencies, local authorities, police and emergency services, housing providers, hospitals, transport providers and utilities.

OVERVIEW OF THE YEAR

RESULTS

Revenue £182.5m[1]

Underlying EBITDA £41.5m[1,2]

Gross Profit £154.6m[1]

Order Book £320.1m[1]

MAJOR NEW CONTRACTS

Strategic ICT partnership, London Borough of Bexley November 2015

Diabetic retinopathy screening, NHS Scotland February 2016

Revenues and Benefits cloud service, Blackburn with Darwen Council March 2016

Discretionary Assistance Fund extension, Welsh Government April 2016

KEY MILESTONES

New Business Hub opened in Nottingham September 2015

Royston Hoggarth appointed as Chairman January 2016

Exceeded job creation target for Hartlepool Borough Council March 2016

[1]For the period 2 December 2014 to 30 April 2015, consolidated revenue for Argon Topco Limited was £64.1m, Underlying EBITDA £14.8m, Gross Profit £53.4m and Order Book £336.3m

[2]Underlying EBITDA represents profitability before interest, taxation, depreciation of tangible fixed assets, amortisation of intangible fixed assets, and non-recurring items.

CHAIRMAN'S STATEMENT

The company is a leading provider of software and services to the public sector, with strong client relationships and an unrivalled track record helping organisations to overcome their biggest challenges and to shape their futures.

It's a great privilege to have joined Northgate Public Services at such an exciting time in its development.

The company is a leading provider of software and services to the public sector, with strong client relationships and an unrivalled track record helping organisations to overcome their biggest challenges and to shape their futures.

In the last few years, its success in the UK has extended to other markets as organisations around the world seek to benefit from this pioneering work.

The software and expertise behind CONNECT is a real game changer. It puts data at the heart of police decision making and creates endless possibilities for development and expansion.

The success of the Blue Badge parking service demonstrates commercial flexibility as well as effective outcomes. A new national service went live within six months, required no capital outlay from the client, and is used by 206 local authorities to process an average of 4,600 badges each day.

Well-planned software development underpins success by transforming public sector efficiency and productivity. Each year, the company's configurable platforms manage over £30bn of government transactions, screen hundreds of thousands of people for health issues and manage over 2 million social housing properties worldwide.

Northgate Public Services benefits from being part of leading European private equity firm, Cinven, providing strong financial backing and support as we look to further develop our solutions and services.

Despite a challenging environment and political backdrop, the UK remains a very stimulating market and we are confident we will build the company into one of the leading technology companies of the future.

I would like to thank our clients for their continued support, and look forward to meeting more of them in the days ahead.

Royston Hoggarth
Chairman
August 2016

CHIEF EXECUTIVE'S STATEMENT

As government continues to devolve and decentralise, the challenges of public service delivery will be increasingly shared.

The 2015 Spending Review confirmed further cuts to UK public spending but renewed a commitment to shaking up government to drive collaboration and efficiency.

Uncertainty around budgets contributed to slower growth overall this year, but our investment in collaborative platforms and strong expertise in this area means we are well placed for the future.

Overall revenue to the year ending 30 April 2016 was £182.5m*, a reduction of 4% on the previous full year. However revenues closely aligned to our business strategy continue to grow, with a full year of the Nottingham City Council partnership leading to a doubling of revenues deriving from IP-led business process outsourcing.

Long term growth also remains strong, averaging 3% over the past four years**, and with an Order Book of £320.1m we have a secure basis for future organic growth.

As public spending continues to fall, organisations in all of our markets will need to embrace more fundamental changes to how they operate.

We are the right partner for their journey, with a long track record of helping clients to negotiate technical and commercial challenges with ease.

*For the period 2 December 2014 to 30 April 2015, revenue was £64.1m
**Refers to results for the trading companies within the Group for the four years to 30 April 2016

BETTER CONNECTIONS

As government continues to devolve and decentralise, the challenges of public service delivery will be increasingly shared.

Our work supporting real-time collaboration in policing is not only reinventing community safety but also establishing a blueprint for how public services can work together in the digital age.

Its potential has been recognised by the Home Office, which has backed development of four new applications for Athena through the Innovation Fund. These include a new way of managing public engagement, where better connections between police and the public can help generate insight and protect communities in the right way.

This financial year, we have also welcomed four new clients for CONNECT and seen two additional police forces live with the technology. By the end of 2016, our software will be used by over 40,000 officers and staff to help protect over nine million people.

CONTINUOUS INNOVATION

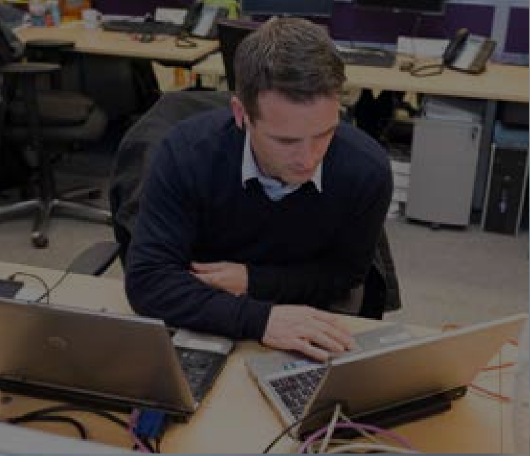
Our deep understanding of our markets drives the continuous innovation that powers our business.

Our expertise in health screening will see us deliver a new system to support diabetic retinopathy screening for NHS Scotland. Our work on health registries has also extended to India, with a pilot programme in a country where the number of joint replacement procedures is expected to grow by 500% within five years.

We will continue to invest in technologies that can unlock the true potential of the digital world, but it is our people's ability to make them work that sets us apart. They understand that software alone will not transform public services; it is the harder task of enabling new ways of working that really matters.

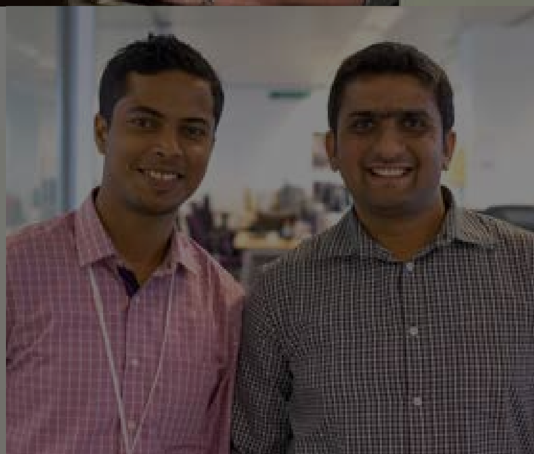
Our people are the bedrock of our success and I would like to thank them for their continued support.

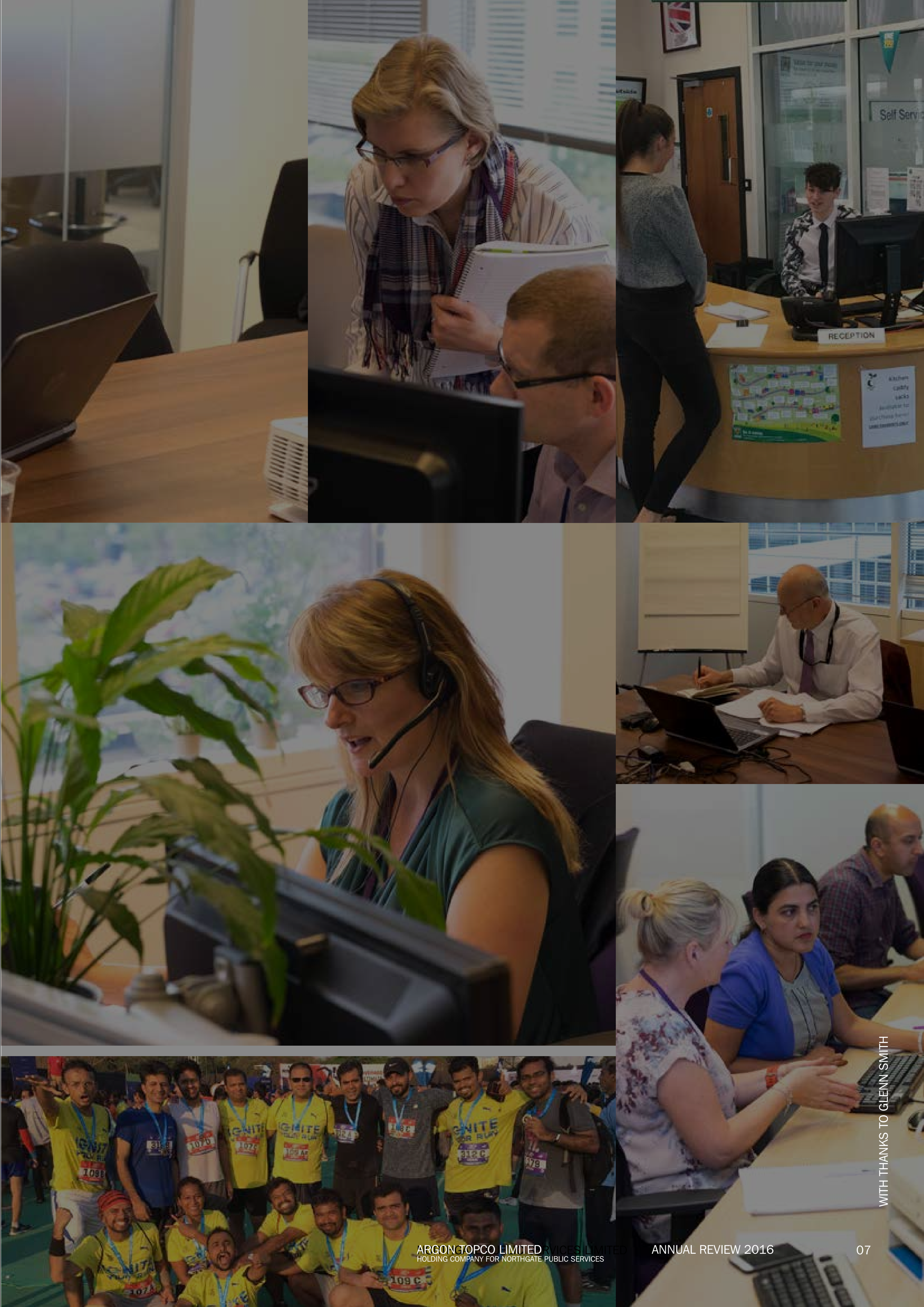
David Meaden
Chief Executive
August 2016



WE ARE NORTHGATE PUBLIC SERVICES

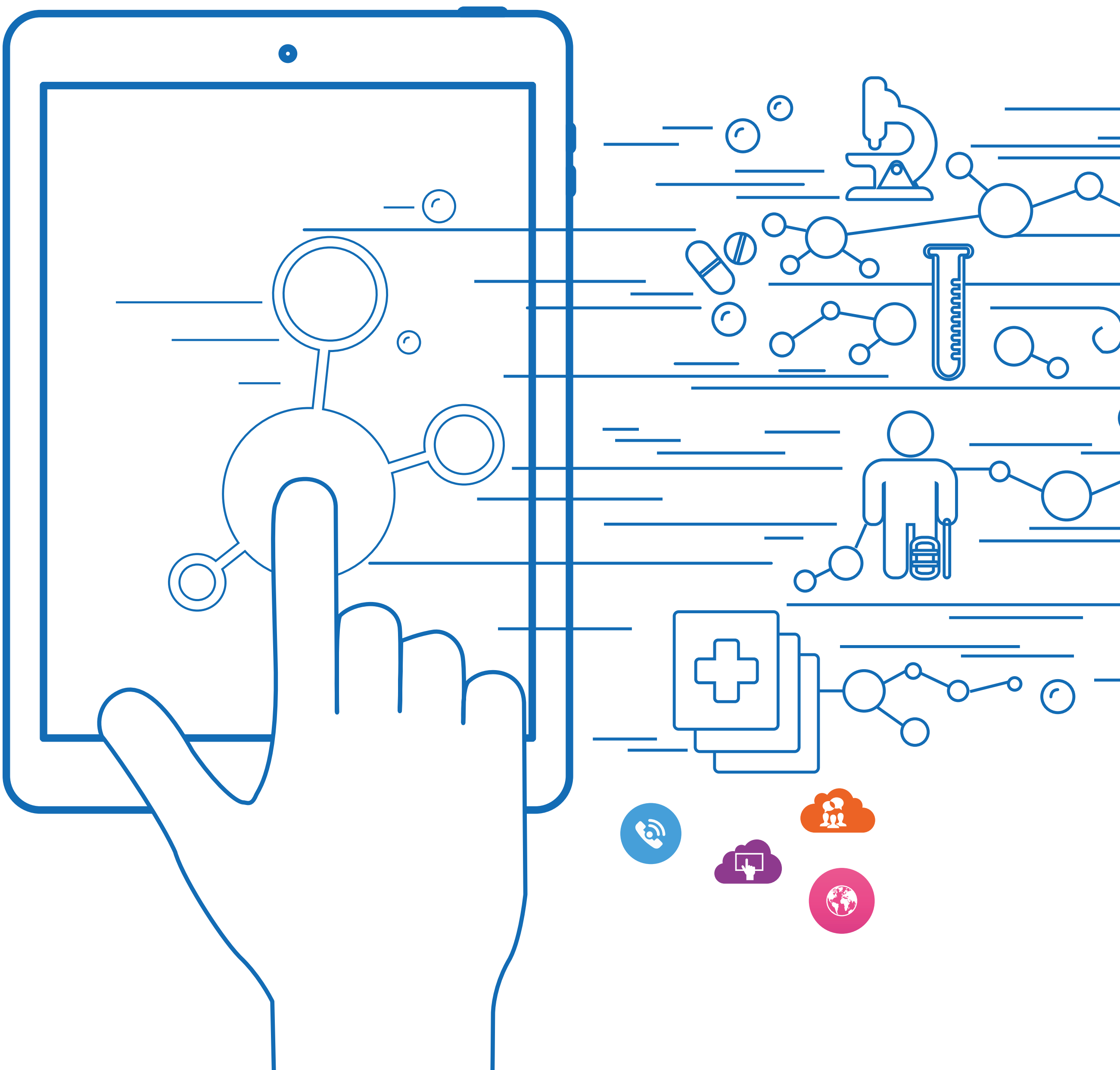
Our 2,300 staff are committed to delivering excellence to clients around the world including government departments and agencies, local authorities, police and emergency services, hospitals, transport providers and utilities.





WITH THANKS TO GLENN SMITH

WE INNOVATE



GETTING MORE OUT OF DATA

For the past ten years* we've operated the National Joint Registry (NJR), the largest orthopaedic register in the world, which improves outcomes for patients of joint replacement surgery in England, Wales, Northern Ireland and Isle of Man.

The data in the NJR provides unprecedented insight into the factors affecting health outcomes from joint replacement surgery, the performance of orthopaedic implants and into the early detection of potential problems.

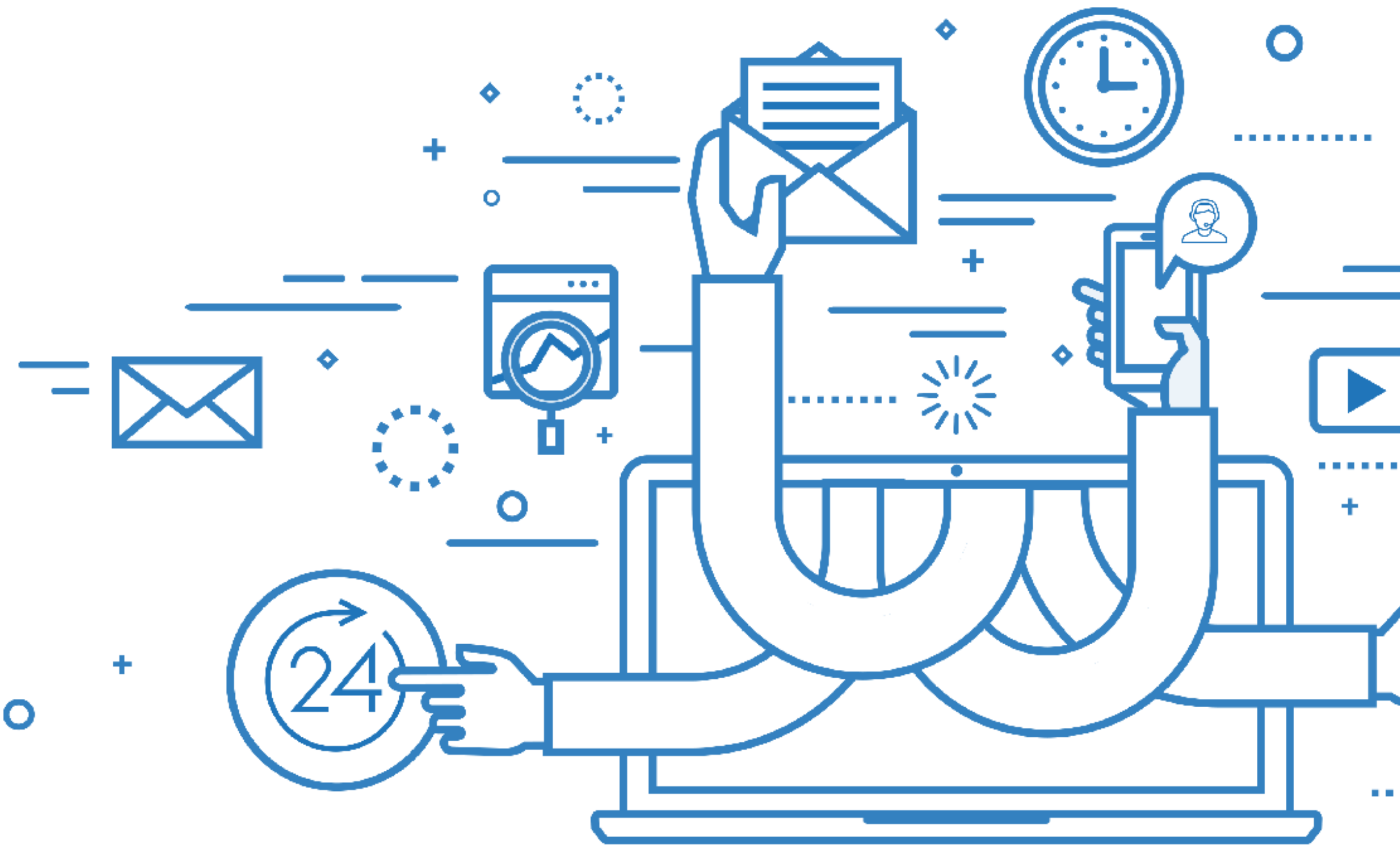
Building on this work we are supporting the Beyond Compliance initiative. This brings together for the first time surgeons, manufacturers and public sector bodies to support the safe introduction of new or modified implants. NJR data and our services also support the work of ODEP, an independent rating system to assess the follow up data available for orthopaedic implants.

We operate the NJR on behalf of the Healthcare Quality Improvement Programme (HQIP) and the Department of Health.

> 2M+ PROCEDURE DETAILS HELD IN THE NJR
> 95%+ OF ALL ELIGIBLE PROCEDURES ARE RECORDED, UP FROM 50%
> 200,000+ NEW PROCEDURES ADDED EVERY YEAR

*2006 - 2016

WE COLLABORATE



COMING TOGETHER TO PROVIDE SUPPORT

When additional welfare responsibilities were transferred to the Welsh Government from April 2013, the Discretionary Assistance Fund was created to provide emergency assistance for individuals in crisis situations.

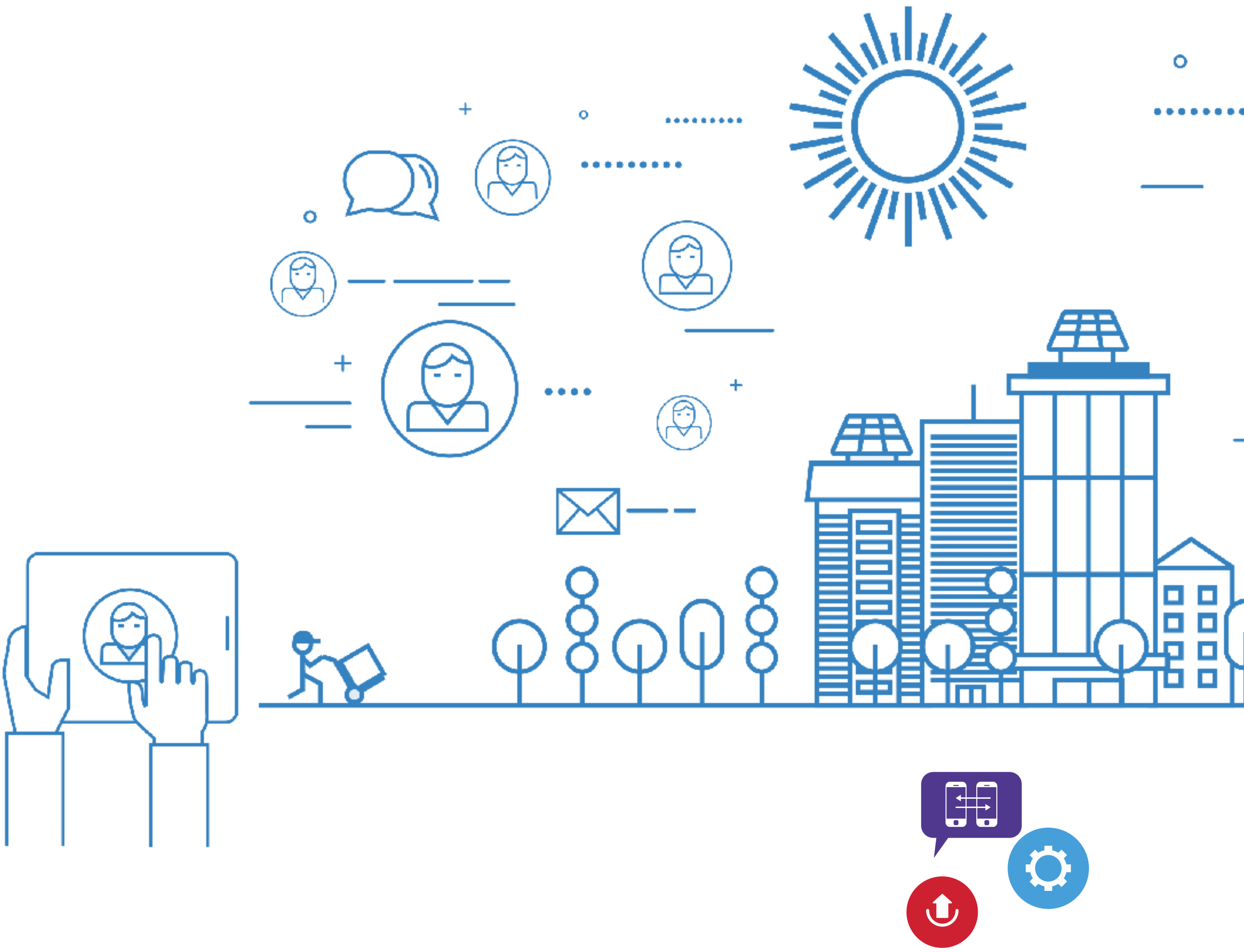
We administer the Fund in partnership with Wrexham County Borough Council and Family Fund Trading Ltd and have built up a network of local partners to raise awareness of the support that's available and help people to apply.

Applications for emergency payments or individual assistance payments, such as grants for fridges and washing machines, can be made online, by phone or by post.

Successful applications for emergency assistance are paid within 24 hours and individual assistance support provided within 10 days.

- 4 YEARS OF PARTNERSHIP
- £22.5M DISTRIBUTED
- 147,000+ APPLICATIONS FOR SUPPORT

WE DELIVER



UNDERSTANDING WHAT MATTERS

The seven-year partnership we agreed with Hartlepool Borough Council in 2014 has already exceeded its job creation and apprenticeships target.

The creation of a new business hub was a key part of the deal to transform the council's ICT service. The hub currently employs 30 apprentices and has achieved its 235 job creation target a year ahead of schedule.

Sam Guerin recently completed his apprenticeship and is now a Senior Field Engineer. He attributes his success to the positive experience of his apprenticeship.

"It's down to the skills I've learned - not just the technical skills, it's the social skills. Before this I was very timid, but now my social skills have just blossomed. The confidence I've got from Northgate Public Services, I feel I can do anything."

> 7 YEAR PARTNERSHIP
> 30 APPRENTICESHIPS
> 240+ JOBS
> £7.6M SAVINGS TARGET

STRATEGIC REPORT

MARKETS

We provide software and services to the public sector in five core markets: government agencies, local government, public safety, housing and health.

In the UK, we work with every police force, almost all local authorities and more than 150 housing providers. We also support government departments and agencies to streamline transactions, keep transport running smoothly and enable early intervention in healthcare.

Moving our market-leading software to the cloud has enabled us to grow internationally and to extend our offer in the UK. Our on-demand business processing services now help clients to tackle fraud, process benefits and digitise records, and our housing software is used by major providers in Canada, New Zealand and Australia.

Unrivalled knowledge of our markets continues to grow our client base. In recent years, expertise developed through the NHS Newborn Hearing Screening Programme has led to additional software and service contracts, most recently in diabetic retinopathy screening for the NHS in Scotland. In public safety, our CONNECT platform has also performed well, attracting four new police force clients and with a further two now live on the platform.

Earlier in the year we saw a slowdown in new opportunities, due in part to uncertainty around the Spending Review, but the pace has since increased. Despite significant political change in the UK, technology remains key to government plans to deliver efficient and user-friendly public services.

The need to share information securely and retain public confidence is crucial for public service reform and we can demonstrate market-leading expertise in this area. As local devolution drives through new ways of working we are ideally placed to help local agencies streamline data sharing and make the shift to highly efficient models of collaboration that can prevent as well as reduce harm.

Looking ahead, we expect the financial constraints on many of our clients to increase as governments work through the impact of the vote to leave the European Union but we remain confident that our detailed understanding of public services and strong culture of innovation will keep us at the leading edge of public sector technology.

STRATEGY

Our business model for the past year was clearly focused on two key areas, Solutions and Services. Solutions is defined as our software, IP-led business, which includes our products, applications and platforms, and Services is our business processing outsourcing services.

We have two key strategies: firstly, to defend our current market share; and secondly to drive further growth and sustainable shareholder value through careful monitoring and management of our business risks.

These risks can be mitigated by improving the choice of target customers and the value propositions we offer to them which is why over the past year and firmly in our sights for the future, we have continued to build our cloud capability. This will remain a key strategic focus for us as we continue to create government based platforms that deliver complex public services quickly and cost-effectively, helping clients to transform productivity and respond to legislative change.

The payment system for the HGV Road User Levy and the Blue Badge Improvement Service, both BPO contracts, were operational within months of contract award and developed with no capital outlay from the client. Our focus on IP-led BPO is evidenced by a doubling of revenues in this area, including the first full year of our partnership with Nottingham City Council.

Our network of Business Hubs then act as centres of excellence for business processing services. Initially supporting local authorities with document scanning, benefits processing and anti-fraud services, we are increasingly helping Trusts make the move to a paperless NHS. At Calderdale NHS Trust we are now scanning over 1.7 million records each week and we see significant opportunity to expand our client base further in health, policing and housing.

We remain focused on building strong client partnerships to underpin our success. Significant renewals this year include an extension of our contract to administer the Discretionary Assistance Fund for the Welsh Government and supporting Blackburn with Darwen Borough Council to move its revenues and benefits system to the cloud.

Our culture of innovation is vital for our business and we are further embedding innovation into client delivery, commercial arrangements and internal processes. This year we have extended our series of client innovation workshops which are designed to keep us close to their strategic priorities and support them through their transformation. We see significant potential to help public services re-engineer how they work and focus resources on preventing harm rather than managing the consequences.

This is backed up by boosting capacity in our Mumbai development facility to deliver fast prototyping and the development of a new internal portal that makes it easier to match client priorities to new technologies and develop the next generation of solutions.

We have access to funds to expand our business in the UK and internationally through targeted acquisitions and we will continue to pursue opportunities that can drive growth in our markets.

PERFORMANCE

Revenue £182.5m (2015: £64.1m)*

The uncertainty of the Spending Review and general election periods contributed to a reduction in overall revenues of 4% compared to 2015*, however long term growth remains solid at an average of 3% over the past four years. Recurring revenues aligned to our strategy continue to grow, with a full year of the Nottingham City Council partnership contributing to a doubling of revenues from BPO activities since 2014.

Previous investments in software platforms have delivered a 67% increase in SaaS revenues since 2014. The CONNECT platform has been instrumental in this achievement, with two new forces signing up and three further forces now live. This unique platform has led to the Home Office backing development of new applications through its Innovation Fund which will continue to deliver future revenues.

The overall improvement in recurring revenue, driven by our continued investment in software platforms, leaves us in a strong position to deliver organic growth in future years. Our markets are expected to be challenging due to a shifting political landscape and continued spending restrictions but we are well positioned to work collaboratively with our clients to help them meet these challenges.

Gross Profit £154.6m (2015: £53.4m)*

Gross profit compared to revenue is 85%, a slight decrease on last year due to a full year of the Nottingham City Council partnership, which carries a significant third party cost. External costs are services, products and hardware provided by third parties.

*Underlying EBITDA** of £41.5m (2015*: £14.8m)*

Underlying EBITDA of £41.5m when compared to revenue stands at 23%, in line with previous years. This represents a consistent return and performance whilst we continue to innovate with our clients and invest in our solutions and SaaS platforms.

We have an ongoing commitment to innovation and have continued to increase the capacity and capability of our Mumbai development facility, which gives us the ability to innovate quickly and cost-effectively.

Investment in development remains strong and has increased to £10.2m this year. This represents future expansion and technological improvement within our existing product base, with innovation of new solutions also being key to future growth. As a result, adjusted EBITDA (which represents underlying EBITDA after development costs) has fallen slightly to £31.8m but still represents a consistent return of 17% against revenue when compared to previous years.*

Separation from a wider group following our acquisition by Cinven lead to a number of programmes to gain full autonomy. These programmes of activity are now complete and we have full system and administrative independence. Although costs were incurred during the process we have been able to realise subsequent efficiencies and the management team continue to review our administrative and delivery model to ensure effective cost control.

* 2015 represents the period 2 December 2014 to 30 April 2015. Growth rates represent underlying full year performance of the trading companies within the Group.

** Underlying EBITDA represents profitability before interest, taxation, depreciation of tangible fixed assets, amortisation of intangible fixed assets, and non-recurring items.

Cash and funding

Since the acquisition we have obtained new bank debt of £237.5m on a seven year term, with a further £123.4m funded through the issue of long term interest bearing Loan Notes, due in 2044. We also have access to a further £47m of committed revolving credit facilities which are available to fund expansion through acquisition and support working capital requirements.

A combination of favourable debt facilities and strong historic cash generation places us as a robust partner for our clients as they continue to operate in an environment of budget restrictions and political uncertainty. In turn this gives us a strong base for future organic and acquisitive growth.

Non-recurring items

Following separation from a larger group we have incurred £6.5m of one-off costs in the year in relation to internal system implementations, restructuring and acquisition activity. We do not expect to incur such costs in future years.

RISK

The Board constantly monitors and evaluates the performance of the business, actively managing risk through robust policies and procedures and regular risk assessments.

The main operational risks for our business are: economic and market risk; corporate financial stability risk; and information security risk.

Economic and market risk

The continued policy of austerity in the UK over the past year has created further challenges for the business in the local and central government markets. Through our ongoing focus on product and service development and the maintenance of our market-leading suite of products we seek to mitigate any potential effects from austerity. Saving costs for our clients is a key element of our offering and we continue to use this to mitigate the challenges on their budgets. The recent decision of the United Kingdom to leave the EU creates further uncertainty as, whilst any trade that we participate in with the EU is minimal, there is the possibility that the effects in the UK may lead to further government austerity measures and potentially have an effect on the timing of new deals.

Corporate financial stability risk

Key to success is our ability to economically fund ongoing business as well as the ability to pay staff and suppliers and service debt. Management has a rigorous and ongoing monitoring of cash flow where we assess potential risks and the effect these may have on our ability to meet liabilities as they fall due. Through conducting stress testing and sensitivity analysis we continually assess the impact of potential risks in order to test the resilience of the business along with possible mitigating actions. We are confident of the effectiveness of these controls and their regulation of immediate cash flow impacts as well as longer-term impacts on sales growth and attrition. In broad terms the business is reviewed over a three year period. There is inevitably greater uncertainty associated with a longer time period so our current assessment of continuing financial solvency and liquidity has been assessed over three years.

Information security risk

The security of information and technology infrastructure is crucial for maintaining the sensitive information of our customers. There are comprehensive policies and procedures in place as well as staff training and monitoring programmes to ensure that we protect the data of the company and its clients from theft, loss, destruction or alteration.

Further information on risk can be found in the Directors' Report.

Andrew Coll
Chief Financial Officer
25 August 2016

CORPORATE RESPONSIBILITY

OUR APPROACH AND ESG FRAMEWORK

Our core belief is that the only way to create long term value in our business is through sustainable, responsible growth. Consequently, we seek to embed responsible practice throughout our activities.

The corporate responsibility impacts, achievements and strategy of our business are evaluated through the three pillars of our Environmental, Social and Governance (ESG) Framework:

> Creating Shared Value
> Social Responsibility
> Environmental Impact.

This framework is further informed by the UN Principles of Responsible Investment (UNPRI), as well as feedback from internal and external stakeholders garnered from face to face interviews, surveys and user groups.

The ESG Steering Group was established last year to guide implementation of our strategy. Its outputs are monitored by our Chief Executive, who along with the Executive Board ultimately decides the ESG strategy.

In our first full year as a stand alone business, we have taken the opportunity review our ESG strategy and activities and ensure they are in line with our business and its impacts.

OUR FRAMEWORK

CREATING SHARED VALUE

Northgate Public Services has a long history of providing software and services to our customers which positively impact the lives of millions of people in the UK and in other parts of the world.

Our greatest contribution to creating shared value results from doing our work to the best of our abilities. In just a few examples, we've helped to screen over a million people for abdominal aortic aneurysms, our housing software supports over two million houses around the world and we pay more than 50% of all housing benefit in the UK.

None of this is possible without our long standing partnerships - some lasting over 10 years - with our public sector clients. The stability of those relationships is the bedrock of our ability to continue improving the lives of the ultimate stakeholder, the public.

We strive to maximise the positive impact of our work, dealing honestly and fairly with all stakeholders and, in the process, building mutually beneficial partnerships.

2015-2016 activity:

> In September 2015 we opened a new business hub in partnership with Nottingham City Council that will create 170 new jobs, with 25 apprenticeships. Worth an estimated £50 million to the local economy over seven years, the hub was sited in a low employment area of the city in order to help the long term unemployed get into work.

> In Hartlepool, our Community Fund provided £30,000 to help community organisations improve ICT skills. A further £10,000 is also set aside to support the Gus Robinson Foundation, a local fund set up to support high performing students and young entrepreneurs.

ENVIRONMENTAL IMPACT

We support our people and clients in looking for low carbon solutions and environmentally sensitive ways to work. Our employees have access to mobile, remote and video conferencing technology as standard, which they are encouraged to use instead of travelling.

Reducing carbon emissions is a primary goal. As a key part of our ESG strategy and activity review we have developed improved systems to record our CO2 emissions for the final two quarters of the last financial year, helping us develop a baseline for our reduction strategy.

We commissioned an independent assessment of our potential to create energy savings in our use of electricity, natural gas and fuel for transport. The report recommended a variety of potential improvements, including replacing lights with more efficient LEDs and installing photovoltaic panels. These activities will form part of our environmental impact reduction plans.

We are particularly aware of the importance of sensitively disposing of electrical equipment. Wherever possible, we re-use IT equipment or we have it recycled. As a last resort, it is responsibly disposed of by a specialist recycling company.

We maintain several key environmental policies including Recycling at Work; Green Travel; Travel and Overseas Travel; and Environmental, Social and Governance.

2015-2016 activity

> We engaged a specialist provider to help measure and manage energy use within our property portfolio. We estimate our UK offices emitted a total of 1844 tonnes of CO2 in the final two financial quarters of 2015-2016. We will collect full year figures in 2016-2017 to create a more complete baseline.

> We established a centralised IT recycling policy. By the second half of the year, 96% of our redundant IT equipment was recycled or re-used, with the remainder disposed of according to Waste Electrical and Electronic Equipment recycling (WEEE) regulations.

SOCIAL RESPONSIBILITY

We consider the positive impact our business can have both through our client partnerships and the active contribution of our people.

We conduct a bi-annual employee survey and consult an elected Employee Consultation Group on a regular basis, seeking their views on issues that may affect staff and how we can improve our engagement.

We are committed to tackling discrimination and to promoting understanding and respect for difference and diversity in age, gender and culture. Our policies, which are communicated to staff via yearly training, are guided by respect for the human rights and individual freedoms laid out in the Universal Declaration of Human Rights.

We are committed to ensuring that our business and its supply chains are free of any slavery and human trafficking.

We acknowledge our responsibility as a commercial organisation under the Modern Slavery Act 2015, and will ensure the communication of this responsibility, as well as transparency, within the organisation and within our supply chains.

As part of our governance arrangements, our supplier approval process will require confirmation of the controls undertaken by suppliers to combat slavery and human trafficking in their own organisations and supply chains.

The Group's slavery and human trafficking statement for the financial year ending 30 April 2016 can be found on the Northgate Public Services website under Corporate Responsibility.

In the communities in which we operate, we improve access to employment through offering career visits, placements and apprenticeships. Over the past five years we have employed 71 apprentices, helping them gain accreditations in ICT, customer service or business administration.

We also encourage employees to participate in our company volunteering scheme, which enables them to take one day's paid leave each year to support local initiatives. The theme is chosen by the Executive Committee from a list created by employees, the ESG Steering Group and in consultation with our Employee Consultation Group. Our operations in India follow a similar approach with a theme that reflects local needs.

2015-2016 activity

> Our staff in India supported the NGO Rescue Foundation which helps women who have been the victims of commercial sexual exploitation. The foundation received support in the form of donations of much-needed goods such as food and educational supplies.

> Staff in the UK raised money for charities that tackle homelessness through a variety of activities including a coast to coast cycle ride, clothing collections and an overnight sleep out.

> In our UK operations we increased the proportion of female employees by 2% to 43%, compared to the end of the last financial year.

> We employ 40 apprentices, with another dozen set to join in the near future, learning business, IT skills and on the job training.

> Across the company approximately two days were lost due to injury, corresponding to a Lost Time Injury Incidence Rate (LTIIR) of 0.13.

GOVERNANCE

Our Executive Committee, reporting into the Chief Executive, plays a central role in maintaining effective systems of governance and ensuring that the company delivers continuously improving performance across all measures. They meet by teleconference on a weekly basis and meet in person twice a month.

The Executive Committee covers all operating and strategic issues including the monitoring and management of ESG matters. A separate ESG Steering Group, overseen by the Chief Executive, meets bi-monthly.

We also have an extended management team which includes many of the direct reports of the Executive. They meet several times a year to review, discuss and create strategy and to reflect on performance and plan for the future.

The Chief Executive, Chairman and Chief Financial Officer are members of the Board alongside two representatives from Cinven.

Central to our work is the protection of client and citizen data and we hold the relevant registrations with the Information Commissioner's Office. In addition, we have a rigorous approach to Information Security governance and management; the Information Security Steering Group reports to the Executive Committee.

We take our responsibilities seriously in this area and use a range of policies and procedures to ensure we keep data secure and manage it in accordance with the laws of the countries in which we operate.

Our risk management policy ensures that any risks associated with data processing are recorded on our risk register, mitigation actions initiated and the risk regularly monitored. Should incidents occur, this is a clear process for resolution which includes discussions held with the client.

A thorough review and update of all information security and data protection policies and procedures has been undertaken as part of a policy of continuous improvement in this area. These include robust policies and procedures in place to manage and mitigate these risks, including:

> Data Protection Policy
> NPS Abridged Data Privacy Policy
> Managing Personal Information
> DPA Guidelines for Employees
> Privacy Impact Assessments (PIAs)

Finally, we have a business code of conduct in place and training for all employees which is refreshed yearly and undertaken annually. A key part of this training enables staff to understand their anti-bribery and corruption responsibilities and the actions they should take should they suspect this may have occurred.

CINVEN

Cinven is a leading European private equity firm, founded in 1977, with offices in Guernsey, London, Frankfurt, Paris, Madrid, Milan, Luxembourg, Hong Kong and New York. It acquires Europe-based companies that require an equity investment of €100 million or more. Its European focus and expertise are complemented by an ability to capitalise on global growth opportunities through its offices in Asia and the Americas.

The firm focuses on six sectors: Business Services, Consumer, Financial Services, Healthcare, Industrials, and Technology, Media and Telecommunications (TMT). Cinven acquires successful, high-quality companies and works with them to help them grow and develop, using its proven value creation strategies. It takes a responsible approach towards its portfolio companies, their employees, suppliers and local communities, the environment and society.

"Cinven" means, as the context requires, Cinven Group Limited, Cinven Partners LLP, Cinven (Luxco1) S.A., Cinven Limited, Cinven Capital Management (V) General Partner Limited and their respective Associates (as defined in the Companies Act 2006) and/or funds managed or advised by any of the foregoing.

COMPLIANCE WITH REPORTING GUIDELINES

As a private equity owned company, Argon Topco Limited and its subsidiary, Northgate Public Services Limited is committed to providing full and transparent reporting of its performance as detailed in the guidelines established by the Walker Review in 2007 and updated by the Guidelines Monitoring Group in 2010 and 2014.

MEMBERS OF THE BOARD

Royston Hoggarth *Chairman*
Royston was appointed to the Board* on 10 January 2016, bringing extensive experience as CEO and Chairman of companies in the software, IT, telecoms and financial services industries. He was formerly UK Managing Director for Hays plc; CEO of British Telecom's Global Services business; CEO for the UK, US and European subsidiaries of Cable & Wireless; and CEO, International, at LogicaCMG.

David Meaden *Chief Executive*
David has led Northgate Public Services for 12 years, during which time revenues have grown four-fold. Prior to joining Northgate Public Services, David held senior business development roles at Bull, Burroughs and Hewlett Packard.

Andrew Coll *Chief Financial Officer*
Andrew joined Northgate Public Services as Chief Financial Officer in November 2011. He qualified with PwC as a Chartered Accountant and has spent the past fifteen years in technology businesses in the UK and internationally. Prior to joining Northgate Public Services he spent four years as Chief Financial Officer at System C plc, during which time the business expanded significantly.

David Barker
David leads Cinven's Technology, Media and Telecoms (TMT) sector team. He has been involved in numerous transactions including Aprovia, CPA Global, Eutelsat, HEG, MediMedia, Northgate Public Services, Springer, Ufinet, Visma and Ziggo.

Chris Good
Chris is a member of Cinven's TMT sector team. He has been involved in a number of investments, including Amadeus, CPA Global, Northgate Public Services, Springer and Visma.

*Royston is not currently a director of Argon Topco Limited, however he commenced attending board meetings as chairman on 15 January 2016.

DIRECTORS' REPORT

ARGON TOPCO LIMITED

Principal activity
Argon Topco Limited was incorporated on 2 December 2014 and indirectly acquired the entire share capital of NPS (Holdings) Limited on 22 December 2014. Prior to that the Group headed by Argon Topco Limited did not trade.

Risk assessment
The Board has overall responsibility for the Argon Topco Limited (the Company) 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.

Internal control
Whilst the Board maintains full control and direction over appropriate strategic, financial, organisational and compliance issues, it has delegated to executive management the implementation of the systems of internal control within an established framework. The Board has put in place an organisational structure that formally defines lines of responsibility and delegation of authority. There are also established procedures for planning, capital expenditure, information and reporting systems and for monitoring the Company's business and performance.

Assurance
On behalf of the Board, the Audit Committee examines the effectiveness of the Company's:

> assessment of risk, by reviewing evidence of risk assessment activity and a report from the Company's auditors on the risk assessment process; and

> systems of internal control, primarily through agreeing the scope of any internal audit programme and reviewing its findings, reviews of the annual financial statements and a review of the nature and scope of the external audit.

Any significant findings or identified risks are closely examined so that appropriate action can be taken. External auditors are engaged to express an opinion on the financial statements. They review and test the systems of internal financial control and the data contained in the financial statements to the extent necessary to express their audit opinion. They discuss with management the reporting of operational results and the Company's financial position to the Audit Committee.

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 Cinven, David Barker and Chris Good, with attendance from members of the Executive Committee. The Audit Committee intends to meet at least twice 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.

Auditors
Our auditors, KPMG LLP, were 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
The Company actively promotes an internal recruitment process encouraging internal succession planning and career development. All UK employees

have the opportunity to elect members to an Employee Consultation Group (ECG). The ECG meets formally with management on a quarterly basis to discuss issues of importance, ensuring effective communication takes place with all employees. Management also meets with the ECG as often as necessary to consult on matters important to staff and the Company.

Equal opportunities and diversity

The Company 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.

We give full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled it is 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

The Company 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

The Company 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 Argon Topco Limited can call on up to £47m of unused facilities as of 30 April 2016. These arrangements and the recurring nature of much of the 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

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

The Company 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. Northgate Public Services negotiates clear agreements within which the Company and its suppliers operate.

Significant events since the year end

Since the year end the Company has had no significant post balance sheet events.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Andrew Coll
Chief Financial Officer
25 August 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 International Financial Reporting Standards.

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 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 Companies (Jersey) Law 1991. 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 on the company's website. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDIT OPINION

KPMG LLP
58, Clarendon Road
Watford
Hertfordshire
WD17 1DE

Independent auditor's report to the members of Argon Topco Limited
We have audited the group and parent company financial statements of Argon Topco Limited for the year ended 30 April 2016 which comprise Group Income Statement, the Group Statement of Comprehensive Income, the Group and Company Financial Position, the Group Statement of Cash Flows, the Group Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in the preparation of the Group and Company financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. 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 auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page 24, the directors are responsible for the preparation of financial statements which 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
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Annual Review to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion:

- the group financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the group's affairs as at 30 April 2016 and of its loss for the year then ended;

- the parent company financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, as applied in accordance with the provisions of the Companies (Jersey) Law 1991, of the state of the parent company's affairs as at 30 April 2016; and

- the financial statements have been properly prepared in accordance with the Companies (Jersey) Law 1991.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the company; or

- proper returns adequate for our audit have not been received from branches not visited by us; or

- the company financial statements are not in agreement with the accounting records and returns; or

- we have not received all the information and explanations we require for our audit.

Mark Matthewman
for and on behalf of KPMG LLP
Chartered Accountants
26 August 2016

Notes:

- The maintenance and integrity of the Group's website is the responsibility of the directors; the work carried out by auditors does not involve consideration of these matters and accordingly, KPMG LLP accepts no responsibility for any changes that may have occurred to the financial statements or our audit report since 26 August 2016. KPMG LLP has carried out no procedures of any nature subsequent to 26 August 2016 which in any way extends this date.

- Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The directors shall remain responsible for establishing and controlling the process for doing so, and for ensuring that the financial statements are complete and unaltered in any way.

GROUP INCOME STATEMENT

FOR THE PERIOD 2 DECEMBER 2014 TO 30 APRIL 2016

	Notes	Year ended 30 April 2016 Group £m	Period 2 Dec 2014 to 30 April 2015 Group £m
Revenue	3	182.5	64.1
Cost of sales	4	(27.9)	(10.7)
Gross Profit		154.6	53.4
Operating expenses excluding non-recurring items	4	(113.1)	(38.5)
Underlying EBITDA*		**41.5**	**14.9**
Amortisation of acquired intangible fixed assets	10	(23.0)	(7.8)
Amortisation of post acquisition intangible fixed assets	10	(2.6)	(0.6)
Depreciation of tangible fixed assets	11	(2.5)	(0.8)
Operating profit before non-recurring items		**13.4**	**5.7**
Non-recurring items	4	(6.5)	(24.2)
Administrative expenses	4	(147.7)	(71.9)
Operating Profit/(Loss)		**6.9**	**(18.5)**
Financial income	7	0.2	0.1
Financial expenses	7	(35.6)	(11.7)
Net financing costs	**7**	**(35.4)**	**(11.6)**
Loss before tax		**(28.5)**	**(30.1)**
Tax credit	9	4.5	0.9
Loss for the year/period		**(24.0)**	**(29.2)**

*Underlying EBITDA represents profitability before interest, taxation, depreciation of tangible fixed assets and amortisation of intangible fixed assets, and non-recurring items, details of which are contained within note 4.

The Group was incorporated on 2 December 2014 and acquired NPS (Holdings) Limited on 22 December 2014, therefore the Group income statement represents 129 days to 30 April 2015 and the full year to 30 April 2016.

The notes on pages 30 to 65 are an integral part of these statements.

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDING 30 APRIL 2016

	Notes	Year ended 30 April 2016 Group £m	Period 2 Dec 2014 to 30 April 2015 Group £m
Loss for the year/period		**(24.0)**	**(29.2)**
Items that will never be reclassified to profit or loss			
Actuarial losses on defined benefit scheme	16	(3.4)	(1.9)
Deferred tax on actuarial losses on defined benefit scheme	9	0.6	0.3
		(2.8)	**(1.6)**
Items that will be reclassified to profit and loss			
Fair value of interest SWAP		(1.6)	-
		(1.6)	**-**
Total recognised income and expense for the year/period		**(28.4)**	**(30.8)**

The notes on pages 30 to 65 are an integral part of these statements.

GROUP AND COMPANY FINANCIAL POSITION
AS AT 30 APRIL 2016

		As at year ended 30 April 2016		As at period ended 30 April 2015	
		Group £m	Company £m	Group £m	Company £m
	Notes				
Non-current assets					
Goodwill	10	233.6	-	233.6	-
Acquired and other intangible assets	10	168.9	-	182.7	-
Total intangible assets	**10**	**402.5**	**-**	**416.3**	**-**
Property, plant and equipment	11	8.4	-	8.2	-
Deferred tax assets	13	8.0	-	7.5	-
Investments	24	-	3.2	-	3.2
Total non-current assets		**418.9**	**3.2**	**432.0**	**3.2**
Current assets					
Inventories - goods for resale		1.0	-	0.5	-
Trade and other receivables	12	67.6	-	66.2	-
Cash and cash equivalents	14	17.6	-	23.7	-
Total current assets		**86.2**	**-**	**90.4**	**-**
Total assets		**505.1**	**3.2**	**522.4**	**3.2**
Shareholders' funds					
Shareholder equity	19	3.2	3.2	3.2	3.2
Hedging reserve		(1.6)	-	-	-
Retained earnings		(54.5)	-	(27.7)	-
Total Shareholders' funds		**(52.9)**	**3.2**	**(24.5)**	**3.2**
Non-current liabilities					
Interest-bearing loans and borrowings	15	238.7	-	239.9	-
Issued Loan Notes	15	123.4	-	123.4	-
Employee benefits	16	20.9	-	18.6	-
Provisions	17	3.7	-	1.0	-
Deferred tax liabilities	13	31.4	-	36.0	-
Total non-current liabilities		**418.1**	**-**	**418.9**	**-**
Current liabilities					
Interest-bearing loans and borrowings	15	1.3	-	1.7	-
Trade and other payables	18	138.6	-	126.3	-
Total current liabilities		**139.9**	**-**	**128.0**	**-**
Total liabilities and shareholders' funds		**505.1**	**3.2**	**522.4**	**3.2**

The notes on pages 30 to 65 are an integral part of these statements.

The financial statements on pages 26 to 65 were approved by the board on 25 August 2016 and were signed on its behalf by:

Andrew Coll
Group Chief Financial Officer

GROUP STATEMENT OF CHANGES IN EQUITY

AS AT 30 APRIL 2016

	Share capital £m	Share Premium £m	Hedging Reserve £m	Retained earnings £m	**Equity shareholders' funds £m**
Balance at incorporation 2 December 2014	**-**	**-**		**-**	**-**
Issue of share capital 19 Dec 2014	-	3.2	-	-	**3.2**
Loss for period 2 Dec 2014 to 30 Apr 2015	-	-	-	(29.2)	**(29.2)**
Deferred taxation on Pensions, Capital Allowances and Temporary Differences	-	-	-	3.1	**3.1**
Other comprehensive income for the year:					
Re-measurements of defined benefit pension schemes	-	-	-	(1.9)	**(1.9)**
Deferred tax on re-measurements of defined benefit pension schemes	-	-	-	0.3	**0.3**
Balance at 30 April 2015	**-**	**3.2**	**-**	**(27.7)**	**(24.5)**
Loss for year ended 30 April 2016	-	-	-	(24.0)	**(24.0)**
Other comprehensive income for the year:					
Re-measurements of defined benefit pension schemes	-	-	-	(3.4)	**(3.4)**
Fair value of interest SWAP	-	-	(1.6)	-	**(1.6)**
Deferred tax on re-measurements of defined benefit pension schemes	-	-	-	0.6	**0.6**
Balance at 30 April 2016	**-**	**3.2**	**(1.6)**	**(54.5)**	**(52.9)**

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR TO 30 APRIL 2016

	Notes	Year ended 30 April 2016 Group £m	Period ended 2 Dec 2014 to 30 April 2015 Group £m
Cash flows from operating activities			
Profit for the period before non-recurring items		13.4	5.7
Non-recurring items		(6.5)	(24.2)
Operating profit/ (loss)		6.9	(18.5)
Adjustments for:			
Amortisation of acquired intangibles	10	23.0	7.8
Amortisation of post acquisition intangibles	10	2.6	0.6
Depreciation	11	2.5	0.8
Net cash from operating activities before changes in working capital and provisions		**35.0**	**(9.3)**
Foreign exchange movements		(0.7)	(1.2)
Change in trade and other receivables		(1.4)	(2.2)
Change in inventories		(0.5)	(0.2)
Change in trade and other payables		(2.9)	24.2
Change in provisions and employee benefits		2.3	9.7
Net cash from operating activities before taxes paid		**31.8**	**21.0**
Cash flows from investing activities			
Acquisition of subsidiaries		-	(346.6)
Acquisition of intangible assets	10	(11.8)	(3.0)
Acquisition of property, plant and equipment	11	(2.7)	(2.9)
Net cash used in investing activities		**(14.5)**	**(352.5)**
Net cash from operations after investing activities		**17.3**	**(331.5)**
Taxes received		0.1	0.0
Net cash from operations after investing activities and before financing activities		**17.4**	**(331.5)**
Cash flows from financing activities			
Interest received		0.2	0.1
Interest paid		(20.8)	(5.3)
Proceeds from borrowings	15	-	237.5
Proceeds from shareholder loan notes	15	-	123.4
(Decrease)/Increase in finance lease liabilities		(1.6)	0.6
Payment of finance lease liabilities		(1.2)	(1.2)
Net cash from financing activities		**(23.4)**	**355.1**
Cash and cash equivalents at start of year/period		23.7	-
Net (decrease)/increase in cash and cash equivalents excluding effect of foreign exchange rate movements on cash held		(6.1)	23.7
Net (decrease)/increase in cash and cash equivalents		**(6.1)**	**23.7**
Cash and cash equivalents	**14**	**17.6**	**23.7**

The notes on pages 30 to 65 are an integral part of these statements.

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 2016

Note 1: group accounting policies

Argon Topco Limited (the 'Company') is a company incorporated and domiciled in Jersey. The consolidated accounts of the Company for the year ended 30 April 2016 comprise the Company and its subsidiaries (together referred to as the 'Group').

The Group is primarily involved in software solutions and process outsourcing in the public sector. The Company's primary function is to act as a holding company for the group.

The Company, Argon Topco Limited, was incorporated on 2 December 2014 and indirectly acquired the entire share capital of NPS (Holdings) Limited on 22 December 2014. Prior to that the group headed by Argon Topco Limited did not trade.

The financial statements were approved by the Directors and authorised for issue on 25 August 2016.

Statement of Compliance
The Group and Company accounts have been prepared and approved by the Directors in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU ("adopted IFRS") and as issued by International Accounting Standards Board (IASB). The parent company financial statements present information about the Company as a separate entity and not about its Group.

Basis of Preparation
The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 14 to 16. Note 21 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

Details of how the Group is funded are set out in Note 15.

Notwithstanding the Group has net current liabilities, the Directors are satisfied that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future as set out in the Strategic Report on pages 14 to 16. For this reason they continue to adopt the going concern basis in preparing the accounts.

The accounts are presented in pounds sterling, rounded to the nearest 0.1 million and have been prepared under the historic cost convention except for the following assets and liabilities that are stated at fair value: derivative financial instruments and defined benefit pension schemes. Accounting policies have been applied consistently in the period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at measurement date. Fair value measurements and disclosures in these financial statements are determined on such basis except for leasing transactions that are within the scope of IAS 17.

In addition, fair value measurements are categorised into Level 1, 2, 3 based on the degree to which inputs to their fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2016

Note 1: group accounting policies continued

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
In presenting the parent entity financial statements together with the group financial statements, the company is electing not to present its individual income statement and related notes as part of these approved financial statements. The Company's loss for the financial period was nil.

Non-gaap performance measures

The board believe that these measures provide additional useful information for the shareholders on the underlying performance of the business. These measures are consistent with how business performance is monitored internally. The adjusted operating profit is not a recognised profit measure under adopted IFRS and may not be directly comparable with 'adjusted' profit measures used by other companies. The adjustments made to operating profit have the effect of excluding interest, taxation, depreciation of fixed assets, amortisation of intangible assets, and non-recurring items which do not reflect the underlying trading performance of the Group.

Basis of Consolidation

The consolidated accounts incorporate the accounts of the Company and entities controlled by the Company (its subsidiaries) made up to 30 April each period.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns from its involvement with the entity.

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill.

All business combinations are accounted for by applying the acquisition method. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions

The Group measures goodwill at the acquisition date as:
- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- The fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Transactions eliminated on consolidation

Inter-company transactions and balances are eliminated on consolidation.

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 2016

Note 1: group accounting policies continued

Use of Estimates and Judgements (see note 26)

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Judgements made by management in the application of adopted IFRS that have significant effect on the accounts and estimates with a significant risk of material adjustment in the next period are disclosed in note 26. In particular, information about significant areas of estimation and uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 10 – Intangible fixed assets
Note 13 – Deferred tax
Note 16 – Employee benefits
Note 17 – Provisions
Note 21 – Financial instruments
Note 26 – Accounting estimates and judgements

Revenue recognition and goodwill are discussed in the relevant sections of the accounting policies note.

Intangible assets

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Company's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition. Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

On disposal of a subsidiary, the attributable net book value of goodwill is included in the determination of the profit or loss on disposal.

Other intangible assets excluding goodwill

Acquired intangibles and purchased software are stated at the cost less accumulated amortisation and impairment losses.

New intangibles recognised under IFRS 3 relating to technology based assets, customer contracts and relationships, and order backlog are amortised straight-line over a useful economic life depending on an assessment of the asset and the relevant market.

- Technology assets are amortised over a period of 5-12 years
- Customer Contracts and Relationships are amortised over a period of 10-12 years
- Order Backlog assets are amortised over a period of 2-10 years

Details of the Group's intangible fixed assets can be found in note 10.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from the Group's software development is recognised only if all of the following conditions are met:

- an asset is created that can be identified;
- it is probable that the asset created will be technically and commercially feasible;
- the Group has sufficient resources to complete development;
- the asset will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 2016

Note 1: group accounting policies continued

The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development costs are stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to the income statement on a straight-line basis over a useful economic life of 5 years, commencing from the date of capitalised development.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally-generated goodwill and brands, is recognised in the income statement when incurred.

Impairment excluding Inventory and Deferred Tax Assets

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined, had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount.

Revenue

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:

- Persuasive evidence of an arrangement exists;
- The price to the customer is fixed or determinable;
- Any services deliverable under the supply arrangement are clearly separable from the software supply;
- Physical delivery has occurred or services have been rendered;
- Contract milestones have been achieved; and
- 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 licence. 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.

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2016

Note 1: group accounting policies continued

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 Exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Translation differences are taken to the income statement except for differences arising on retranslation of a financial liability designated as a hedge of the net investment in a foreign operation, which are recognised directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

On consolidation, results of overseas subsidiaries are translated using the average exchange rate for the period, unless exchange rates fluctuate significantly. The balance sheets of overseas subsidiaries, including goodwill and fair value adjustments arising on consolidation are translated to the Group's presentational currency, Sterling, using the closing period-end rate. Exchange differences arising, if any, are taken to a translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

Financial Instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, investments, equity and cash and cash equivalents, bank borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Routine purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Trade receivables

Trade receivables (other than lease-book receivables) do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Lease-book receivables are stated net of unearned interest receivable, at their present value.

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 2016

Note 1: group accounting policies continued

Financial liabilities and equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the Group's assets after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Bank borrowings
Interest-bearing bank loans and overdrafts are initially recorded at fair value which is the proceeds received, net of direct issue costs. Subsequent to initial recognition, interest-bearing bank loans and overdrafts are stated net of issue costs, which are amortised over the period of the debt.

Finance charges are accounted for on an accruals basis to the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade and other payables
Trade and other payables are non interest bearing and are stated at their nominal value.

Derivative financial instruments and hedge accounting
Derivative financial instruments are recognised on the Group's balance sheet at fair value. The Group has not applied hedge accounting except as described below and changes in the fair value of derivative financial instruments are recognised in the income statement as they arise.

Derivative instruments utilised by the Group are interest rate collars and foreign currency swaps. The Group does not enter into speculative derivative contracts. All such instruments are used for hedging purposes to alter the risk profile of an existing underlying exposure of the Group in line with the Group's risk management policies.

The use of financial derivatives is governed by the Group's policies approved by the Board of Directors which provide written principles on the use of financial derivatives.

Interest rate hedges
The fair value of interest rate hedges and collars are determined by valuations provided by the issuing financial institution of those instruments.

Share capital
Ordinary shares
Incremental costs directly attributable to issue of ordinary shares and share options are recognised as a deduction from equity.

Property, plant and equipment
Property, plant and equipment are stated at cost less any applicable discounts less accumulated depreciation and impairment losses. Depreciation is provided at rates calculated to write down the cost of property, plant and equipment over their estimated useful life on a straight-line basis.

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2016

Note 1: group accounting policies continued

The economic life of fixed assets, by category, is as follows:

Leasehold improvements	Lesser of 50 years or life of the lease
Fixtures and fittings:	
• Non IT Office Equipment & Furniture	5 years
• Security, Fire & Environmental equipment	10 years
Computer equipment:	
• Servers & Associated Software	5 years
• Laptops, Desktops, Printers & Software	3 years
• Standalone Software	3 years
• Motor vehicles	4 years

At each balance sheet date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered impairment. Residual values, remaining useful lives and depreciation methods are reviewed annually and adjusted if appropriate.

Inventories

Inventories, which comprise goods held for resale, are stated at the lower of cost and net realisable value. Cost includes all costs in acquiring the inventories and bringing each product to its present location and condition. Net realisable value represents the estimated selling price and costs to be incurred in marketing, selling and distribution.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Leased Assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are included in the balance sheet at fair value or, if lower, at the present value of the minimum lease payments, each determined at inception of the lease less depreciation and impairment losses. These assets are depreciated in accordance with the Group's normal accounting policy for the class of asset concerned or over the period of the lease if shorter. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the income statement over the period of the lease in proportion to the balance of capital repayments outstanding. Finance charges are charged directly against income.

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the period of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Net Financing Costs

Net financing costs comprise interest payable, interest on the defined benefit pension plan obligations and expected return on pension scheme assets (together referred to as net pension finance expense), amortisation of issue costs on borrowings, interest receivable on funds invested, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognised in the income statement.

Interest income and interest payable is recognised in the income statement as it accrues, using the effective interest method.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period using rates enacted or substantially enacted at the balance sheet date and any adjustment to tax payable in respect of previous years. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 2016

Note 1: group accounting policies continued

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 and accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates enacted or substantially enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also included within equity.

Retirement Benefit Costs

The Group operates various defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The amounts charged to the income statement represent the contributions payable to the schemes in respect of the accounting period.

The Group also operates three defined benefit pension schemes. The Group’s net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of the future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of the economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments.

Net interest expense and other expenses related to the defined benefit plans are recognised in the profit and loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Provisions

Provisions arise from legal or constructive obligations resulting from a past event where expected costs can be assessed with reasonable certainty and it is probable that an outflow of economic benefit will be required to settle the obligation. If the effect is material, the provision is determined by discounting the expected future cash flows.

Property provisions

A property provision is recognised when the expected benefits to be derived from the property are lower than the unavoidable cost of meeting the contractual obligations on that property.

Restructuring provisions

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2016

Note 1: group accounting policies continued

Adopted IFRS and Interpretations not yet applied
The Group and Company have not applied the following new and revised IFRS that have been issued but are not yet effective:

IFRS 15: Revenue from Contracts with Customers - effective for annual reporting periods beginning on or after 1 January 2018, with early application permitted. In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 19 'Revenue', IAS 11 'Construction Contracts' and the related interpretations when it becomes effective.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation - effective for annual reporting periods beginning on or after 1 January 2016, with early application permitted. The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in limited circumstances.

The directors of Argon Topco Limited are currently calculating the effect of implementing these standards and have not yet concluded if their adoption will have a material impact on these financial statements.

Dividends
Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the accounts.

Note 2: acquisition of company

4 month period ended 30 April 2015
Argon Topco Limited was incorporated on 2 December 2014 and acquired the entire share capital of Northgate Public Services (Holdings) on 22 December 2014. Prior to that the group headed by Argon Topco Limited did not trade.

The creation of Argon Topco Limited was to facilitate the sale of Northgate Public Service (Holdings) Limited by funds advised by Kohlberg Kravis Roberts & Co. L.P. ("KKR") to funds managed by Cinven Capital Management.

The consideration transferred consisted of cash of £346.6m.

Costs relating to the acquisition were £24.1m. These costs are also detailed in note 4 on page 43 and have been expensed as incurred and treated as non-recurring items.

Post acquisition results of the acquired business for the 4 month period ended 30 April 2015 are included in the group consolidated accounts. Revenue of £64.1m and Underlying EBITDA* of £14.9m relate to the acquired business.

The fair values of the identifiable assets and liabilities at the acquisition date are set out below.

*Underlying EBITDA represents profitability before interest, taxation, depreciation of tangible fixed assets and amortisation of intangible fixed assets, and non-recurring items, details of which are contained within note 4.

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2016

Note 2: acquisition of company continued

	£m
Property and Equipment	6.1
Inventory	0.2
Trade and Other Receivables	44.6
Deferred Tax and Corporation Tax	(27.5)
Trade and Other Payables	(98.3)
Goodwill	233.6
Identified Acquired Intangibles	187.9
Net Assets Acquired	**346.6**
Cash consideration	346.6
Total consideration	**346.6**

Note 3: group segmental analysis

Geographic revenue split

	Year ended 30 April 2016 £m	Period 23 Dec 2014 to 30 April 2015 £m
UK	170.7	59.0
Other	11.8	5.1
	182.5	**64.1**

The group is predominantly UK based with other trading entities in Canada, Australia and India.

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 2016

Note 3: group segmental analysis continued

Income statement by cash generating unit

	Period 2 Dec 2014 to 30 April 2015				
	NPS Solutions £m	NPS Services £m	Central & RAVE £m	Holding Companies £m	Group £m
Revenue	41.5	21.0	1.6	-	64.1
Cost Of Sales	(0.9)	(8.6)	(1.2)	-	**(10.7)**
Gross Profit	**40.6**	**12.4**	**0.4**	**-**	**53.4**
Operating Costs	(21.3)	(11.9)	(5.3)	-	(38.5)
Underlying EBITDA*	**19.3**	**0.5**	**(4.9)**	**-**	**14.9**
Amortisation of acquired intangible fixed assets	(7.3)	(0.3)	(0.2)	-	(7.8)
Amortisation of post acquisition intangible fixed assets	(0.6)	-	-	-	**(0.6)**
Depreciation of tangible fixed assets	-	(0.4)	(0.4)	-	**(0.8)**
Significant restructuring, one-off items and property provisions	-	(0.2)	(3.1)	(20.9)	**(24.2)**
Operating (loss)/profit	**11.4**	**(0.4)**	**(8.6)**	**(20.9)**	**(18.5)**
Financial income	-	-	0.1	-	**0.1**
Financial expenses	(0.2)	-	(1.3)	(10.2)	**(11.7)**
Profit/(loss) before tax	**11.2**	**(0.4)**	**(9.8)**	**(31.1)**	**(30.1)**
Tax credit	-	-	0.9	-	**0.9**
Loss for the period 2 Dec 2014 to 30 Apr 2015	**11.2**	**(0.4)**	**(8.9)**	**(31.1)**	**(29.2)**

	Year ended 30 April 2016				
	NPS Solutions £m	NPS Services £m	Central & RAVE £m	Holding Companies £m	Group £m
Revenue	116.9	62.5	3.1	-	**182.5**
Cost Of Sales	(6.4)	(19.8)	(1.7)	-	**(27.9)**
Gross Profit	**110.5**	**42.7**	**1.4**	**-**	**154.6**
Operating Costs	(66.2)	(37.2)	(9.7)	-	**(113.1)**
Underlying EBITDA*	**44.3**	**5.5**	**(8.3)**	**-**	**41.5**
Amortisation of acquired intangible fixed assets	-	-	-	(23.0)	**(23.0)**
Amortisation of post acquisition intangible fixed assets	(2.6)	-	-	-	**(2.6)**
Depreciation of tangible fixed assets	(0.1)	(1.7)	(0.7)	-	**(2.5)**
Significant restructuring, one-off items and property provisions	(0.7)	(3.7)	(1.7)	(0.4)	**(6.5)**
Operating (loss)/profit	**40.9**	**0.1**	**(10.7)**	**(23.4)**	**6.9**
Financial income	-	-	0.2	-	**0.2**
Financial expenses	(0.1)	-	(1.9)	(33.6)	**(35.6)**
Profit/(loss) before tax	**40.8**	**0.1**	**(12.4)**	**(57.0)**	**(28.5)**
Tax credit	-	-	4.5	-	**4.5**
Loss for the year ended 30 April 2016	**40.8**	**0.1**	**(7.9)**	**(57.0)**	**(24.0)**

*Underlying EBITDA represents profitability before interest, taxation, depreciation of tangible fixed assets and amortisation of intangible fixed assets, and non-recurring items, details of which are contained within note 4.

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 2016

Note 3: group segmental analysis continued

Financial position by cash generating unit

	Period ended 30 April 2015				
	NPS Solutions £m	NPS Services £m	Central & RAVE £m	Holding Company £m	Group £m
Non-current assets					
Goodwill	225.1	4.6	3.9	-	233.6
Acquired Intangible Assets	154.8	22.3	3.0	-	180.1
Capitalised Development	2.6	-	-	-	2.6
Total intangible assets	**382.5**	**26.9**	**6.9**	**-**	**416.3**
Property, plant and equipment	-	7.4	0.8	-	8.2
Deferred tax assets	-	-	7.5	-	7.5
Total non-current assets	**382.5**	**34.3**	**15.2**	**-**	**432.0**
Total non-current liabilities	**-**	**-**	**418.9**	**-**	**418.9**
Inventories - goods for resale	-	0.5	-	-	0.5
Trade and other receivables					
Prepayments	3.3	4.4	3.1	-	10.8
Trade receivables	14.1	6.1	3.5	-	23.7
Tax recoverable	-	-	1.1	-	1.1
Accrued Income	17.1	9.0	2.0	-	28.1
Other receivables	-	-	2.5	-	2.5
Cash and cash equivalents	-	-	23.7	-	23.7
Current Assets	**34.5**	**20.0**	**35.9**	**-**	**90.4**
Interest-bearing loans and borrowings	-	-	1.7	-	1.7
Trade and other payables					
Trade payables	-	-	21.7	-	21.7
Accruals	6.3	8.2	28.4	-	42.9
Deferred income	46.8	10.7	-	-	57.5
Social security and other taxation	-	-	4.2	-	4.2
Current Liabilities	**53.1**	**18.9**	**56.0**	**-**	**128.0**
Net Current (Liabilities)/Assets	**(18.6)**	**1.1**	**(20.1)**	**-**	**(37.6)**

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2016

Note 3: group segmental analysis continued

Financial position by cash generating unit

	Year ended 30 April 2016				
	NPS Solutions £m	NPS Services £m	Central & RAVE £m	Holding Company £m	Group £m
Non-current assets					
Goodwill	225.1	4.6	3.9	-	233.6
Acquired Intangible Assets	136.1	20.1	2.5	-	158.7
Capitalised Development	10.2	-	-	-	10.2
Total intangible assets	**371.4**	**24.7**	**6.4**	**-**	**402.5**
Deferred tax assets	-	-	8.0	-	8.0
Property, plant and equipment	-	8.1	0.3	-	8.4
Total non-current assets	**371.4**	**32.8**	**14.7**	**-**	**418.9**
Total non-current liabilities	**-**	**-**	**418.1**	**-**	**418.1**
Inventories - goods for resale	-	1.0	-	-	1.0
Trade and other receivables					
Prepayments	3.9	4.5	0.2	-	8.6
Trade receivables	20.3	5.5	2.9	-	28.7
Tax recoverable	-	-	0.7	-	0.7
Accrued Income	11.1	14.7	0.1	-	25.9
Other receivables	-	-	3.7	-	3.7
Cash and cash equivalents	-	-	17.6	-	17.6
Current Assets	**35.3**	**25.7**	**21.5**	**-**	**86.2**
Interest-bearing loans and borrowings	-	-	1.3	-	1.3
Trade and other payables					
Trade payables	-	-	21.7	-	21.7
Accruals	7.6	8.6	30.9	-	47.1
Deferred income	50.4	10.0	-	-	60.4
Social security and other taxation	-	-	7.8	-	7.8
Financial instruments	-	-	1.6	-	1.6
Current Liabilities	**58.0**	**18.6**	**63.3**	**-**	**139.9**
Net Current (Liabilities)/Assets	**(22.7)**	**7.1**	**(41.8)**	**-**	**(55.7)**

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2016

Note 4: group operating costs

	Year ended 30 April 2016 Group £m	Period 2 Dec 2014 to 30 April 2015 Group £m
Purchase of goods for resale, raw materials and consumables	27.9	10.7
Other external operating charges	26.2	9.4
Staff costs		
– wages and salaries	76.0	24.8
– social security costs	7.4	2.5
– other pension costs defined contribution	2.8	1.7
– other pension costs defined benefit – current year service cost	0.7	0.1
Depreciation of owned assets	2.5	0.8
Amortisation of development costs and purchased software	2.6	0.6
Amortisation of acquired intangibles	23.0	7.8
	169.1	**58.4**
Severance and restructuring	3.8	0.1
Stamp Duty	-	1.8
Cinven acquisition costs	-	3.7
Funding arrangement fees	-	8.8
One off acquisition advisory and separation costs	1.2	6.8
Other non-recurring items	1.5	3.0
Total non-recurring items	**6.5**	**24.2**
Total operating costs	**175.6**	**82.6**

One off costs in the current year relate to continued restructuring and separation activity following the acquisition of the business.

Other non-recurring items relate to restructing items not directly related to severance payments.

The one off costs in the prior period principally relate to the group's acquisition by Cinven on 22 December 2014 and subsequent restructuring activity. Costs include sale advisory fees that have been incurred by the group.

CINVEN

"Cinven" means, as the context requires, Cinven Group Limited, Cinven Partners LLP, Cinven (Luxco1) S.A., Cinven Limited, Cinven Capital Management (V) General Partner Limited and their respective Associates (as defined in the Companies Act 2006) and/or funds managed or advised by any of the foregoing.

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2016

Note 5: group directors' emoluments

	Year ended 30 April 2016 £m	Period 2 Dec 2014 to 30 April 2015 £m
Directors' emoluments	1.1	0.2

The directors of the group consists of four members. Two were appointed on 3 December 2014 and are charged as management fees from the controlling company. A further two were appointed on 10 February 2015 and are paid by the group. The Chairman, who is not a director, was appointed on 10 January 2016.

The aggregate emoluments of the highest paid director were £0.6m (period to 30 April 2015; £0.1m). At 30 April 2016, one director had benefits accruing under a defined benefit pension scheme and one director had benefits accruing under a money purchase pension plan.

Note 6: group operating profit

Group operating profit is stated after charging:

	Year ended 30 April 2016 £m	Period 2 Dec 2014 to 30 April 2015 £m
Research and development - expenditure not capitalised	5.2	2.6
Amortisation of acquired intangible fixed assets	23.0	7.8
Amortisation of post acquisition capitalised development	2.6	0.6
Operating lease rentals - property rentals	1.5	0.5

Within operating costs are the fees paid to the Auditor and their associates which are categorised as follows:

Auditors' remuneration

Within operating costs are the fees paid to the Auditor and their associates which are categorised as follows:

	Year ended 30 April 2016 £m	Period 2 Dec 2014 to 30 April 2015 £m
Audit of these financial statements	0.1	0.1
Audit of subsidiaries pursuant to such legislation	0.1	0.1
Services relating to taxation	0.1	0.1
All other services	0.1	0.1
	0.4	0.4

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2016

Note 7: group net financing costs

	Group Year ended 30 April 2016 £m	Group Period 2 Dec 2014 to 30 April 2015 £m
Interest income - bank and other interest receivable	0.2	0.1
Financial income	0.2	0.1
Interest expense - bank loans and overdrafts - cash spend	(18.3)	(4.4)
Interest expense - PIK notes issued	(14.8)	(5.3)
Net foreign exchange loss	(0.7)	(1.1)
Finance charges payable under finance leases	(0.3)	(0.3)
Net pension finance expense (note 16)	(1.5)	(0.6)
Financial expenses	(35.6)	(11.7)
Net financing costs	(35.4)	(11.6)

Note 8: group staff numbers

The number of persons employed by the Group, including Executive Directors, during the year was as follows:

	Year ended 30 April 2016 Number	Period 2 Dec 2014 to 30 April 2015 Number
Sales	**81**	**93**
Development	**324**	**306**
Rave Development	**695**	**669**
Operations	**1,105**	**1,119**
Support Functions	**160**	**150**
	2,365	**2,337**

Development relates to the creation and enhancement of software and is split between the UK based teams and the Rave Mumbai development centre. Operations refers to the delivery of services to clients, including the implementation and installation of software solutions.

Support functions include management, marketing and administration teams as well as central functions for legal, finance and human resources.

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2016

Note 9: group tax expense

The expense for the year comprises:

	Year ended 30 April 2016 £m	Period 2 Dec 2014 to 30 April 2015 £m
Current tax expense		
Adjustment in respect of prior periods	0.2	-
Overseas tax	(0.2)	(0.2)
Total current tax	-	(0.2)
Deferred tax (see note 13)		
Deferred tax credit	4.5	1.1
Total deferred tax	4.5	1.1
Total tax credit in income statement	**4.5**	**0.9**

Reconciliation of effective tax rate

	Year ended 30 April 2016 £m	Period 2 Dec 2014 to 30 April 2015 £m
Loss before tax	(28.5)	(30.1)
Tax on loss at UK corporation tax rate of 20%	5.7	6.0
Non-deductible expenses	(5.7)	(6.0)
Reversal of temporary differences	4.5	1.1
Adjustments in respect of prior periods	0.2	-
Tax on profit in foreign entities	(0.2)	(0.2)
Total tax (charge)/credit	**4.5**	**0.9**

Deferred tax recognised directly in equity

	Year ended 30 April 2016	Period 2 Dec 2014 to 30 April 2015
Remeasurements of defined benefit pension schemes	0.6	0.3

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 2016

Note 10: group intangible fixed assets

		Acquired Intangibles				
	Goodwill £m	Software £m	Customer Relationships £m	Order Backlog £m	Capitalised Development £m	Total £m
Cost:						
At 2 December 2014	-	-	-	-	-	-
Additions on business combination	233.6	108.0	75.2	4.7	0.2	421.7
Additions	-	-	-	-	3.0	3.0
At 30 April 2015	**233.6**	**108.0**	**75.2**	**4.7**	**3.2**	**424.7**
Amortisation and impairment losses:						
At 2 December 2014	-	-	-	-	-	-
Amortisation charge for the period	-	5.5	2.0	0.3	0.6	8.4
At 30 April 2015	**-**	**5.5**	**2.0**	**0.3**	**0.6**	**8.4**
Net book value:						
At 30 April 2015	**233.6**	**102.5**	**73.2**	**4.4**	**2.6**	**416.3**
At 2 December 2014	-	-	-	-	-	-

		Acquired Intangibles				
	Goodwill £m	Software £m	Customer Relationships £m	Order Backlog £m	Capitalised Development £m	Total £m
Cost:						
At 30 April 2015	233.6	108.0	75.2	4.7	3.2	424.7
Additions	-	-	-	-	11.8	11.8
At 30 April 2016	**233.6**	**108.0**	**75.2**	**4.7**	**15.0**	**436.5**
Amortisation and impairment losses:						
At 30 April 2015	-	5.5	2.0	0.3	0.6	8.4
Amortisation charge for year	-	16.4	5.9	0.7	2.6	25.6
At 30 April 2016	**-**	**21.9**	**7.9**	**1.0**	**3.2**	**34.0**
Net book value:						
At 30 April 2016	**233.6**	**86.1**	**67.3**	**3.7**	**11.8**	**402.5**
At 30 April 2015	233.6	102.5	73.2	4.4	2.6	416.3

On 22 December 2014 the Argon Topco Limited indirectly acquired NPS (Holdings) Limited for a cash consideration of £346.6m. See note 2 acquisitions for details.

Impairment tests for cash-generating units containing goodwill

Cash-generating units containing goodwill are subject to annual impairment reviews. Goodwill, customer relationships, technology based assets and marketing related assets have been allocated to the appropriate cash generating units (CGUs) identified. Amounts recognised at the balance sheet date are shown in the table below:

	Functional currency	Goodwill £m	Software £m	Customer Relationships £m	Order Backlog £m	Capitalised Development £m	Total £m
NPS Solutions	£GBP	225.1	86.1	48.4	-	11.8	371.4
NPS Services	£GBP	4.6	-	16.7	3.4	-	24.7
Rave & Central	£GBP	3.9	-	2.2	0.3	-	6.4
At 30 April 2016		**233.6**	**86.1**	**67.3**	**3.7**	**11.8**	**402.5**

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2016

Note 10: group intangible fixed assets continued

The recoverable amounts of the CGUs are determined from value-in-use calculations which use discounted pre-tax cash flows from approved budgets and multiple year forecasts and extrapolated cash flows for the periods beyond these using estimated long term growth rates. The key assumptions are:

- **Long term average growth rates** are used to extrapolate cash flows. Growth rates are determined with reference to internal approved budgets and forecasts.
- **Discount rates** are calculated separately for each CGU and reflect the individual nature and specific risks relating to the market in which it operates. The discount rates used are stated in the sections below.
- **Gross margins** are based on past performance and management's expectations of market development. No improvements to margins beyond periods covered by approved budgets and forecasts have been assumed.
- **Attrition rates** based on historical attrition of revenue and numbers of customers were used for each CGU.

Software - The value of applications and technologies as at 2 December 2014 was £108.0m. The amortisation period is between 5 and 12 years depending on the market that the software is for and where it is in its life cycle. The discount rate applied was 13%.
Customer Relationships - The value of the customer base relationship and contract strength as at 2 December was £75.2m. The amortisation period is between 10 and 15 years, depending on the market, an assessment of the length of customer relationship and overall attrition rates. The discount applied varies by CGU: NPS Solutions 13%; NPS Services 14%; Rave 17%.
Order Backlog - The value of the existing contracted orders as at 2 December 2014 was £4.7m. The amortisation period is between 2-10 years depending on the market and an assessment of the length of contracts. The discount applied varies by CGU: NPS Services 14%; Rave 17%.

As a result of performing an impairment review, the directors believe that there is currently no reasonable possible change in income that would cause an impact.

Note 11: group property, plant and equipment

Group	Leasehold improvements £m	Fixtures, fittings, equipment and motor vehicles £m	Total £m
Cost:			
At 30 April 2015	**1.3**	**7.7**	**9.0**
Additions	0.5	2.2	2.7
Disposals	-	-	-
At 30 April 2016	**1.8**	**9.9**	**11.7**
Depreciation and impairment losses:			
At 30 April 2015	**-**	**0.8**	**0.8**
Depreciation charge for the period	0.2	2.3	2.5
Disposals	-	-	-
At 30 April 2016	**0.2**	**3.1**	**3.3**
Net book value:			
At 30 April 2016	**1.6**	**6.8**	**8.4**
At 30 April 2015	1.3	6.9	8.2

The net book value of fixtures, fittings, equipment and motor vehicles includes £2.8m in respect of assets held under finance leases. Depreciation on these assets during the period was £0.2m. The cost of property, plant and equipment is not materially different from the fair value.

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 2016

Note 11: group property, plant and equipment continued

On the 22 December 2014 the Company indirectly acquired the entire share capital of NPS (Holdings) Limited. It has been determined that gross disclosure of the acquired property, plant and equipment is most appropriate for the acquired assets as the historical useful economic lives have been adopted by Argon Topco Limited and it is believed that gross rather than net disclosures provides greater clarity with regards to the assets acquired.

Group	Leasehold improvements £m	Fixtures, fittings, equipment and motor vehicles £m	Total £m
Cost:			
At 2 December 2014			
Additions on business combination	1.1	5.0	6.1
Addition	0.2	2.7	2.9
Disposals	-	-	-
At 30 April 2015	**1.3**	**7.7**	**9.0**
Depreciation and impairment losses:			
At 2 December 2014			
Depreciation charge for the period	-	0.8	0.8
Disposals	-	-	-
At 30 April 2015	**-**	**0.8**	**0.8**
Net book value:			
At 30 April 2015	**1.3**	**6.9**	**8.2**
At 2 December 2014	-	-	-

Note 12: group and company trade and other receivables

	Year ended 30 April 2016 Group £m	Company £m	Period ended Group £m	30 April 2015 Company £m
Current assets				
Prepayments	8.6	-	10.8	-
Trade receivables	28.7	-	23.7	-
Tax recoverable	0.7	-	1.1	-
Accrued Income	25.9	-	28.1	-
Other receivables and prepayments	3.7	3.2	2.5	3.2
	67.6	**3.2**	**66.2**	**3.2**

Note 13: group deferred tax

The Group's deferred tax is attributable to the following:

	Assets year ended 30 April 2016 £m	Liabilities year ended 30 April 2016 £m	Net year ended 30 April 2016 £m	Assets period ended 30 April 2015 £m	Liabilities period ended 30 April 2015 £m	Net period ended 30 April 2015 £m
Acquired intangibles	-	(31.3)	**(31.3)**	-	(35.9)	**(35.9)**
Accelerated capital allowances	3.7	-	**3.7**	3.4	-	**3.4**
Temporary differences	0.5	-	**0.5**	0.2	-	**0.2**
Defined benefit Pension Plan	3.6	-	**3.6**	3.7	-	**3.7**
Overseas deferred tax	0.2	(0.1)	**0.1**	0.2	(0.1)	**0.1**
Net tax assets/(liabilities)	**8.0**	**(31.4)**	**(23.4)**	**7.5**	**(36.0)**	**(28.5)**

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 2016

Note 13: group deferred tax continued

Year ended 30 April 2016:

Group	Balance at 30 April 2015 £m	Recognised in income £m	Recognised in equity £m	Balance at 30 April 2016 £m
Acquired intangibles	(35.9)	4.6	-	(31.3)
Accelerated capital allowances	3.4	0.3	-	3.7
Temporary differences	0.2	0.3	-	0.5
Defined benefit pension plan	3.7	(0.7)	0.6	3.6
Overseas deferred tax	0.1	-	-	0.1
Total	**(28.5)**	**4.5**	**0.6**	**(23.4)**

Period 2 December to 30 April 2015:

Group	Balance at 2 Dec 2014 £m	Balance at 22 Dec 2014 £m	Recognised in income £m	Recognised in equity £m	Balance at 30 April 2015 £m
Acquired intangibles	-	(37.5)	1.6	-	(35.9)
Accelerated capital allowances	-	3.6	(0.2)	-	3.4
Temporary differences	-	0.2	-	-	0.2
Defined benefit pension plan	-	3.6	(0.3)	0.4	3.7
Overseas deferred tax	-	0.1	-	-	0.1
Total	**-**	**(30.0)**	**1.1**	**0.4**	**(28.5)**

Note 14: group cash and cash equivalents

	Year ended 30 April 2016 £m	Period ended 30 April 2015 £m
Cash at bank and in hand	17.6	23.7
Cash and cash equivalents in the cash flow statement	17.6	23.7

Note 15: group interest-bearing loans and borrowings

	Group Year ended 30 April 2016 £m	Group Period ended 30 April 2015 £m
Non-current liabilities		
Secured bank loans	237.5	237.5
Unsecured loan notes	123.4	123.4
Finance lease liabilities	1.2	2.4
	362.1	363.3
Current liabilities		
Finance lease liabilities	1.3	1.7
	1.3	1.7

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2016

Note 15: group interest-bearing loans and borrowings continued

The Group's secured bank loans are secured by a cross guarantee and a fixed and floating charge over the assets of the various members of the Group. The cash interest rate applicable to the Sterling denominated bank loans is the greater of LIBOR or 1.00%, plus a margin which varies between 5.00% and 5.75%, depending on the business ratio of net debt to Underlying EBITDA.* All bank loans at the period end are due in Sterling.

Group bank loans are subject to the following covenant restriction:

Ratio of consolidated net borrowings to underlying EBITDA.*

Failure to meet the covenant restriction results in all amounts outstanding, becoming immediately due and payable. There have been no breaches in covenants since the inception of the loans.

*Underlying EBITDA represents profitability before interest, taxation, depreciation of tangible fixed assets, amortisation of intangible fixed assets, and non-recurring items.

Finance lease liabilities

Finance lease liabilities are payable:

Group	**Minimum lease payments 30 April 2016 £m**	**Interest 30 April 2016 £m**	**Principal 30 April 2016 £m**	Minimum lease payments 30 April 2015 £m	Interest 30 April 2015 £m	Principal 30 April 2015 £m
Less than one year	**1.3**	**-**	**1.3**	1.8	0.1	1.7
Between one & five years	**1.3**	**0.1**	**1.2**	2.5	0.1	2.4
	2.6	**0.1**	**2.5**	**4.3**	**0.2**	**4.1**

Under the terms of the lease arrangement, no contingent rents are payable.

Note 16: group employee benefits

	Group Year ended 30 April 2016 £m	**Group period ended 30 April 2015 £m**
Total employee benefit liabilities - net defined benefit liability	20.9	18.6

For details on the related employee benefit expenses see note 4.

The Group contributes to the following post-employment defined benefit plans: The Northgate Public Services Pension Scheme and the Northgate HR Pension Scheme ('the Northgate Schemes') and the Rebus Group Pension Scheme ('the Rebus Scheme'). The schemes are closed to new employees, who are instead eligible to join another defined contribution scheme.

Benefits are related to salary close to retirement or leaving service (if earlier) and also to years of pensionable service. Assets are held in separate, trustee administered funds. Employer contributions to the schemes are determined on the basis of regular valuations undertaken by independent, qualified actuaries. As the schemes are closed to new entrants for pension accrual, under the method used to calculate pension costs in accordance with IAS19, the cost as a percentage of covered pensionable payroll will tend to increase as the average age of the membership increases.

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2016

Note 16: group employee benefits continued

Funding

The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan. This includes the additional contributions aimed at removing the deficit of the schemes. Contributions to the defined contribution schemes are in addition to the contributions to the UK defined benefit schemes.

Movements in the net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit and its components.

	Defined benefit obligation 2016 £m	Fair value of plan assets 2016 £m	Net defined benefit liability 2016 £m	Defined benefit obligation 30 April 2015 £m	Fair value plan assets 30 April 2015 £m	Net defined liability 30 April 2015 £m
Balance brought forward	**111.5**	**92.9**	**18.6**	**-**	**-**	**-**
Acquired 22 December 2014	-	-	-	105.7	88.4	17.3
Included in income statement						
Current service cost	**0.7**	**-**	**0.7**	**0.2**	**-**	**0.2**
Running costs	**-**	**(0.2)**	**0.2**	**-**	**(0.2)**	**0.2**
Interest cost	**3.9**	**3.3**	**0.6**	**1.4**	**1.2**	**0.2**
	4.6	**3.1**	**1.5**	**1.6**	**1.0**	**0.6**
Included in statement of comprehensive income						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Financial assumptions	**(0.6)**	**-**	**(0.6)**	**6.1**	**-**	**6.1**
Experience adjustments	**(1.1)**	**-**	**(1.1)**	**(0.9)**	**-**	**(0.9)**
Return on plan assets excluding interest income	**-**	**(5.1)**	**5.1**	**-**	**3.3**	**(3.3)**
	(1.7)	**(5.1)**	**3.4**	**5.2**	**3.3**	**1.9**
Other						
Contributions paid by the employer	**-**	**2.7**	**(2.7)**	**-**	**1.2**	**(1.2)**
Benefits paid	**(2.9)**	**(2.9)**	**-**	**(1.0)**	**(1.0)**	**-**
	(2.9)	**(0.2)**	**(2.7)**	**(1.0)**	**0.2**	**(1.2)**
At 30 April 2016	**111.5**	**90.7**	**20.8**	**111.5**	**92.9**	**18.6**

Fair value of plan assets

The plan assets are all in investment funds which do not have quoted prices, although the majority of assets held within those funds will have quoted prices. The assets with the funds are split as follows

	30 April 2016 £m	30 April 2015 £m
Equities	16.9	18.3
LDI Funds	8.0	10.4
Multi-asset credit	7.0	6.9
Property	9.7	8.9
Emerging marketing multi asset	8.1	8.7
Diversified growth funds	30.5	31.1
Cash invested	9.7	7.8
Cash in bank account	0.8	0.8
At 30 April	**90.7**	**92.9**

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2016

Note 16: group employee benefits continued

The expected rate of return on pension plan assets is determined as the Company's best estimate of the long term return of the major asset classes - equities, bonds, LDI, and diversified growth funds - weighted by the current strategic allocation at the measurement date less expenses.

Defined benefit obligation

Actuarial assumptions

The principal actuarial assumptions at the balance sheet date were:

	30 April 2016 %	**30 April 2015 %**
Discount rate	3.4%	3.5%
Future salary increases	1.0%	1.0%
Retail price inflation	2.8%	3.1%
Consumer price inflation (CPI)	1.8%	2.1%
Future pension increases (2.5% LPI)	2.0%	2.1%
Future pension increases (5.0% LPI)	2.8%	3.0%

The weighted average durations of the expected benefit payments is between 19-22 years across the schemes. The current longevities underlying the values in the defined benefit obligation at the reporting date were as follows:

	30 April 2016 Years	**30 April 2015 Years**
Longevity at age 65 for current pensioners		
Males	22.7	22.6
Females	24.8	24.7
Longevity at age 65 for current members aged 45		
Males	24.5	24.4
Females	26.7	26.6

Sensitivity analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding the other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	2016 £m Increase	2016 £m Decrease
Discount rate (0.1% movement)	(1.9)	2.0
Future pension growth (0.1% movement)	0.5	(0.5)
Inflation and related future pension growth (0.1% movement)	0.9	(0.9)
Future salary growth	-	(0.2)
CPI (deferred revaluation increases)	0.5	(0.5)
Life expectancy (1 year movement)	3.4	(3.4)

Although the analysis does not take account of the full distribution of cash flows expected under the plans, it does provide an approximation of the sensitivity of the assumptions shown.

Defined contribution arrangements

The Group also operates various defined contribution arrangements for its UK and overseas employees. The contributions paid to defined contribution schemes during the period amounted to £2.8m. The amount recognised as an expense was £2.8m. The amount paid into pension schemes for overseas employees was £0.1m. Amounts payable in respect of defined contribution arrangements at 30 April 2016 were £0.2m.

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 2016

Note 17: group provisions

	Property provisions £m	Year ended 30 April 2016 Restructuring provisions £m	Onerous contract provisions £m	Total £m
Balance brought forward	1.0	-	-	1.0
Recognised in the income statement	-	2.1	2.7	4.8
Utilised in the period	-	(2.1)	-	(2.1)
At 30 April 2016	**1.0**	**-**	**2.7**	**3.7**
Current	-	-	-	-
Non-Current	1.0	-	2.7	3.7
At 30 April 2016	**1.0**	**-**	**2.7**	**3.7**

	Property provisions £m	Period 2 Dec 2014 to 30 April 2015 Restructuring provisions £m	Onerous contract provisions £m	Total £m
Balance at incorporation	-	-	-	-
Acquired on 22 December 2014	1.0	0.2	-	1.2
Recognised in the income statement	-	0.1	-	0.1
Utilised in the period	-	(0.3)	-	(0.3)
At 30 April 2015	**1.0**	**-**	**-**	**1.0**
Current	-	-	-	-
Non-Current	1.0	-	-	1.0
At 30 April 2015	**1.0**	**-**	**-**	**1.0**

Property provisions

The provision consists of dilapidations to make good property at the end of leases. This is made for all properties.

Restructuring and other provisions

The Group had previously provided for restructuring, and following the purchase by Cinven, these provisions were utilised in the previous period from the transaction to year end.

Onerous contract provision

Management has identified that the future costs of contracts entered into exceed the future income and have created a provision to recognise this.

Note 18: group and company trade and other payables

	Year ended 30 April 2016 Group £m	Period 2 Dec 2014 to 30 April 2015 Group £m
Current liabilities		
Trade payables	21.7	21.7
Accruals	47.1	42.9
Deferred income	60.4	57.5
Social security and other taxation	7.8	4.2
Financial instruments	1.6	-
	138.6	**126.3**

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2016

Note 19: share capital and share premium

	Year ended 30 April 2016 £m	Period 2 Dec 2014 to 30 April 2015 £m
Called up and fully paid:		
Class A1 2,379,755 ordinary shares of £0.01 each	0.0	0.0
Class B 5,113 ordinary shares of £0.01 each	0.0	0.0
Class C 786,206 ordinary shares of £0.01 each	0.0	0.0
Class D 8,750 ordinary shares of £1.00 each	0.0	0.0
Share Premium account	3.2	3.2
Total	**3.2**	**3.2**

The Ordinary Shares of £0.01 each have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

The Ordinary Shares rank pari passu in any distributions in proportion to the number of A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and D Ordinary shares held by the relevant Shareholders at the relevant time. Each holder of A1 Ordinary Shares and each D Ordinary Shareholder has the right to receive notice of and attend a general meeting of the Company.

On a return of capital on a Winding-Up, reduction of capital or otherwise, the assets of the company available for distribution among the Shareholders shall be distributed amongst the Ordinary Shareholders and (pari passu as if the same constituted one class of Share) in proportion to the number of the A Ordinary Shares, B Ordinary Shares, C Ordinary Shares and D Ordinary shares held by the relevant Shareholders at the relevant time.

On 2 December 2014, the company issued 6 £1 ordinary shares at par. On 19 December 2014 2,379,755 Class A 1 ordinary shares were issued with a premium of £3,201,872. All other classes of share were issued at par on 24 February 2015.

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2016

Note 20: group and company net debt

Net debt includes cash and cash equivalents, secured bank loans and loan notes and finance lease liabilities.

	Notes	Group 30 April 2016 £m	Group 30 April 2015 £m
Cash and cash equivalents	14	17.6	23.7
Secured bank loans and loan notes - current	15	-	-
Secured bank loans and loan notes - non-current	15	(237.5)	(237.5)
Finance lease liabilities - current	15	(1.3)	(1.7)
Finance lease liabilities - non-current	15	(1.2)	(2.4)
Other financial liabilities - current	15	-	-
Other financial liabilities - non-current	15	(123.4)	(123.4)
		(345.8)	**(341.3)**

Set out below is a reconciliation in cash and cash equivalents to the increase in net borrowings at 30 April 2016:

	Group Year ended 30 April 2016 £m	Group Period 2 Dec 2014 to 30 April 2015 £m
Net decrease/(increase) in cash and cash equivalents	6.1	(23.7)
Creation of unsecured loan notes	-	123.4
Cash and cash equivalents net inflow from increase in debt and debt financing	-	237.5
Movement in net borrowings resulting from cash flows	6.1	337.2
Capitalised finance costs	(1.6)	4.1
Movement in net debt in the year	4.5	341.3
Net debt at 30 April	**(345.8)**	**(341.3)**

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2016

Note 21: group and company financial instruments

The Group's financial assets and liabilities mainly comprise bank borrowings, cash, liquid resources and various items, such as trade and other receivables and trade and other payables that arise directly from operations.

The main financial market risks arising from the Group's operations are credit risk, interest rate risk, foreign exchange risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group'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 Group does not require collateral in respect of financial assets.

At the balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet, principally trade and other receivables. The Group provides credit to customers in the normal course of business. Past history suggests that no provision for impairment is required for trade and other receivables not past due.

The ageing of trade receivables at the year-end was:

Group	Year ended 30 April 2016 £m Gross	Period 2 Dec 2014 to 30 April 2015 £m Gross
Not past due	14.6	14.1
Past due 0-30 days	10.2	5.5
Past due 31-60 days	3.3	2.7
Past due 61-90 days	0.5	0.6
Past due 90 days and above	0.4	1.1
	29.0	24.0

The movement in the allowance for impairment in respect of trade and other receivables during the period was as follows:

	Year ended 30 April 2016 £m	Period 2 Dec 2014 to 30 April 2015 £m
At start	0.3	0.2
Additional bad debt provision	-	0.1
Utilised in the period	-	-
	0.3	0.3

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2016

Note 21: group and company financial instruments continued

(b) Interest rate risk

Interest rate risk is the risk of increased net financing costs due to increases in market interest rates. The Group finances its operations and acquisitions through a mixture of retained profits, bank borrowings and equity; the Group's main interest rate risk therefore comes from its bank borrowings, which the Group borrows principally in Sterling.

The Group policy is to undertake interest rate hedging to protect itself against adverse movements in interest rates (see note 21(g)). Any surplus cash is invested in short-term bank deposits at the prevailing rates of interest in order to achieve the market rate of return.

At 30 April 2015, the Group had no interest rate hedges in place to reduce exposure to changes in interest rates. As at 30 April 2016, hedging contracts are in place to cover 60% of exposure to changes in interest rates over the next 3 financial years. The need for further interest rate hedges is reviewed by the Board of Directors annually. This is set out in detail in note 21(g). The fair value of the SWAP deals has been calculated at current market rates and is held on the balance sheet (note 18).

At the period end the interest rate profile of the Group's interest-bearing financial instruments was:

Variable rate instruments	2016 £m	2015 £m
Secured bank loans	237.5	237.5

As noted above, interest rate hedges are planned to be implemented to manage the risk from changing interest rates affecting the cost of these bank loans.

Fixed rate instruments	Year ended 30 April 2016 £m	Period 2 Dec 2014 to 30 April 2015 £m
Finance lease liabilities	2.5	4.1

(c) Foreign exchange risk

The Group operates internationally and is exposed to foreign currency risk on transactions denominated in a currency other than the functional currency and on the translation of the balance sheet and income statement of foreign operations into sterling. The currencies giving rise to this risk are primarily Australian Dollars, Canadian Dollars and Euros. The Group has both cash inflows and outflows in these currencies that create a natural hedge.

In managing currency risks the Group aims to reduce the impact of short-term fluctuations on the Group's cash inflows and outflows in a foreign currency. The Group also hedges any material foreign currency transaction exposure.

Over the longer term permanent changes in foreign exchange could have an impact on consolidation of foreign subsidiaries earnings however we have determined that at present this would not have a material effect on the Balance Sheet position of the Group.

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2016

Note 21: group and company financial instruments continued

(d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial commitments as they fall due.

The Group's objective is to ensure that adequate facilities are available through use of bank loans and finance leases. The Group manages liquidity risk through regular cash flow forecasting and monitoring of cash flows, management review and regular review of working capital and costs.

The Group regularly monitors its available headroom under its borrowing facilities. At 30 April 2016, £47.0m of undrawn facilities were available (see note 21(e)). At 30 April 2015, £50.0m of undrawn facilities were available.

In respect of the Group's financial liabilities including estimated interest where applicable, the table below includes details (at the balance sheet date) of the periods in which they mature.

30 April 2016	Notes	Book Value £m	Less than 1 year £m	1-2 years £m	2-3 years £m	3-4 years £m	4 years + £m
Secured bank loans	15	237.5	16.0	16.0	16.0	16.0	265.1
Unsecured Loan Notes	15	123.4	-	-	-	-	567.7
Finance lease liabilities*	15	2.5	1.3	0.8	0.3	0.2	-
Trade and other payables	18	21.7	21.7	-	-	-	-
Interest SWAPS used for hedging		1.6	0.7	0.7	0.2	-	-
		386.7	**39.7**	**17.5**	**16.5**	**16.2**	**832.8**

30 April 2015	Notes	Book Value £m	Less than 1 year £m	1-2 years £m	2-3 years £m	3-4 years £m	4 years + £m
Secured bank loans	15	237.5	16.0	16.0	16.0	16.0	281.1
Unsecured Loan Notes	15	123.4	-	-	-	-	567.7
Finance lease liabilities*	15	4.1	1.7	1.1	0.6	0.5	0.4
Trade and other payables	18	21.7	-	-	-	-	-
Interest SWAPS used for hedging		-	-	-	-	-	
		386.7	**17.7**	**17.1**	**16.6**	**16.5**	**849.2**

*These liabilities bear interest at a fixed rate.

The (inflows)/outflows disclosed in the above table represent the undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that not cash settled and gross cash inflow and outflow amounts for derivatives that have simultaneous cash settlement.

(e) Borrowing facilities

The Group has syndicated senior facility agreements with a number of banks and investment companies providing £287.5 million of available funding. These facilities were executed in January 2015. Of these facilities, the Group has the following available committed floating rate borrowing facilities at 30 April 2016 in respect of which all conditions precedent had been met at that date:

Variable rate instruments	30 April 2016 £m	30 April 2015 £m
Expiring between 2 and 10 years	47.0	50.0

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 2016

Note 21: group and company financial instruments continued

(f) Fair values of financial assets and financial liabilities

The fair values, together with the carrying amounts shown in the balance sheet, are as follows:

	Notes	Carrying amount 30 April 2016 £m	Fair value 30 April 2016 £m	Carrying amount 30 April 2015 £m	Fair value 30 April 2015 £m
Trade and other receivables	12	28.7	28.7	23.7	23.7
Other receivables (long-term trade debtors)	12				
Cash and cash equivalents	14	17.6	17.6	23.7	23.7
Secured bank loans (level 2)	15	(237.5)	(237.5)	(237.5)	(237.5)
Unsecured loan notes (level 2)	15	(123.4)	(123.4)	(123.4)	(123.4)
Finance lease liabilities (level 2)	15	(2.5)	(2.5)	(4.1)	(4.1)
Interest SWAPS used for hedging (level 2)		(1.6)	(1.6)	-	-
Trade payables	18	(21.7)	(21.7)	(21.7)	(21.7)
		(340.4)	**(340.4)**	**(339.3)**	**(339.3)**

Estimation of fair values

The fair values of financial instruments reflect the market value at the balance sheet date. All other financial instruments are stated at their carrying values which are not materially different to the market value.

(g) Hedging

The Group undertakes interest rate hedging to protect itself against adverse movements in interest rates. Hedging is put in place when significant amounts of borrowing are incurred. Hedging contracts have been implemented to cover 60% of exposure to changes in interest rates over the next 3 financial years. The need for further interest rate hedges is reviewed by the Board of Directors annually.

The following table indicates the periods in which the cash flows associated with cash flow hedges are expected to occur and the carrying amounts of the related hedging instruments.

	Carrying amount £m	Expected cash flows 2016 Total £m	12 months or less £m	More than one year £m
Interest rate swaps				
Assets	-	-	-	-
Liabilities	(1.6)	(1.6)	(0.7)	(0.9)
	(1.6)	**(1.6)**	**(0.7)**	**(0.9)**

The following table indicates the periods in which the cash flows associated with cash flow hedges are expected to impact profit or loss and the carrying amounts of the related hedging instruments.

	Carrying amount £m	Expected cash flows 2016 Total £m	12 months or less £m	More than one year £m
Interest rate swaps				
Assets	-	-	-	-
Liabilities	(1.6)	(1.6)	(0.7)	(0.9)
	(1.6)	**(1.6)**	**(0.7)**	**(0.9)**

(h) Capital Management

The Group's objectives when managing capital (retained profits and bank borrowings) are to safeguard the Group's ability to continue as a going concern, support the growth of the business and to maintain an optimal capital structure to reduce the cost of borrowing. The Group finances its operations through a combination of retained profits, equity and bank borrowings (see note 15).

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2016

Note 22: group financial commitments

At 30 April 2016, the Group's non-cancellable operating lease rentals are payable as follows:

	Year ended 30 April 2016 Land and buildings £m	Period ended 30 April 2015 Land and buildings £m
Total amount payable:		
Within one year	0.2	0.4
Within two to five years	4.3	2.2
Thereafter	3.0	3.4
	7.5	**6.0**

A number of the Group's leased properties have been sublet by the Group. Based upon the existing sublease contracts, committed sublease payments of £0.5m are expected to be received by the Group over the terms of the underlying subleases (prior periods: £0.5m).

Note 23: group contingent liability

There are no significant contingent liabilities in the Group other than bank guarantees entered into in the normal course of business.

Note 24: company non-current assets

Cost	
At 2 December 2014	-
Additions	3.2
At 30 April 2015	**3.2**
Additions	-
At 30 April 2016	**3.2**
Net book value	
At 30 April 2016	**3.2**
At 30 April 2015	3.2

Argon Topco Limited was incorporated on 2nd December 2014 and acquired the entire share capital of Northgate Public Services (Holdings) on 22nd December 2014. Prior to that the group headed by Argon Topco Limited did not trade.

The creation of Argon Topco Limited was to facilitate the sale of Northgate Public Service (Holdings) Limited by funds advised by Kohlberg Kravis Roberts & Co. L.P. ("KKR") to funds managed by Cinven Capital Management.

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2016

Note 25: group related party transactions

The Group is ultimately owned by funds advised by Cinven Capital Management (V) General Partner Limited.

All transactions with other entities controlled by Cinven are carried out on an arm's length basis.

During the year ending 30 April 2016, Cinven is entitled to a monitoring fee amounting to £0.2m per year.

The remuneration of key management (main board directors) for the period was £1.1m.

The principal subsidiary undertakings at 30 April 2016, the nature of whose business is the sale of computer solutions and services (except as noted) and which are all wholly-owned were:

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2016

Note 25: group related party transactions continued

Name	Country of incorporation and operation
Northgate Public Services Limited	England and Wales
Argon NPS (Holdings) Limited	England and Wales
Argon NPS Limited	England and Wales
NPS (Holdings) Limited	England and Wales
Rave Technologies (India) Private Limited	India
Rave Technologies (UK) Limited	England and Wales
Rave Technologies USA Inc	USA, California
Northgate Public Services (UK) Limited	England and Wales
Techsas Limited	England and Wales
CIM Systems Limited	England and Wales
NPS (UK1) Limited	England and Wales
McDonnell Limited	England and Wales
PBSD Limited	England and Wales
Prolog Business Solutions Limited	England and Wales
Daman Limited	England and Wales
Blue 8 Technologies Limited	England and Wales
Blue 8 Technologies (UK) Limited	England and Wales
Blue 8 Systems Limited	England and Wales
Kendric Ash limited	England and Wales
Kendric Ash Trustees Limited	England and Wales
Northgate Public Services Pty Limited	Australia
SX3 Pty Limited	Australia
First Software Pty Limited	Australia
Northgate Public Services (Canada) Limited	Canada
SX3 Limited	Hong Kong
NPS (UK2) Limited	England and Wales
NPS (UK5) Limited	England and Wales
NPS (UK7) Limited	England and Wales
NPS (UK8) Limited	England and Wales
NPS (UK9) Limited	England and Wales
NPS (UK10) Limited	England and Wales
CME Software Systems Limited	England and Wales
CME Systems Limited	England and Wales
Ideal Technology Services Limited	England and Wales
Imasys Local Government Limited	England and Wales
Sheridan Systems Limited	England and Wales
Transform Systems & Solutions Limited	England and Wales
Micro Surveys Property Systems Limited	England and Wales
NPS (UK6) Limited	England and Wales
Business Computer Technology Limited	Scotland
Braid Hill Holdings Limited	Scotland
Braid Hill Software Limited	Scotland
MVM Holdings Limited	England and Wales
MVM Central Land Charges Company Limited	England and Wales
MVM Cleveland Limited	England and Wales
NPS (UK4) Limited	England and Wales
MVM Pickwick Limited	England and Wales
MVM Infrastructure Management Solutions Limited	England and Wales
NPS (UK3) Limited	Republic of Ireland
Microcentre Limited	Scotland
XBS Limited	England and Wales
SX3 Limited	Northern Ireland
First Software UK Limited	England and Wales
First Software Limited	England and Wales
SX3 Limited	Republic of Ireland

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 2016

Note 26: accounting estimates and judgements

The following sets out the key assumptions concerning the future and key sources of estimation and uncertainty at the balance sheet date that may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year.

Revenue recognition
The revenue and profit of fixed price contracts is recognised on a percentage completion basis when the outcome of a contract can be estimated reliably. Management exercises judgement in determining whether a contract's outcome can be estimated reliably. Management also make some estimates in the calculation of future contract costs, which are used in determining the value of amounts recoverable on contracts. Estimates are continually revised based on changes in the facts relating to each contract.

Pensions
Details of the principal actuarial assumptions used in calculating the recognised liability for the defined benefit plans are given in note 16. Changes to the discount rate, mortality rates and actual return on plan assets may necessitate material adjustments to this liability in the future.

Provisions
Provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events which can be reasonably estimated. The timing of recognition requires the application of judgement to existing facts and circumstances, which can be subject to change. Note 17 to the accounts contain information about the assumptions made concerning the Group's provisions.

Fair value measurement on a business combination
The measurement of fair values on a business combination requires the recognition and measurement of the identifiable assets, liabilities and contingent liabilities. The key judgements involved are the identification and valuation of intangible assets which require the estimation of future cash flows and the selection of a suitable discount rate.

Impairment of intangible assets, including goodwill
Following the acquisition of NPS (Holdings) Limited on 22 December 2014, the Group has carrying values of goodwill and intangible assets, such as customer relationships, technology based assets and order backlog. Goodwill and other intangible assets are tested annually for impairment. The impairment tests involve estimation of future cash flows and the selection of a suitable discount rate. These require an estimation of the value-in-use of the cash generating units to which the intangible assets are allocated (note 10).

Recognition of internally generated intangible assets from development
Under IFRS, internally generated intangible assets from the development phase are recognised if certain conditions are met. These conditions include the technical feasibility, intention to complete, the ability to use or sell the asset under development and the demonstration how the asset will generate probable future economic benefits. The cost of a recognised internally generated intangible asset comprises all directly attributable cost necessary to make the asset capable of being used as intended by management. In contrast, all expenditures arising from the research phase are expensed as incurred.

We believe that the determination whether internally generated intangible assets from development are to be recognised as intangible assets requires significant judgement, particularly in the following areas:

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 2016

Note 26: accounting estimates and judgements continued

- The determination whether activities should be considered research activities or development activities;
- The determination whether the conditions for recognising an intangible asset are met requires assumptions about future market conditions, customer demand and other developments;
- The term 'technical feasibility' is not defined in IFRS, and therefore the determination whether completing an asset is technically feasible requires a company-specific and necessary judgemental approach;
- The determination of the future ability to use or sell the intangible asset arising from the development and the determination of probability of future benefits from sale or use, and
- The determination whether a cost is directly or indirectly attributable to an intangible asset and whether a cost is necessary for completing a development.

Amortisation of internally generated assets is charged to the income statement on a straight line basis over a useful economic life of 5 years, commencing from the date of capitalised development.

Taxation
The Group is subject to corporate taxes in numerous jurisdictions. Management is required to exercise significant judgement in determining the worldwide provision for corporate taxes. Certain transactions require the use of estimates and judgements to determine the financial effect where the ultimate tax determination is uncertain. When the final outcome of such matters is different, from previous estimates, such differences will impact on the corporate tax in the period in which the determination is made.

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