Axzona Limited
Annual Report and Accounts
for the year ending 31 May 2012
Registered number: SC218824



Contents

	Page
Company Information	1
Report of the Directors	2-3
Statement of Directors' Responsibilities in respect of the Directors' report and the financial statements	4
Independent auditor's report to the members of Axzona Limited	5-6
Profit and loss account	7
Balance sheet	8
Reconciliation of movement in shareholders' funds	9
Notes to the financial statements	10-15

Axzona Limited

Company Information
For the year ending 31 May 2012

DIRECTORS:	Rob Cotton Atul Patel
SECRETARY:	Felicity Brandwood
REGISTERED OFFICE:	Manchester Technology Centre Oxford Road Manchester M1 7EF
REGISTERED NUMBER:	SC218824 (Scotland)
AUDITORS:	Ernst & Young LLP Barbirolli Square Manchester
BANKERS:	The Royal Bank of Scotland Plc 1 Spinningfields Square Manchester M3 3AP

Axzona Limited

Report of the Directors
For the year ending 31 May 2012

The Directors present their report with the financial statements of the Company for the year ended 31 May 2012.

The Company had prepared its financial statements up to and including the period ended 31 May 2012 in accordance with section 386, 394 and 395 of the Companies Act 2006. The management of Axzona Limited have chosen to adopt United Kingdom Generally Accepted Accounting Practice (UK GAAP), for financial reporting for accounting periods beginning on or after 1 June 2011.

Principal activities and review of the business
The principal activity of Axzona Limited ("The Company") is the provision of software testing services.

On 4 August 2011 the Company was acquired by NCC Group (Solutions) Limited. The ultimate parent undertaking is NCC Group plc incorporated in the UK.

The company is dependent on continuing finance being made available by NCC Group plc, its ultimate parent company, to enable it to continue operating and to meet its liabilities when they fall due.

NCC Group plc has agreed to underwrite amounts owed by the company to other subsidiaries within the group. On this basis the directors consider it appropriate to prepare financial statements on the going concern basis. The financial statements do not include any adjustments that would result should continuing financial cease to be made available. Therefore the financial statements have been prepared on the going concern basis.

The Company has met the requirements of the Companies Act 2006 to obtain the exemption provided from the presentation of an enhanced business review.

The results of Axzona Limited for the year are set in the profit and loss account on page 7.

Results and dividends

The loss for the year after taxation amounted to £51,000 (2011: profit £74,000). Dividends of £nil were paid in the year (2011: £43,000).

Director and Secretary
The Directors and Secretary who held office during the year were:

Rob Cotton	appointed 4 August 2011
Atul Patel	appointed 4 August 2011
AM Hughes	resigned 4 August 2011
SM Hughes	resigned 4 August 2011
F Brandwood	appointed 4 August 2011
AM Hughes	resigned 4 August 2011

Disclosure of information to auditors

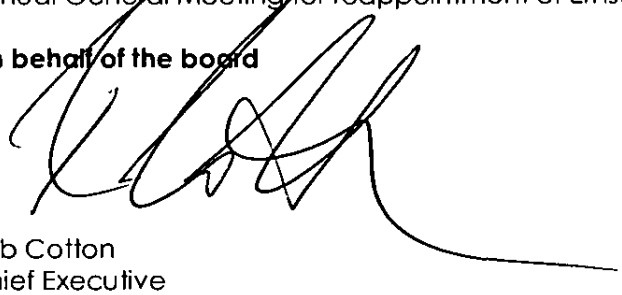
The Directors who held office at the date of approval of this Directors' report confirm that so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make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

Auditors

The Company has previously been entitled to exemption from an audit conferred by Section 477 of the Companies Act 2006. Following the acquisition by NCC Group (Solutions) Limited, a wholly owned subsidiary of NCC Group Plc, Ernst & Young LLP were appointed as auditors on 2 December 2011.

In accordance with s485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the company.

On behalf of the board



Rob Cotton
Chief Executive
Axzona Limited
18 October 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AXZONA LIMITED

We have audited the financial statements of Axzona Limited for the year ended 31 May 2012 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor
As explained more fully in the statement of statement of Directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements. 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 financial statements:
- give a true and fair view of the state of the Company's affairs as at 31 May 2012 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Other matter
The comparatives for the year ended 31 May 2011 are unaudited.

Ernst & Young LLP

Gary Harding (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester
19 October 2012

Axzona Limited

Profit and loss account
For the year ended 31 May 2012

	Notes	Year ended 31 May 2012 £000	Unaudited year ended 31 May 2011 £000
Turnover	1	**93**	401
Cost of sales		**(88)**	(172)
Gross profit		**5**	229
Administrative expenses		**(67)**	(135)
Operating (loss)/profit	2	**(62)**	94
(Loss)/profit before tax		**(62)**	94
Taxation	4	**11**	(20)
(Loss)/Profit for the year		**(51)**	74

All activity is from continuing operations.

Statement of total recognised gains and losses
For the year ended 31 May 2012

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £188,000 in the year ended 31 May 2012 (2011: profit £74,000).

Axzona Limited

Balance sheet
At 31 May 2012

	Notes	31 May 2012 £000	Unaudited 31 May 2011 £000
Fixed assets			
Tangible fixed assets	5	-	5
Total fixed assets			5
Current assets			
Debtors	6	**8**	92
Deferred taxation	7	**11**	-
Cash at bank and in hand		**68**	53
Total current assets		**87**	145
Total assets		**87**	150
Creditors: amounts falling due within one year	8	**51**	63
Net current assets		**36**	82
Total assets less current liabilities		**36**	87
Net asset		**36**	87
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account		**36**	87
Shareholders' funds		**36**	87

These financial statements were approved by the Board of Directors on 18 October 2012 and were signed on its behalf by:

Rob Cotton
Chief Executive
Axzona Limited
SC218824

Axzona Limited

Reconciliation of movements in shareholders' funds
for the year ending 31 May 2012

	£000
	2012
Shareholders' funds at 1 June 2010	**56**
Profit for the year	74
Dividends	(43)
Shareholders' funds at 31 May 2011	**87**
Loss for the year	(51)
Shareholders' funds at 31 May 2012	**36**

Notes
(forming part of the financial statements)

1. Accounting policies

Axzona Limited (the "Company") is a company incorporated and domiciled in the UK.

Basis of preparation

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

Under Financial Reporting Standard 1 (Revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its ownb published consolidated financial statements.

Revenue recognition
Revenue represents the value of services provided during the period, excluding VAT.

The results of partially completed contracts whether fixed price or on a time and materials basis are dealt with on a percentage completion basis according to the number of days worked by including the profit or loss earned on work completed to the balance sheet date. Provisions are made for any losses on uncompleted contracts expected to be incurred after the balance sheet date.

Debtors

Debtors are stated at their nominal amount less impairment losses.

Cash at bank and in hand

Cash at bank and in hand comprise cash balances.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33.3% per annum straight line basis
Fixtures and fittings - 15% reducing balance

Tangible fixed assets are tested for impairment whenever there is an indication of impairment.

Impairment excluding inventories and deferred tax assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment; a financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. If any such indication exists, the asset's recoverable amount is estimated.

1 Accounting policies (continued)

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Calculation of recoverable amount
The recoverable amount of other assets is the greater of their 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rate and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not likely that they will be recovered. Deferred tax assets and liabilities are not discounted.

Intra-group financial instruments

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

Notes (continued)

2 Operating (loss)/profit

This is stated after charging/(crediting):

	Year ended 31 May 2012 £000	Unaudited Year ended 31 May 2011 £000
Depreciation – owned assets	**5**	5
Auditors' remuneration in respect of audit of these financial statements	**5**	-
Directors' remuneration	-	76

The Directors of the company are also directors of the ultimate parent company, NCC Group plc and of fellow subsidiaries. The directors received total remuneration for the year of £1,190,000 (2011: £1,088,000), all of which was paid by NCC Services Limited, a fellow subsidiary company. The directors do not believe that it is practicable to apportion this amount between their services as directors of NCC Group plc and their services as directors of fellow subsidiary companies.

3 Staff numbers and costs

The average number of persons employed by the Company during the year, including directors is analysed by category as follows:

	Number of employees	
	2012	Unaudited 2011
Sales and Administration	**5**	6
	5	6

The aggregate payroll costs of these persons were as follows:

	2012 £000	Unaudited 2011 £000
Wages and salaries	**72**	118
Social security costs	**10**	15
	82	133

Notes (Continued)

4 Taxation

Analysis of the tax charge
The tax charge on the loss on ordinary activities for the year was as follows:

	2012 £000	Unaudited 2011 £000
Current tax expense		
Current year	-	21
Total current tax	-	21
Deferred tax (see note 7)	**(11)**	(1)
Total Tax (credit)/charge in profit and loss account	**(11)**	20

Reconciliation of effective tax rate

	2012 £000	Unaudited 2011 £000
(Loss)/Profit before taxation	**(62)**	94
Current tax using the UK corporation tax rate of 25.67% (2011 – 20.83%)	**(16)**	20
Effects of:		
Expenses not deductible for taxation purposes	**4**	1
Losses carried forward	**12**	(25)
Total tax	**-**	(4)

5 Tangible fixed assets

	Fixtures and fittings £000	Computer equipment £000	Totals £000
Cost			
At 1 June 2011	3	30	33
Additions	-	-	-
Disposals	-	-	-
At 31 May 2012	**3**	**30**	**33**
Depreciation			
At 1 June 2011	3	25	28
Charge for the period	-	5	5
Disposals	-	-	-
At 31 May 2012	**3**	**30**	**33**
Net book value			
At 31 May 2012	**-**	**-**	**-**
At 31 May 2011	-	5	5

Notes (Continued)

6 Debtors

		Unaudited
	2012	2011
	£000	£000
Trade debtors	**8**	92
	8	92

7 Deferred tax asset

Description		Unaudited
	2012	2011
	£000	£000
Deferred tax asset at beginning of period	**-**	-
Deferred tax credit in profit and loss account for the year (note 4)	**11**	-
Deferred tax asset	**11**	-

8 Creditors: amounts falling due within one year

		Unaudited
	2012	2011
	£000	£000
Trade creditors	**11**	1
Taxation and social security	**3**	59
Amounts payable to Group undertakings	**12**	-
Accruals & deferred income	**25**	3
	51	63

9 Dividends

		Unaudited
	2012	2011
	£000	£000
Dividends paid and recognised in the year	-	43

10 Turnover

All sales to UK markets (2011: all sales to UK markets).

Notes (continued)

11 Called up share capital

	Number of shares	2012 £	Unaudited 2011 £
Authorised			
Ordinary shares of £1 each	90	-	-
Allotted, called up and fully paid			
Ordinary shares of £1 each	90	-	-

12 Other financial commitments and contingent liabilities

There were no capital commitments and no contingent liabilities not provided for at the end of the financial period. (2011: £nil).

13 Ultimate parent company

The immediate parent undertaking is NCC Group (Solutions) Limited and the ultimate parent undertaking is NCC Group plc incorporated in the UK.

The largest and smallest Group in which the results of the company are consolidated is that headed by NCC Group plc, incorporated in the UK. The consolidated financial statements of this company are available to the public and may be obtained from The Registrar of Companies, Companies House, Cardiff, CF4 3UZ.

14 Related parties

The company has taken advantage of the exemption available under FRS 8 para 3c not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling parent.

15 Events since the balance sheet event

On the 1 June 2012 the net assets were transferred at their carrying value to a fellow group company via intra group accounts. All future services will be retained and operated from this division. The Company has not traded since this date.