



## **Keane Limited**

### **Directors' Report and Financial Statements**

**Registered number 1641088**

**Year ended 31 March 2013**



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## Directors' report

The directors present their report and the audited financial statements of Keane Limited (the 'Company') for the year ended 31 March 2013. The comparative figures are for fifteen months ended 31 March 2012.

### Principal activity

The principal activity of the Company during the year was the supply of IT solution services. The company partnered with its clients during the year to optimise their IT investments by delivering exceptional operation, maintenance, and evolution of systems and business processes.

However, on 31 March 2013, the directors took the decision to cease trading following the sale of the Company's trade and assets/ liabilities, to NTT DATA UK Ltd. There was no disruption to business following the transfer and the business will operate in the same way as before. As the directors of the Company do not intend to trade in the foreseeable future, the financial statements have not been prepared on a going concern basis. The effect of this is explained in Note 1.

### Business review

The results for the year are shown on page 7. Loss on ordinary activities before taxation of £0.88m (2012 profit of £1.45m) includes net foreign exchange losses, relating almost entirely to unrealised foreign exchange gains on the parent company loan, of £0.28m (2012 loss of £0.1m).

Net assets increased by £15.62m from a net liability of £9.92m as at 31 March 2012 to a net asset of £5.70m as at 31 March 2013 as a result of the sale of its trade and assets to a group company.

On 31 March 2013, as part of a wider group reorganisation, the trade and assets/ liabilities of the Company were sold and transferred at its fair value to NTT Data UK Limited.

### Key performance indicators

Performance during the year ended 31 March 2013, together with historical trend data, is set out below. The figures for the period to 31 March 2013 represent twelve months trading, as opposed to the period to March 2012 of fifteen months.

#### Revenue and growth in revenue

|                                    | Year ended<br>31 March<br>2013 | Fifteen months<br>ended 31 March<br>2012 |
|------------------------------------|--------------------------------|--|
| Revenue (£)                        | 12,392,630                     | 20,856,405                               |
| Increase/(decrease) in revenue (£) | (8,463,775)                    | 9,756,871                                |
| Increase/(decrease) in revenue (%) | (40.58%)                       | 87.90%                                   |

#### Gross margin

|                  | Year ended<br>31 March<br>2013 | Fifteen months<br>ended 31 March<br>2012 |
|------------------|--------------------------------|--|
| Gross profit (£) | 3,115,735                      | 6,392,302                                |
| Gross profit (%) | 25.14%                         | 30.65%                                   |

The gross profit percentage is the ratio of gross profit to revenue expressed as a percentage. Gross profit percentage has decreased for the year ended 31 March 2013. This is the result of the utilisation of skilled subcontractors on a number of projects which results in a decreased gross margin.

## Directors' Report *(continued)*

### *Operating profit margin*

|                             | Year ended<br>31 March<br>2013 | Fifteen months<br>ended 31 March<br>2012 |
|-----------------------------|--------------------------------|--|
| Operating (loss)/profit (£) | (95,795)                       | 2,021,423                                |
| Operating (loss)/profit (%) | (0.77%)                        | 9.69%                                    |

The operating profit percentage is the ratio of operating profit to revenue expressed as a percentage. Decrease in operating profit is mainly due to loss of some clients during the year.

### Political and charitable contributions

During the period, the company made charitable donations of nil (2012 £2,400) and did not incur any political expenditure (2012 £nil).

### Dividends

No dividends were paid during the year (2012 £nil).

### Directors

The directors who held office during the year and up to the date of this report were as follows:

J Downing

I Miller (resigned 16 October 2012)

C E Webster (resigned 21 January 2013, appointed 22 April 2013)

T Balgheim – (appointed 10 September 2012, resigned 22 April 2013)

### Directors' indemnities

The company's parent company, NTT Data International Services Inc, maintains liability insurance for the company's directors and officers. The liability insurance includes an indemnity for the company's directors and officers, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that:

- So far as they are aware, there is no relevant audit information of which the company's auditor are unaware, and
- 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.

## **Directors' Report** *(continued)*

### **Auditor**

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

By order of the board



C E Webster  
**Director**

Date 19/12/13

2 Royal Exchange  
London  
EC3V 3DG

## **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 the directors 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 the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in Note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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 Keane Limited**

We have audited the financial statements of Keane Limited for the year ended 31 March 2013 set out on pages 7 to 26. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement 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 Auditor.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the financial reporting council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of Keane Limited** *(continued)*

### **Emphasis of matter: non-going concern basis of preparation**

In forming our opinion on the financial statements which is not modified, we have considered the adequacy of the disclosure made in Note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reasons set out in that note

### **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



John Edwards

**For and on behalf of KPMG LLP, Statutory Auditor**

KPMG LLP  
Chartered Accountants  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

Date 19/12/13



**Profit and Loss Account**  
*for the year ended 31 March 2013*

|   | <i>Note</i> | <b>Year ended<br/>31 March<br/>2013<br/>£</b> | <b>Fifteen months<br/>ended 31 March<br/>2012<br/>£</b> |
|---|-------------|---|---|
| <b>Turnover</b>   | <b>2</b>    | <b>12,392,630</b>                             | <b>20,856,405</b>                                       |
| Cost of sales   |             | <b>(9,276,895)</b>                            | <b>(14,464,103)</b>                                     |
| <b>Gross profit</b>   |             | <b>3,115,735</b>                              | <b>6,392,302</b>  |
| Administrative expenses   |             | <b>(3,213,777)</b>                            | <b>(4,385,433)</b>                                      |
| Other operating income  |             | <b>2,247</b>                                  | <b>14,554</b>   |
| <b>Operating (loss)/profit</b>                                  | <b>3</b>    | <b>(95,795)</b>                               | <b>2,021,423</b>  |
| Interest receivable and similar income                          | <b>6</b>    | <b>6,668</b>                                  | <b>15,687</b>   |
| Net foreign exchange (loss)/gains                               | <b>7</b>    | <b>(279,649)</b>                              | <b>114,040</b>  |
| Interest payable and similar charges                            | <b>8</b>    | <b>(520,223)</b>                              | <b>(701,550)</b>  |
| <b>(Loss)/profit on ordinary activities before<br/>taxation</b> |             | <b>(888,999)</b>                              | <b>1,449,600</b>  |
| Tax on (loss)/profit on ordinary activities                     | <b>9</b>    | <b>(72,830)</b>                               | <b>(73,861)</b>   |
| <b>(Loss)/profit for the financial year</b>                     |             | <b>(961,829)</b>                              | <b>1,375,739</b>  |

The results above are derived from discontinued operations

The notes on page 10 to 26 form an integral part of these financial statements

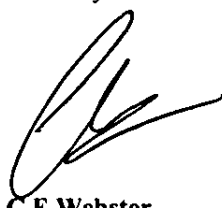
**Balance Sheet**  
**at 31 March 2013**

|  | <i>Note</i> | <b>£</b>                       | <b>31 March<br/>2013<br/>£</b> | <b>£</b>                          | <b>31 March<br/>2012<br/>£</b> |
|--|-------------|--------------------------------|--------------------------------|-----------------------------------|--------------------------------|
| <b>Fixed assets</b>  |             |                                |                                |                                   |                                |
| Tangible fixed assets  | 11          |                                | -                              |                                   | 20,422                         |
|  |             |                                | <hr/>                          |                                   | <hr/>                          |
|  |             |                                | -                              |                                   | 20,422                         |
| <b>Current assets</b>  |             |                                |                                |                                   |                                |
| Debtors amounts falling due within one year                    | 12          | 6,200,110                      |                                | 10,840,632                        |                                |
| Cash at bank and in hand                                       |             | -                              |                                | 3,311,564                         |                                |
|  |             | <hr/>                          |                                | <hr/>                             |                                |
| <b>Creditors: amounts falling due within one year</b>          | 13          | <b>6,200,110<br/>(500,000)</b> |                                | <b>14,152,196<br/>(8,212,616)</b> |                                |
|  |             | <hr/>                          |                                | <hr/>                             |                                |
| <b>Net current assets</b>                                      |             |                                | <b>5,700,110</b>               |                                   | <b>5,939,580</b>               |
|  |             |                                | <hr/>                          |                                   | <hr/>                          |
| <b>Total assets less current liabilities</b>                   |             |                                | <b>5,700,110</b>               |                                   | <b>5,960,002</b>               |
|  |             |                                | <hr/>                          |                                   | <hr/>                          |
| <b>Creditors: amounts falling due after more than one year</b> | 14          |                                | -                              |                                   | (6,868,545)                    |
|  |             |                                | <hr/>                          |                                   | <hr/>                          |
| <b>Net assets/(liabilities) excluding pension deficit</b>      |             |                                | <b>5,700,110</b>               |                                   | <b>(908,543)</b>               |
|  |             |                                | <hr/>                          |                                   | <hr/>                          |
| <b>Pension deficit</b>   | 15          |                                | -                              |                                   | (9,011,320)                    |
|  |             |                                | <hr/>                          |                                   | <hr/>                          |
| <b>Net assets/(liabilities) including pension deficit</b>      |             |                                | <b>5,700,110</b>               |                                   | <b>(9,919,863)</b>             |
|  |             |                                | <hr/>                          |                                   | <hr/>                          |
| <b>Capital and reserves</b>                                    |             |                                |                                |                                   |                                |
| Called up share capital  | 16          |                                | 2,129,536                      |                                   | 2,129,536                      |
| Share premium account  | 17          |                                | 11,406,048                     |                                   | 11,406,048                     |
| Profit and loss account  | 17          |                                | (7,835,474)                    |                                   | (23,455,447)                   |
|  |             |                                | <hr/>                          |                                   | <hr/>                          |
| <b>Shareholders' surplus/(deficit)</b>                         | 18          |                                | <b>5,700,110</b>               |                                   | <b>(9,919,863)</b>             |
|  |             |                                | <hr/>                          |                                   | <hr/>                          |

As explained in Note 1, the trade and assets of the Company were sold and transferred at their fair market value to another group company, NTT DATA UK Ltd on 31 March 2013

The notes on page 9 to 26 form an integral part of these financial statements

These financial statements were approved by the board of directors on 19<sup>th</sup> December 2013 and were signed on its behalf by



**C E Webster**  
*Director*

**Statement of Total Recognised Gains and Losses**  
*for the year ended 31 March 2013*

|  | Year ended<br>31 March<br>2013<br>£ | Fifteen months<br>ended 31 March<br>2012<br>£ |
|--|-------------------------------------|---|
| (Loss)/profit for the financial period                                       | (961,829)                           | 1,375,739                                     |
| Actuarial loss recognised in the pension scheme                              | (542,000)                           | (3,487,000)                                   |
| Deferred taxation on defined pension scheme                                  | -                                   | 2,845,680                                     |
| Gain on transfer of assets and liabilities (Refer to note 10)                | 17,123,802                          | -   |
|  | <hr/>                               | <hr/>   |
| <b>Total recognised gains and losses relating to the financial period</b>    | <b>15,619,973</b>                   | <b>734,419</b>                                |
|  | <hr/>                               | <hr/>   |
| <b>Total gains and losses recognised since the last financial statements</b> | <b>15,619,973</b>                   | <b>734,419</b>                                |
|  | <hr/>                               | <hr/>   |

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

#### **General information**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### **Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

As stated in the Director's report, the directors took the decision to cease trading following the Company's sale of trade and net assets to NTT DATA UK Ltd on 31 March 2013. These financial statements have, therefore, not been prepared on a going concern basis as the Directors do not intend to acquire trade in the foreseeable future. There is no material impact on the financial statements as a result of this.

Under FRS1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of its intermediate parent company, NTT Data Corporation, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which are wholly owned by this Group.

#### **Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for services rendered in the ordinary course of the company's activities. Revenue is shown net of value-added tax, rebates and discounts.

The company recognises revenue when the amount of the revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and when specific criteria have been met for each of the company's activities described below. The company bases its estimates on historical results, taking into consideration the type of client, the type of transaction, and the specifics of each arrangement.

Revenue in respect of time and material contracts is recognised as services are rendered and as direct expenses are incurred.

Revenue in respect of fixed price contracts is recognised as services are rendered under the percentage of completion method and as direct expenses are incurred. Under the percentage of completion method, revenue is generally recognised based on the estimate of services performed to date as a percentage of the total services to be performed. If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in income in the period in which the circumstances that give rise to the revision become known to management. The company regularly reviews profitability and underlying estimates for fixed price contracts. Losses, if any, on fixed price contracts are recorded in the period in which the loss is identified.

Deferred revenue represents the estimated unearned portion of fees received or receivable to the extent they are considered recoverable.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Other income*

Income that cannot be classified as revenue, interest receivable and similar income, or income from shares in group undertakings is classified as other income

#### *Foreign currencies*

##### *Functional and presentation currency*

Items included in these financial statements are measured using the currency of the primary economic environment in which the company operates ("the functional currency") These financial statements are presented in Sterling, which is the company's functional and presentation currency

##### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised within the profit and loss account

#### *Tangible fixed assets*

Tangible fixed assets are stated at historical cost less accumulated depreciation Historical cost comprises the purchase price together with all expenses directly incurred in bringing the asset to its location and condition ready for use Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably When an item is replaced, the carrying amount of the replaced item is derecognised All other repairs and maintenance are charged to the profit and loss account during the financial period in which they are incurred

Depreciation is provided on all tangible fixed assets in order to write down the cost, less the estimated residual value, of each asset over their estimated economic lives on a straight line basis at the following rates

|  |   |              |
|--|---|--------------|
| Computer equipment and fixtures and fittings | - | 2 – 10 years |
|--|---|--------------|

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account

#### *Impairment of non-financial assets*

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable An impairment loss is recognised to the extent that the asset's carrying amount exceeds its recoverable amount The recoverable amount is the higher of an asset's fair value less costs to sell and value in use Non-financial assets other than goodwill that suffered an impairment loss are reviewed for possible reversal of the impairment at each reporting date

## Notes (continued)

### 1 Accounting policies (continued)

#### *Amounts recoverable on contracts*

Amounts recoverable on contracts are stated at the proportion of the anticipated revenue earned to date less amounts billed on account. To the extent that fees paid on account exceed the value of work performed, they are included in creditors as payments on account.

#### *Classification of financial instruments issued by the Company*

Following the adoption of FRS 25, financial instruments issued by the company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company, and
- b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

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

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

#### *Taxation*

The charge for taxation is based on the profit / (loss) for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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

#### *Leases*

Leases where the lessor retains a significant portion of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit and loss account on a straight-line basis over the period of the lease.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Employee benefits*

##### *Pension obligations*

The company operates various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The company has both defined benefit and defined contribution plans.

The asset or liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation, employee benefit costs, and contributions are calculated by independent, qualified actuaries on the basis of triennial valuations using the projected unit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. The assets of the scheme are held separately from those of the company. The assets of the scheme are measured using market values. For quoted securities the bid price is taken as market value. Contributions to defined benefit plans are charged to the profit and loss account so as to spread the cost over the average remaining service lives of the employees.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in the statement of recognised gains and losses in the period in which they arise.

Past service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

## Notes (continued)

### 2 Analysis of turnover

The turnover for the year was derived from the company's principal activity and is attributable to geographical markets as follows

|                | Year ended<br>31 March 2013 | Fifteen months<br>ended 31 March<br>2012 |
|----------------|-----------------------------|--|
|                | £                           | £  |
| United Kingdom | 12,315,838                  | 20,703,451                               |
| Rest of Europe | -                           | 16,284                                   |
| North America  | 76,792                      | 136,670                                  |
|                | <u>12,392,630</u>           | <u>20,856,405</u>                        |

### 3 Operating (loss)/profit

|  | Year ended<br>31 March<br>2013 | Fifteen months<br>ended 31 March<br>2012 |
|--|--------------------------------|--|
|  | £                              | £  |
| <i>Operating (loss)/profit is stated after charging:</i> |                                |  |
| Depreciation of owned fixed assets                       | 8,255                          | 14,332                                   |
| Loss on disposal of owned fixed assets                   | -                              | 28,095                                   |
|  | <u>8,255</u>                   | <u>14,332</u>                            |

|                                     | Year ended<br>31 March<br>2013 | Fifteen months<br>ended 31 March<br>2012 |
|-------------------------------------|--------------------------------|--|
|                                     | £                              | £  |
| <i>Auditor's remuneration</i>       |                                |  |
| Audit of these financial statements | 37,000                         | 38,000                                   |
|                                     | <u>37,000</u>                  | <u>38,000</u>                            |



## Notes (continued)

### 4 Staff numbers and costs

The aggregate payroll costs of persons employed by the Company were as follows

|                       | Year ended<br>31 March<br>2013<br>£ | Fifteen months<br>ended 31 March<br>2012<br>£ |
|-----------------------|-------------------------------------|---|
| Wages and salaries    | 5,590,637                           | 6,457,257                                     |
| Social security costs | 667,199                             | 744,701                                       |
| Other pension costs   | 384,418                             | 556,861                                       |
|                       | <u>6,642,254</u>                    | <u>7,758,819</u>                              |

The average number of persons employed by the Company (including directors) during the year was as follows

|                | Number of employees            |  |
|----------------|--------------------------------|--|
|                | Year ended<br>31 March<br>2013 | Fifteen months<br>ended 31 March<br>2012 |
| Administration | 22                             | 26                                       |
| Production     | 62                             | 40                                       |
|                | <u>84</u>                      | <u>66</u>                                |

## Notes (continued)

### 5 Directors' emoluments

|   | Year ended<br>31 March<br>2013<br>£ | Fifteen months<br>ended 31 March<br>2012<br>£ |
|---|-------------------------------------|---|
| Aggregate emoluments for service to the company         | 279,504                             | 436,557                                       |
| Company contributions to money purchase pension schemes | 9,073                               | 22,539  |
| Amounts receivable under long term incentive schemes    | 63,269                              | 147,909                                       |
|   | <u>351,846</u>                      | <u>607,005</u>                                |

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £185,729 (2012 £384,746 ), and company pension contributions of £1,932 (2012 £9,111) were made to a money purchase scheme on his behalf

|   | Number of directors            |  |
|---|--------------------------------|--|
|   | Year ended<br>31 March<br>2013 | Fifteen months<br>ended 31 March<br>2012 |
| Retirement benefits are accruing to the following number of directors under |                                |  |
| Money purchase pension scheme   | 2                              | 3  |

The amounts shown above for the year ended 31 March 2013 represent the remuneration paid to the directors for qualifying services provided to the Company. As the directors perform services for a number of NTT DATA International Services, Inc subsidiaries, but are paid under contracts with Keane Limited, the amounts disclosed represent an apportionment of the directors total remuneration calculated using revenue as an indicator of the level of services provided to each company

### 6 Interest receivable and similar income

|  | Year ended<br>31 March<br>2013<br>£ | Fifteen months<br>ended 31 March<br>2012<br>£ |
|--|-------------------------------------|---|
| Interest receivable on cash and cash equivalents | 6,668                               | 15,687  |
|  | <u>6,668</u>                        | <u>15,687</u>                                 |

## Notes (continued)

### 7 Net foreign exchange (loss)/gain

|                                  | Year ended<br>31 March<br>2013<br>£ | Fifteen months<br>ended 31 March<br>2012<br>£ |
|----------------------------------|-------------------------------------|---|
| Net foreign exchange (loss)/gain | (279,649)                           | 114,040                                       |

### 8 Interest payable and similar charges

|  | Year ended<br>31 March<br>2013<br>£ | Fifteen months<br>ended 31 March<br>2012<br>£ |
|--|-------------------------------------|---|
| Interest payable on intercompany loans   | 186,988                             | 251,550                                       |
| Interest payable- other  | 15,235                              | -   |
| Net finance expense in respect of defined benefit pension scheme (see note 15) | 318,000                             | 450,000                                       |
|  | <u>520,223</u>                      | <u>701,550</u>                                |

### 9 Tax on (loss)/profit on ordinary activities

#### Analysis of charge during the year

|  | Year ended<br>31 March<br>2013<br>£ | Fifteen months<br>ended 31 March<br>2012<br>£ |
|--|-------------------------------------|---|
| <i>UK corporation tax</i>                          |                                     |   |
| Current tax on income for the year                 | -                                   | -   |
| Adjustments in respect of prior periods            | -                                   | -   |
| Total current tax                                  | <u>-</u>                            | <u>-</u>                                      |
| <i>Deferred tax</i>                                |                                     |   |
| Originating and reversal of timing differences     | (72,830)                            | 68,935  |
| Effect of changes in tax rate on opening liability | -                                   | 4,926   |
| Total deferred tax                                 | <u>(72,830)</u>                     | <u>73,861</u>                                 |
| Tax on profit on ordinary activities               | <u>(72,830)</u>                     | <u>73,861</u>                                 |

The tax charge for the period is lower (2012 lower) than the standard rate of corporation tax in the United Kingdom. The differences are explained below

## Notes (continued)

### 9 Tax on (loss)/profit on ordinary activities (continued)

|   | Year ended<br>31 March<br>2013<br>£ | Fifteen months<br>ended 31 March<br>2012<br>£ |
|---|-------------------------------------|---|
| <i>Current tax reconciliation</i>   |                                     |   |
| (Loss)/profit on ordinary activities before tax   | (888,999)                           | 1,449,600                                     |
| (Loss)/profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 24% (2012 26.5%) | (213,360)                           | 384,144                                       |
| <i>Effects of</i>   |                                     |   |
| Expenses not deductible for tax purposes  | (128,829)                           | 6,313   |
| Capital allowances in excess of depreciation  | (27,882)                            | (48,925)                                      |
| Other timing differences  | (45,530)                            | (374,402)                                     |
| Group relief surrendered for nil payment  | 415,601                             | 32,870  |
| Total current tax charge (see above)  | -                                   | -   |
| <br><b>Deferred tax assets</b>  |                                     |   |
|   | 31 March<br>2013<br>£               | 31 March<br>2012<br>£                         |
| Defined benefit pension scheme liability (see note 15)  | -                                   | 2,845,680                                     |
| Decelerated capital allowances (see note 12)  | -                                   | 192,102                                       |
|   | -                                   | 3,037,782                                     |

### 10 Disposal of trade and assets/ liabilities

As stated in the Director's report and Note 1, the directors took the decision to cease trading following the Company's sale of trade and assets/ liabilities to NTT DATA UK Ltd on 31 March 2013. The net liabilities of the Company sold as at 31 March 2013 were £10,923,692 for a total consideration of £6,200,110, as a result of which the Company recorded a gain on sale of trade and assets of £17,123,802. Since the total consideration will be settled via loan notes receivable without actual settlement/ exchange of cash, the gain of £17,123,802 has been taken directly to reserves.

## Notes (continued)

### 11 Tangible fixed assets

|                        | Computer equipment<br>and fixtures & fittings<br>£ |
|------------------------|--|
| <b>Cost</b>            |  |
| At beginning of period | 26,695   |
| Additions              | 9,760  |
| Disposals              | (36,455)   |
|                        | <hr/>  |
| At end of period       | -  |
|                        | <hr/>  |
| <b>Depreciation</b>    |  |
| At beginning of period | 6,273  |
| Charge for the year    | 8,255  |
| Disposals              | (14,528)   |
|                        | <hr/>  |
| At end of period       | -  |
|                        | <hr/>  |
| <b>Net book value</b>  |  |
| At 31 March 2013       | -  |
|                        | <hr/>  |
| At 31 March 2012       | 20,422   |
|                        | <hr/>  |

## Notes (continued)

### 12 Debtors

|  | 31 March<br>2013<br>£ | 31 March<br>2012<br>£ |
|--|-----------------------|-----------------------|
| <i>Amounts falling due within one year</i>         |                       |                       |
| Trade debtors                                      | -                     | 2,378,759             |
| Amounts owed by group companies (Refer to Note 10) | 6,200,110             | 6,493,674             |
| Amounts recoverable on contracts                   | -                     | 1,690,830             |
| Other debtors                                      | -                     | 61,911                |
| Deferred tax asset                                 | -                     | 192,102               |
| Prepayments and accrued income                     | -                     | 23,356                |
|  | <u>6,200,110</u>      | <u>10,840,632</u>     |

Amounts owed by group companies and falling due within one year are unsecured, bear no interest, and are repayable on demand

### 13 Creditors: amounts falling due within one year

|   | 31 March<br>2013<br>£ | 31 March<br>2012<br>£ |
|---|-----------------------|-----------------------|
| 8% cumulative redeemable preference shares of £1 each | 500,000               | 500,000               |
| Trade creditors                                       | -                     | 173,063               |
| Amounts due to fellow group companies                 | -                     | 4,508,942             |
| Taxation and social security                          | -                     | 1,366,974             |
| Corporation tax creditor                              | -                     | -                     |
| Accruals and deferred income                          | -                     | 1,663,637             |
|   | <u>500,000</u>        | <u>8,212,616</u>      |

The 8% cumulative redeemable preference shares of £1 each have the following rights

#### *Dividends*

The preference shares originally carried a cumulative dividend of 8% payable annually in arrears. In 2007 the shareholder signed an agreement waiving all accrued and future dividends until such time as notice is given that the shareholder wishes to reverse the waiver. In such case, dividends will accrue from the half year following notice of such a change.

#### *Voting*

The preference shares carry no votes at general meetings.

#### *Redemption*

The preference shares are redeemable upon either the admission of ordinary shares to the official list of the London Stock Exchange, Alternative Investment Market of the London Stock Exchange or any other recognised exchange or upon three months notice of the shareholders being served on the company, together with any preference dividend due up to the date of redemption and any interest thereon.

## Notes (continued)

### 13 Creditors: amounts falling due within one year (continued)

#### Winding up

On winding up the company, the preference shareholders have a right to receive, in preference to any payments to the ordinary shareholders, £1 per share plus any accrued dividend

Amounts due to fellow NTT DATA International Services, Inc group companies and Keane Limited subsidiaries falling due within one year are unsecured, bear no interest, and are repayable on demand

### 14 Creditors: amounts falling due after more than one year

|   | 31 March<br>2013<br>£ | 31 March<br>2012<br>£ |
|---|-----------------------|-----------------------|
| Amounts owed to parent and fellow company | -                     | 6,868,545             |

Part of the above balance is a loan from the parent company denominated in US dollars, which is unsecured, bears interest at a rate of 2.06% (2012 2.06%) per annum, and was settled during the year ended 31 March 2013

The other part of this loan is from a fellow group company, Amtec Consulting Limited. This loan is unsecured, bears interest at a rate of 4% (2012 4%) per annum, and was settled during the year ended 31 March 2013

### 15 Pension scheme

Retirement and death benefits are provided for eligible employees in the United Kingdom principally by the Keane Limited Pension Scheme. The defined benefit pension scheme was closed to new entrants on 1 April 2004. At the same time, the company established a defined contribution scheme to provide benefits to new employees. The assets of the schemes are held in self-administered trust funds separately from the company's assets.

#### Defined benefit scheme

In the year ended 31 March 2013, the Company made regular contributions to the defined benefit pension scheme of £1,050,000. An actuarial valuation of the Keane Limited Pension Scheme using the projected unit method was carried out for the year ended 31 March 2013 by Capita Hartshead Solutions Ltd, independent consulting actuaries.

|  | 31 March<br>2013<br>£000 | 31 March<br>2012<br>£000 |
|--|--------------------------|--------------------------|
| Fair value of plan assets including illiquidity discount | -                        | 24,434                   |
| Present value of funded defined benefit obligations      | -                        | (36,291)                 |
| Deficit  |                          | (11,857)                 |
| Deferred taxation on pension liability                   | -                        | 2,846                    |
| Net liability  | -                        | (9,011)                  |

## Notes (continued)

### 15 Pension scheme (continued)

#### *Movements in present value of defined benefit obligation*

|   | 31 March<br>2013<br>£000 | 31 March<br>2012<br>£000 |
|---|--------------------------|--------------------------|
| At 1 April 2012   | 36,291                   | 31,916                   |
| Current service cost                                    | -                        | -                        |
| Interest cost   | 1,725                    | 2,168                    |
| Actuarial losses / (gains)                              | 829                      | 2,960                    |
| Benefits and other payments                             | (691)                    | (753)                    |
| Past service cost                                       | 3                        | -                        |
| Transfer of present value of defined benefit obligation | (38,157)                 | -                        |
|   | <hr/>                    | <hr/>                    |
| At 31 March 2013  | -                        | 36,291                   |
|   | <hr/>                    | <hr/>                    |

#### *Movements in fair value of plan assets*

|  | 31 March<br>2013<br>£000 | 31 March<br>2012<br>£000 |
|--|--------------------------|--------------------------|
| At 1 April 2012                          | 24,434                   | 22,736                   |
| Expected return on plan assets           | 1,410                    | 1,718                    |
| Actuarial gains/(losses)                 | 287                      | (527)                    |
| Contributions by employer                | 1,053                    | 1,260                    |
| Benefits and other payments              | (691)                    | (753)                    |
| Transfer of fair value of planned assets | (26,493)                 | -                        |
|  | <hr/>                    | <hr/>                    |
| At 31 March 2013                         | -                        | 24,434                   |
|  | <hr/>                    | <hr/>                    |
| Value of plan assets                     | -                        | 24,434                   |
|  | <hr/>                    | <hr/>                    |

#### *Expense recognised in the profit and loss account*

|  | 31 March<br>2013<br>£000 | 31 March<br>2012<br>£000 |
|--|--------------------------|--------------------------|
| Past service cost                                      | (3)                      | -                        |
| Interest on defined benefit pension plan obligation    | (1,725)                  | (2,168)                  |
| Expected return on defined benefit pension plan assets | 1,410                    | 1,718                    |
|  | <hr/>                    | <hr/>                    |
| Total  | (318)                    | (450)                    |
|  | <hr/>                    | <hr/>                    |



## Notes (continued)

### 15 Pension scheme (continued)

The expense is recognised in the following line items in the profit and loss account

|                                      | 31 March<br>2013<br>£000 | 31 March<br>2012<br>£000 |
|--------------------------------------|--------------------------|--------------------------|
| Interest payable and similar charges | (318)                    | (450)                    |
|                                      | <u>(318)</u>             | <u>(450)</u>             |

The total amount recognised in the statement of total recognised gains and losses in respect of actuarial gains and losses is a loss of £542,000 (2012 loss £3,487,000)

Cumulative actuarial gains/(losses) reported in the statement of total recognised gains and losses for accounting periods after December 2008 are

| 2013<br>£000 | 2012<br>£000   | 2010<br>£000 | 2009<br>£000   | 2008<br>£000 |
|--------------|----------------|--------------|----------------|--------------|
| (542)        | (3,487)        | 2,889        | (3,735)        | (28)         |
| <u>(542)</u> | <u>(3,487)</u> | <u>2,889</u> | <u>(3,735)</u> | <u>(28)</u>  |

The fair value of the plan assets and the return on those assets were as follows

|  | <i>Expected rate of<br/>return</i> | <i>31 March<br/>2013<br/>Fair value<br/>£000</i> | <i>Expected rate of<br/>return</i> | <i>31 March<br/>2012<br/>Fair value<br/>£000</i> |
|--|------------------------------------|--|------------------------------------|--|
| Hedge fund net of illiquidity discount | 5.6%                               | 101  | 5.8%                               | 167  |
| Total return fund                      | 5.6%                               | 25,284   | 5.8%                               | 23,371   |
| Bonds                                  | 4.6%                               | 829  | 4.8%                               | 734  |
| Cash/other                             | 0.5%                               | 279  | 0.7%                               | 162  |
| Transfer of plan assets                | -                                  | (26,493)   | -                                  | -  |
| Total                                  |                                    | <u>-</u>   |                                    | <u>24,434</u>                                    |

The assets of the Scheme were invested with Standard Life, Newton, and Legal & General Investment Management and for a temporary period with GLG and Blackrock. The above expected return of 5.74% has been calculated by allowing for the expected change in the investment strategy. The fair value of the investments shown in the table above corresponds to the actual investment strategy as at 31 March 2013.

The fair value of plan assets does not include any amount for Keane Limited's own financial instruments and property occupied, or other assets used. The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

## Notes (continued)

### 15 Pension scheme (continued)

Principal actuarial assumptions (expressed as weighted averages) at the year-end were as follows

|   | 31 March<br>2013<br>% | 31 March<br>2012<br>% |
|---|-----------------------|-----------------------|
| Discount rate   | 4.60%                 | 4.80%                 |
| Expected rate of return on plan assets                    | 5.50%                 | 6.00%                 |
| Expected return on plan assets at beginning of the period | 6.00%                 | 6.20%                 |
| Future salary increases                                   | N/A                   | N/A                   |
| Pension increases in payment at the 5% LPI rate           | 3.10%                 | 3.20%                 |
| RPI   | 3.35%                 | 3.40%                 |

Post retirement mortality assumption

SIPA, year of birth,  
medium cohort projections with  
1.25% underpin for males and 1.00%  
underpin for females

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows

- Current pensioner aged 65: 21.8 years (male), 23.2 years (female)
- Future retiree upon reaching 65 (based on retiring in 12 years): 23.2 years (male), 25.2 years (female)

### History of plans

The history of the plans for the current and prior periods is as follows

#### Balance sheet

|                                     | 2013<br>£000 | 2012<br>£000 | 2010<br>£000 | 2009<br>£000 | 2008<br>£000 |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Present value of scheme liabilities | -            | (36,291)     | (31,916)     | (32,534)     | (25,783)     |
| Fair value of scheme assets         | -            | 24,434       | 22,736       | 20,095       | 14,520       |
| Deficit                             | -            | (11,857)     | (9,180)      | (12,439)     | (11,263)     |

#### Experience adjustments

|  | 2013<br>£000 | 2012<br>£000 | 2010<br>£000 | 2009<br>£000 | 2008<br>£000 |
|--|--------------|--------------|--------------|--------------|--------------|
| Experience adjustments on scheme liabilities | (829)        | (2,960)      | (1,922)      | (5,749)      | 5,866        |
| Experience adjustments on scheme assets      | 287          | (527)        | 933          | (2,013)      | (4,744)      |

## Notes (continued)

### 15 Pension scheme (continued)

The Company also operates a defined contribution pension scheme. At 31 March 2013, there were outstanding contributions of £nil (2012 £15,211). The costs of the scheme are charged to the profit and loss account in the period in which they are incurred. Costs for the year amounted to £111,744 (2010 £100,289).

### 16 Called up share capital

|   | 31 March<br>2013<br>£ | 31 March<br>2012<br>£ |
|---|-----------------------|-----------------------|
| <i>Allotted, called up and fully paid</i> |                       |                       |
| 4,259,072 Ordinary shares of £0.50 each   | 2,129,536             | 2,129,536             |
|   | <u>2,129,536</u>      | <u>2,129,536</u>      |

### 17 Reserves

|  | Share<br>premium<br>account<br>£ | Profit<br>and loss<br>account<br>£ | Total<br>£       |
|--|----------------------------------|------------------------------------|------------------|
| At beginning of period                     | 11,406,048                       | (23,455,447)                       | (12,049,399)     |
| Loss for the period                        | -                                | (961,829)                          | (961,829)        |
| Actuarial loss on pension scheme           | -                                | (542,000)                          | (542,000)        |
| Gain on transfer of assets and liabilities | -                                | 17,123,802                         | 17,123,802       |
|  | <u>11,406,048</u>                | <u>(7,835,474)</u>                 | <u>3,570,574</u> |
| At end of period                           | 11,406,048                       | (7,835,474)                        | 3,570,574        |

### 18 Reconciliation of movements in shareholders' deficit

|   | 31 March<br>2013<br>£ | 31 March<br>2012<br>£ |
|---|-----------------------|-----------------------|
| (Loss)/profit for the year                          | (961,829)             | 1,375,739             |
| Actuarial loss on defined benefit pension scheme    | (542,000)             | (3,487,000)           |
| Deferred taxation on defined benefit pension scheme | -                     | 2,845,680             |
| Gain on transfer of assets and liabilities          | 17,123,802            | -                     |
|   | <u>15,619,973</u>     | <u>734,419</u>        |
| Net increase in shareholders' deficit               | 15,619,973            | 734,419               |
| Opening shareholders' deficit                       | (9,919,863)           | (10,654,282)          |
|   | <u>5,700,110</u>      | <u>(9,919,863)</u>    |
| Closing shareholders' deficit                       | 5,700,110             | (9,919,863)           |

## **Notes** *(continued)*

### **19 Control**

The Company's immediate parent undertaking is Keane UK Limited, a company registered in England and Wales

The smallest group in which the results of the Company are consolidated is the one headed by NTT Data International Services Inc. The consolidated accounts of NTT Data International Services Inc. can be obtained from 100 City Square, Boston, MA 02129

The ultimate parent of the Company is Nippon Telegraph and Telephone Corporation, registered in Japan, which is also the largest group in which the results of the Company are consolidated. The consolidated accounts of Nippon Telegraph and Telephone Corporation can be obtained from 3-1 Otemachi 2-chome, Chiyoda-ku, Tokyo, 100-816, Japan