

**REGISTERED NUMBER: 03716736 (England and Wales)**

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE PERIOD  
1 JULY 2011 TO 31 MARCH 2012  
FOR  
ISOFT GROUP (UK) LIMITED**

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**ISOFT GROUP (UK) LIMITED (REGISTERED NUMBER: 03716736)**

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FOR THE PERIOD 1 JULY 2011 TO 31 MARCH 2012**

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**ISOFT GROUP (UK) LIMITED**  
**COMPANY INFORMATION**  
**FOR THE PERIOD 1 JULY 2011 TO 31 MARCH 2012**

**DIRECTORS.**

A Fiumicelli  
A Thomson

**SECRETARY:**

D Gray

**REGISTERED OFFICE:**

Royal Pavilion,  
Wellesley Road  
Aldershot,  
Hampshire  
GU11 1PZ

**REGISTERED NUMBER:**

03716736 (England and Wales)

**AUDITORS:**

Deloitte LLP  
  
St Albans  
United Kingdom

**REPORT OF THE DIRECTORS  
FOR THE PERIOD 1 JULY 2011 TO 31 MARCH 2012**

The directors present their report with the financial statements of the company for the period 1 July 2011 to 31 March 2012

**RESULTS**

Operating (loss) / profit was £(37.3)m (2011 - £3.5m) and retained loss was £(31.3)m (2011 - £(20.0)m), which was transferred from reserves. Operating loss includes exceptional costs in the period of £35.2m (2011 - £4.6m gain)

**PRINCIPAL ACTIVITY**

On 1 September 2011, the Company re-registered as a Limited company and changed its name from iSOFT Group plc to iSOFT Group (UK) Limited

From 29 July 2011 the Company became a wholly owned subsidiary of Computer Sciences Corporation (CSC), a company incorporated in the US

The principal activities of the Company are the provision of management services (including financial planning and assistance, Human Resources, commercial planning and assistance, public affairs and marketing, and data processing and computer services), funding to fellow group undertakings, and as an intermediate holding company within the CSC group

**REVIEW OF BUSINESS**

The key performance indicators during the period were

	2012	2011
Operating loss before exceptional items	£(2.1m)	£(1.0m)
Retained loss	£(31.3m)	£(20.0m)

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties facing the Company are broadly grouped as financial risk

**Financial Risks** The Company is subject to financial risk arising from changes in market conditions affecting interest rates, from counterparty risk of failing to discharge an obligation and the impact of changing foreign exchange rates

**MANAGEMENT OF RISK**

Credit risk is managed by agreeing payment terms in advance, including invoicing periods for long term contracts and payments in advance. Appropriate credit control procedures are followed at all operations where credit risk is perceived

The Company's transactions are predominantly in Sterling, but some transactions (sales and purchases) are in other currencies and the Company is therefore exposed to the movement in foreign exchange rates. The CSC Group's treasury function matches receipt and payments in foreign currencies to manage risk at a Group level

**ENVIRONMENT**

The company recognises that achieving success in environmental and social management is a joint responsibility between employees and management. Active employee participation in community events and charities is strongly supported through the provision of time and the internal promotion and support for such activities

The directors recognise that whilst the Company's business activities as a developer and supplier of software applications have minimal direct environmental impact, there are environmental impacts in running the Company and our commitment to adopting best practice evidences our responsibility. The Company's environmental policy aims to raise the awareness of environmental matters, establish standards, assess the impact of its business activities on the environment, set improvement objectives and monitor performance against those objectives

The Company's philosophy is to establish a paperless working environment wherever appropriate. This is supported through the automation of a number of internal management and administrative processes such as performance appraisals, job profiles, competency framework, and annual leave requests. The Company continues to look for ways to move closer to a paperless working environment

The Company also encourages staff to minimise unnecessary travel by using web exchange and video conferencing facilities and working from home in appropriate circumstances

**REPORT OF THE DIRECTORS  
FOR THE PERIOD 1 JULY 2011 TO 31 MARCH 2012**

**EMPLOYEES**

Details of the number of employees and related costs can be found in the note to the financial statements

The Company is a committed equal opportunities employer and operates working practices to promote an employment environment that is free from discrimination and harassment

It is the Company's policy to ensure that all employees and applicants are treated equally, regardless of gender, marital status, race, colour, disability or sexual orientation. Disabled individuals are offered the same opportunities as others, and the Company actively supports the employment of disabled persons and in the retention of employees who become disabled whilst in the employment of the Company

**DIVIDENDS**

The directors do not recommend the payment of a dividend (2011 - £nil)

**FUTURE DEVELOPMENTS**

The directors expect the principal activity of the Company to remain unchanged and continue to seek opportunities to enhance shareholder value

**POST BALANCE SHEET EVENTS**

During July 2012, the CSC Group reviewed the ownership structure of its subsidiary investments and re-arranged some of the share ownerships within the group. As a result of this review, the Company received a waiver of the intercompany balance owed to iSOFT Group Ltd, a company registered in Australia, for AUD 153,415,250 and has been treated as a non adjusting post balance sheet event under FRS 21

At 31 March 2012, investments were reviewed for impairment with reference to their fair value. During March 2013, the CSC Corporation reviewed the UK legal entities with a view to simplifying the group structure by rationalising the number of legal entities within the UK. In preparation of the entity rationalisation process, the trade and assets of some of the Company's UK subsidiaries were transferred elsewhere within the UK structure at their net book value. The impact of these trade and asset transfers is expected to result in the Company recording material future losses on disposal or impairments as these subsidiaries are transferred. These transactions have been treated as a non adjusting post balance sheet event under FRS 21

**GOING CONCERN**

The directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements (see note 1)

**DIRECTORS**

A Fiumicelli has held office during the whole of the period from 1 July 2011 to the date of this report

Other changes in directors holding office are as follows

A Thomson	- appointed 1 August 2011
J G Mackay	- resigned 1 August 2011
A Gullen	- resigned 29 July 2011
R C Series	- resigned 29 July 2011
A Stevens	- resigned 30 June 2012

**DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

During the period the Company maintained insurance cover for Directors' and Officers' liability as permitted under section 233 of the Companies act 2006

**COMPANY'S POLICY ON PAYMENT OF CREDITORS**

It is the Company's policy to confirm the terms of payment with suppliers when agreeing the terms of the transaction to ensure that suppliers are aware of these terms. Payments are contingent on the supplier providing goods or services to the required standard and purchasing is sometimes co-ordinated between Group undertakings

Trade creditors at the period end amount to 47 days (2011 - 46 days) of average suppliers for the period

**REPORT OF THE DIRECTORS  
FOR THE PERIOD 1 JULY 2011 TO 31 MARCH 2012**

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

No charitable or political donations were made during the period (2011 - £nil)

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 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 accounting 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,
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

Deloitte LLP were appointed as auditor during the period and have expressed their willingness to continue in office as auditor. A resolution to reappoint them as auditor will be proposed at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



A Thomson - Director

Date 5 July 2013

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ISOFT GROUP (UK) LIMITED**

We have audited the financial statements of iSOFT Group (UK) Limited for the period ended 31 March 2012 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 22. 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 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 Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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 Report of the Directors 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 March 2012 and of its loss for the period 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.



Julian Rae (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
St Albans  
United Kingdom

Date 5 July 2013

**ISOFT GROUP (UK) LIMITED (REGISTERED NUMBER: 03716736)**

**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD 1 JULY 2011 TO 31 MARCH 2012**

	Notes	Period 1 7 11 to 31 3 12 £'000      £'000		Year Ended 30 6 11 £'000      £'000	
<b>TURNOVER</b>	2		518		330
Cost of sales			<u>(461)</u>		<u>(385)</u>
<b>GROSS PROFIT/(LOSS)</b>			57		(55)
Administrative expenses - other			(2,133)		(961)
- exceptional items	6		<u>(35,216)</u>		<u>4,563</u>
 <b>OPERATING (LOSS)/PROFIT</b>	 5		 <u>(37,292)</u>		 <u>3,547</u>
Interest receivable - on intra group balances		3,878		17,744	
Other interest receivable and similar income	7	<u>13,875</u>		<u>-</u>	
			17,753		17,744
Interest payable	7		<u>(11,739)</u>		<u>(41,291)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			(31,278)		(20,000)
Tax on loss on ordinary activities	8		<u>-</u>		<u>(3)</u>
<b>LOSS FOR THE FINANCIAL PERIOD</b>			<u>(31,278)</u>		<u>(20,003)</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current period or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the losses for the current period or previous year



**ISOFT GROUP (UK) LIMITED (REGISTERED NUMBER: 03716736)**

**BALANCE SHEET  
31 MARCH 2012**

	Notes	31 3 12 £'000	£'000	30 6 11 £'000	£'000
<b>FIXED ASSETS</b>					
Investments	9		140,878		85,649
<b>CURRENT ASSETS</b>					
Debtors	10	51,916		628,675	
Cash at bank		<u>325</u>		<u>3,728</u>	
		52,241		632,403	
<b>CREDITORS</b>					
Amounts falling due within one year	11	<u>214,885</u>		<u>737,517</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(162,644)</u>		<u>(105,114)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			(21,766)		(19,465)
<b>PROVISIONS FOR LIABILITIES</b>	14		<u>(53)</u>		<u>(53)</u>
<b>NET LIABILITIES</b>			<u>(21,819)</u>		<u>(19,518)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		24,968		24,968
Share premium	17		56,906		56,906
Merger reserve	17		88,683		88,683
Profit and loss account	17		<u>(192,376)</u>		<u>(190,075)</u>
<b>SHAREHOLDERS' DEFICIT</b>	20		<u>(21,819)</u>		<u>(19,518)</u>

The financial statements were approved by the Board of Directors on 5 July 2013 and were signed on its behalf by



A Thomson - Director

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JULY 2011 TO 31 MARCH 2012**

**1 ACCOUNTING POLICIES**

**Accounting convention**

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

**Preparation of consolidated financial statements**

The financial statements contain information about iSOFT Group (UK) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of CSC Computer Sciences Australia Holdings Pty Ltd, a company registered in Australia

**Financial Reporting Standard Number 1**

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements

**Turnover**

Turnover represents the fair value of consideration received or receivable from clients for goods or services provided by the Company, net of discounts and value added tax

Revenue from system sales is recognised when a signed contract exists, delivery to a customer has occurred with no significant vendor obligations remaining and where collection of the resulting receivable is considered probable. In instances where a significant vendor obligation exists, revenue recognition is delayed until the obligation is satisfied

The Company enters into arrangements involving the delivery and implementation of a given software product against predetermined milestones and anticipated future maintenance and support. In arrangements where the revenue from the sale of product licences is not clearly separable from the revenue for installation and services, then the revenue is recognised on a percentage completion basis over the period of the installation with due regard for anticipated future costs. Support revenues in such cases are recognised from implementation over the remaining period of the arrangement. Where a loss is expected to occur, it is recognised immediately and a provision is made in relation to any future work or delivery of goods

The Company also enters into bundled service arrangements, whereby it enters into arrangements to make certain software applications available for the duration of the arrangements. As the fair value of services deliverables and maintenance and support to be provided under such supply arrangements are not clearly separable from the software supply, revenue is recognised on a percentage of completion basis over the period of the arrangement

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JULY 2011 TO 31 MARCH 2012**

**1 ACCOUNTING POLICIES - continued**

**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 in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the exception that the directors consider that it is more likely than not that there will be suitable taxation profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Where law or accounting standards require gains or losses to be recognised in the statement of total recognised gains and losses, the related taxation is also taken directly to the statement of total recognised gains and losses

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme, administered by a third party that is available to all directors and employees. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

**Going concern**

The financial statements are prepared on a going concern basis which assumes the Company will continue in operational existence for the foreseeable future

Prior to 29 July 2011 as a subsidiary of iSOFT Group Limited, the company together with other fellow subsidiaries participated in centralised banking arrangements and for this reason was dependent on continued financial support from the parent company and fellow subsidiaries in order to remain a going concern. The Company was subject to a cross guarantee in respect of bank loan facilities granted to the parent company as set out in note 21

On 29 July 2011, 100% of the share capital of iSOFT Group Limited, the ultimate parent company at that date was acquired by Computer Sciences Corporation (CSC), and as a consequence the ultimate parent entity of the Company became Computer Sciences Corporation of 3170 Fairview Park Drive, Falls Church, VA 22042, USA

As a result of the takeover, iSOFT Group Limited's senior secured borrowings which the Company was party to a cross party guarantee, together with convertible notes were immediately repaid and were replaced with inter-company loan funding of \$275,489,000

On the basis of their assessment of the Company's financial position, and the support confirmed by the ultimate parent company directors, the directors have a reasonable expectation that the Company will have sufficient resources to continue in operational existence for the foreseeable future and for this reason continue to adopt the going concern basis of accounting in preparing the financial statements

**Provisions**

Provisions are recognised where the Company has a present obligation arising from a past event and it is probable that the Company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material

Provisions are reviewed on a regular basis and any changes in valuation are taken to the profit and loss account

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JULY 2011 TO 31 MARCH 2012

1 ACCOUNTING POLICIES - continued

**Leasing assets**

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term

**Fixed asset investments**

Investments in subsidiary undertakings and joint ventures are stated at cost less provision for impairment

2 TURNOVER

Turnover represents amounts for the provision of services which fall within the Company's continuing activities, stated net of value added tax. All turnover relates to the United Kingdom

3 STAFF COSTS

	Period 1 7 11 to 31 3 12 £'000	Year Ended 30 6 11 £'000
Wages and salaries	2,328	3,548
Social security costs	459	242
Other pension costs	<u>25</u>	<u>59</u>
	<u>2,812</u>	<u>3,849</u>

The average monthly number of employees during the period was as follows

	Period 1 7 11 to 31 3 12	Year Ended 30 6 11
Administration	<u>22</u>	<u>22</u>

4 DIRECTORS' EMOLUMENTS

	Period 1 7 11 to 31 3 12 £'000	Year Ended 30 6 11 £'000
Directors' remuneration	769	535
Directors' pension contributions to money purchase schemes	12	16
Compensation to director for loss of office	77	376
Amounts receivable under long term incentive schemes	<u>146</u>	<u>-</u>

The amounts recoverable under long term incentive schemes were amounts paid as compensation for withdrawal of an EIPP scheme and performance rights after the acquisition of the company by CSC

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>1</u>	<u>1</u>
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One director received shares under long term incentive schemes (2011 - one director)

**ISOFT GROUP (UK) LIMITED (REGISTERED NUMBER: 03716736)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JULY 2011 TO 31 MARCH 2012**

**4 DIRECTORS' EMOLUMENTS - continued**

Information regarding the highest paid director is as follows

	Period 1 7 11 to 31 3 12 £'000	Year Ended 30 6 11 £'000
Emoluments	686	535
Amounts receivable under long term incentive schemes	<u>146</u>	<u>-</u>

The directors' remuneration noted above represents the remuneration of directors directly employed by the company. The remaining directors neither receive, nor waived any right to emoluments in respect of their services to the Company in the period (2011 - £nil)

**5 OPERATING (LOSS)/PROFIT**

The operating loss (2011 - operating profit) is stated after charging/(crediting)

	Period 1 7 11 to 31 3 12 £'000	Year Ended 30 6 11 £'000
Auditors' remuneration - audit of the Company's annual accounts	185	274
- audit of subsidiaries' accounts without recourse	65	135
- audit related assurance services	930	-
Foreign exchange differences	(463)	(3,139)
Auditors' remuneration - taxation services	<u>69</u>	<u>184</u>

**6 EXCEPTIONAL ITEMS**

	Period 1 7 11 to 31 3 12 £'000	Year Ended 30 6 11 £'000
Provision/(release) for amounts owed by group companies	30,476	(4,563)
Investment impairment charges (note 9)	<u>4,740</u>	<u>-</u>
	<u>35,216</u>	<u>(4,563)</u>

Exceptional items for amounts owed by group companies relate to intercompany charges and impairment reversals following a review of intercompany balances based on the net assets of the individual counterparty at the balance sheet date, but excluding potential sources of additional funding and intra group guarantees available to the counterparty. Accordingly the assessments are of the individual companies and not about the group.

Also included in exceptional items are amounts relating to impairment charges following an assessment of the net realisable value of the company's investments in subsidiaries (see note 9)

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JULY 2011 TO 31 MARCH 2012

7 INTEREST

	Period 1 7 11 to 31 3 12 £'000	Year Ended 30 6 11 £'000
Other interest receivable and similar income	£'000	£'000
Loan fee recovery	7,445	-
Hedging gains	6,429	-
Other interest	<u>1</u>	<u>-</u>
	<u>13,875</u>	<u>-</u>
	Period 1 7 11 to 31 3 12 £'000	Year Ended 30 6 11 £'000
Interest payable.	£'000	£'000
Bank interest	(1,035)	(13,551)
Interest paid on intra group balances	(10,704)	(9,304)
Loan fee amortisation	<u>-</u>	<u>(18,436)</u>
	<u>(11,739)</u>	<u>(41,291)</u>

During the year, loan fee costs previously amortised in line with the term of the bank loans were partially recovered from a fellow group company

The hedging gains noted above relate to the foreign exchange hedging contracts put in place to mitigate the exposure of the iSOFT UK based companies against fluctuations in exchange rates on intercompany loans denominated in foreign currencies

8 TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the period was as follows

	Period 1 7 11 to 31 3 12 £'000	Year Ended 30 6 11 £'000
Current tax		
UK corporation tax	<u>-</u>	<u>3</u>
Tax on loss on ordinary activities	<u>-</u>	<u>3</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 JULY 2011 TO 31 MARCH 2012**

**8 TAXATION - continued****Factors affecting the tax charge**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below

	Period 1 7 11 to 31 3 12 £'000	Year Ended 30 6 11 £'000
Loss on ordinary activities before tax	<u>(31,278)</u>	<u>(20,000)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2011 - 27.50%)	(8,132)	(5,500)
Effects of		
Utilisation of tax losses brought forward	(1,129)	4,521
Other short term timing differences	-	979
Expenses not deductible for tax purposes	232	-
Exceptional items not subject to taxation	<u>9,029</u>	<u>-</u>
Current tax charge	<u>-</u>	<u>-</u>

**Factors that may affect future tax charges**

There are significant tax losses generated in companies within the same UK corporation tax group and the group intends to continue to utilise group relief claims, which as the impact of reducing the effective tax rate of the Company

**Deferred taxation**

The Company has the following unprovided deferred tax balances

	2012 £'000	2011 £'000
Deferred capital allowances	324	340
Losses	9,683	15,331
Other STTD	<u>179</u>	<u>396</u>
	<u>10,186</u>	<u>16,067</u>

The unprovided deferred tax assets relate to deferred capital allowances and tax losses available to carry forward and off-set against future trading profits within the Company. The iSOFT Group Limited group utilises group relief wherever possible and as such the timing of the off-set of the deferred capital allowances and tax losses against future trading profits cannot be accurately predicted and has therefore not been recognised.

**ISOFT GROUP (UK) LIMITED (REGISTERED NUMBER: 03716736)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JULY 2011 TO 31 MARCH 2012**

**9 FIXED ASSET INVESTMENTS**

	Unlisted investments £'000
<b>COST</b>	
At 1 July 2011	442,406
Additions	59,969
Disposals	<u>(5,705)</u>
At 31 March 2012	<u>496,670</u>
<b>PROVISIONS</b>	
At 1 July 2011	356,757
Provision for period	4,740
Eliminated on disposal	<u>(5,705)</u>
At 31 March 2012	<u>355,792</u>
<b>NET BOOK VALUE</b>	
At 31 March 2012	<u>140,878</u>
At 30 June 2011	<u>85,649</u>

During the period the Company subscribed to additional share capital in its subsidiary iSOFT Europe (Holdings) Ltd

At 31 March 2012, the Company is the beneficial owner of the ordinary share capital and voting rights, either itself or through subsidiary undertakings, of the following principal companies,

Name	Country of incorporation	Effective % ownership	Activity
*Dawriver Pty Ltd	Australia	100	Dormant
*HAS Solutions Pty Ltd	Australia	100	Provision of IT services
*HAS Solutions Canada Inc	Canada	100	Provision of IT services
*BIT (Holdings) Ltd	England	100	Dormant
*Bridgeforward Software Ltd	England	100	Provision of IT services
*HAS Solutions (UK) Ltd	England	100	Provision of IT services
*Hollowbrook Computer Services Ltd	England	100	Dormant
iSOFT Europe (Holdings) Ltd	England	100	Holding company
*iSOFT Health (Germany) Ltd	England	100	Holding company
*iSOFT Health (Holdings) Ltd	England	100	Holding company
*iSOFT Health Ltd	England	100	Provision of IT services
*iSOFT Laboratory Systems Ltd	England	100	Dormant
*iSOFT Medical Systems Ltd	England	100	Provision of IT services
*iSOFT Netherlands (Holdings) Ltd	England	100	Holding company
*iSOFT Operations Ltd	England	100	Dormant
*iSOFT Protos Ltd	England	100	Provision of IT services
*iSOFT Radiology Systems Ltd	England	100	Provision of IT services
*iSOFT Technology Ltd	England	100	Non-trading company
*Oxhealth com Ltd	England	100	Dormant
*Revive Health Ltd	England	100	Provision of IT services
*Smart Terminals Ltd	England	100	Holding company
*SMS Datacare Ltd	England	100	Property rental
*The Warwick BEPOS Group Ltd	England	100	Dormant
ACT Medisys Ltd	England	100	Holding company
Eclipsys Ltd	England	100	Dormant



NOTES TO THE FINANCIAL STATEMENTS - continued  
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9 **FIXED ASSET INVESTMENTS - continued**

*iSOFT Applications Ltd	England	100	Provision of IT services
iSOFT Europe Ltd	England	100	Non trading company
*iSOFT Overseas Holdings Ltd	England	100	Holding company
iSOFT Limited	England	100	Provision of IT services
iSOFT Solutions Ltd	England	100	Holding company
Revive Group Ltd	England	100	Holding company
*iSOFT GmbH & Co KG	Germany	100	Holding company
*iSOFT Health GmbH	Germany	100	Provision of IT services
*iSOFT Health Verwaltings GmbH	Germany	100	Non-trading company
*iSOFT Malta Ltd	Malta	100	Provision of IT services
*Implementaciones Soft Sanidad S A de C V B	Mexico	100	Provision of IT services
*iSOFT NZ Ltd	New Zealand	100	Provision of IT services
*G C McKeown & Co (N I ) Ltd	Northern Ireland	100	Dormant
*iSOFT Scandinavia AS	Norway	100	Provision of IT services
*G C McKeown Systems Ltd	Republic of Ireland	100	Dormant
*iSOFT Health (Ireland) Ltd	Republic of Ireland	100	Provision of IT services
*iSOFT Ireland Ltd	Republic of Ireland	100	Provision of IT services
*McKeown Software Ltd	Republic of Ireland	100	Holding company
*iSOFT Holdings (Singapore) Pte Ltd	Singapore	100	Provision of IT services
*iSOFT Iberia S L	Spain	100	Holding company
*iSOFT Sanidad S A	Spain	100	Provision of IT services
*iSOFT Nederlands BV	The Netherlands	100	Provision of IT services
*iSOFT Integration Systems Inc	USA	100	Provision of IT services
*iSOFT Inc	USA	100	Holding company
*UltraGenda N V	Belgium	100	Provision of IT services

\* denotes held by subsidiary undertaking

10 **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 3 12	30 6 11
	£'000	£'000
Trade debtors	69	138
Amounts owed by group undertakings	51,742	626,733
Other debtors	55	1,597
Prepayments and accrued income	50	207
	<u>51,916</u>	<u>628,675</u>

11 **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 3 12	30 6 11
	£'000	£'000
Bank loans and overdrafts (see note 12)	-	144,186
Trade creditors	32	41
Social security and other taxes	334	132
Other creditors	2	480
Amounts owed to group undertakings	212,859	591,082
Accrued expenses	<u>1,658</u>	<u>1,596</u>
	<u>214,885</u>	<u>737,517</u>

**ISOFT GROUP (UK) LIMITED (REGISTERED NUMBER: 03716736)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JULY 2011 TO 31 MARCH 2012**

**12 LOANS**

An analysis of the maturity of loans is given below

	31 3 12	30 6 11
	£'000	£'000
Amounts falling due within one year or on demand		
Bank loans	<u>-</u>	<u>144,186</u>

On 29 July 2011, 100% of the share capital of iSOFT Group Limited, the ultimate parent company, was acquired by Computer Sciences Corporation (CSC), and as a consequence the ultimate parent entity of the Company became Computer Sciences Corporation of 3170 Fairview Park Drive, Falls Church, VA 22042, USA

As a result of the takeover, iSOFT Group Limited's senior secured borrowings which the company was party to a cross party guarantee, together with convertible notes were immediately repaid and were replaced with inter-company loan funding of \$275,489,000

**13 OPERATING LEASE COMMITMENTS**

The Company has no operating lease obligations at the balance sheet date (2011 - nil)

**14 PROVISIONS FOR LIABILITIES**

	31 3 12	30 6 11
	£'000	£'000
Other provisions		
Onerous lease liabilities	<u>53</u>	<u>53</u>

The onerous lease provision relates to legacy dilapidation clauses on property rentals and is expected to be fully utilised in the 2013 financial year

**15 FORWARD EXCHANGE CONTRACTS**

	Currency hedged	Principal Value £'000	Fair value	
			31 3 12	30 6 11
			£'000	£'000
Forward foreign exchange contracts	INR	30,971	(67)	-
	EUR	33,556	171	-
	AUD	115,959	<u>384</u>	<u>-</u>

The Group uses the derivatives noted above to hedge its exposure to changes in foreign currency exchange rates. The fair values are based on market values of equivalent instruments at the balance sheet date.

**16 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid

Number	Class	Nominal Value £0 10	2012 £'000	2011 £'000
249,674,743	Ordinary		<u>24,968</u>	<u>24,968</u>

**ISOFT GROUP (UK) LIMITED (REGISTERED NUMBER: 03716736)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JULY 2011 TO 31 MARCH 2012**

**17 RESERVES**

	Profit and loss account £'000	Share premium £'000	Merger reserve £'000	Totals £'000
At 1 July 2011	(190,075)	56,906	88,683	(44,486)
Deficit for the period	(31,278)	-	-	(31,278)
Capital contribution	<u>28,977</u>	-	-	<u>28,977</u>
At 31 March 2012	<u>(192,376)</u>	<u>56,906</u>	<u>88,683</u>	<u>(46,787)</u>

The capital contribution relates to an intercompany debt waiver between the Company and IBA Health (UK) Holdings Ltd

**18 ULTIMATE PARENT COMPANY**

The immediate parent company at 31 March 2012 was IBA Health (UK) Holdings Limited, registered in England and Wales

Following the acquisition of iSOFT by CSC, as noted in the directors' report, the directors consider the ultimate parent company and controlling entity is Computer Sciences Corporation, a company incorporated in the United States of America. This is the parent undertaking of the largest group which includes the Company and for which group financial statements are prepared. Copies of the group financial statements of Computer Sciences Corporation are available from 3170 Fairview Park Drive, Falls Church, Virginia 22042, USA

The smallest group which includes the Company is CSC Computer Sciences Australia Holdings Pty Ltd. Copies of these financial statements are available at 26 Talavera Road, Macquarie Park, NSW 2113, Australia

**19. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group

**20. RECONCILIATION OF MOVEMENTS IN RESERVES**

	31 3 12 £'000	30 6 11 £'000
Loss for the financial period	(31,278)	(20,003)
Capital contribution	<u>28,977</u>	-
Net reduction of reserves	(2,301)	(20,003)
Opening reserves	<u>(19,518)</u>	<u>485</u>
Closing reserves	<u>(21,819)</u>	<u>(19,518)</u>

**21 CROSS PARTY GUARANTEE**

Following the acquisition by CSC, the Company, along with all other material companies within the CSC group, was released from the guarantee in respect of the bank loan facilities dated 23 December 2009 granted to iSOFT Group Limited

The Company also acts as a guarantor on contract funding liabilities to subsidiary undertakings

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 JULY 2011 TO 31 MARCH 2012**

**22 POST BALANCE SHEET EVENTS**

During July 2012, the CSC Group reviewed the ownership structure of its subsidiary investments and re-arranged some of the share ownerships within the group. As a result of this review, the Company received a waiver of the intercompany balance owed to iSOFT Group Ltd, a company registered in Australia, for AUD 153,415,250 and has been treated as a non adjusting post balance sheet event under FRS 21.

At 31 March 2012, investments were reviewed for impairment with reference to their fair value. During March 2013, the CSC Corporation reviewed the UK legal entities with a view to simplifying the group structure by rationalising the number of legal entities within the UK. In preparation of the entity rationalisation process, the trade and assets of some of the Company's UK subsidiaries were transferred elsewhere within the UK structure at their net book value. The impact of these trade and asset transfers is expected to result in the Company recording material future losses on disposal or impairments as these subsidiaries are transferred. These transactions have been treated as a non adjusting post balance sheet event under FRS 21.