

Registered Number: 2503575

NIIT Insurance Technologies Limited

**Annual Report and Financial Statements
For the year ended 31 March 2014**

NIIT Insurance Technologies Limited

Annual Report and Financial Statements for the year ended 31 March 2014

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NIIT Insurance Technologies Limited

Directors and Advisors

Directors

Arvind Thakur
Rajendra S Pawar
Arvind Mehrotra
Amit Sharma

Company secretary

Abogado Nominees Limited

Registered office

100 New Bridge Street
London
EC4V 6JA

Registered number

2503575

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Bankers

Natwest Bank
Reading Market Place
13 Market Place
Reading Berks
RG1 2EP

Business address

2nd Floor
47 Mark Lane
London
EC3R 7QQ

NIIT Insurance Technologies Limited

Strategic report for the year ended 31 March 2014

The directors present their strategic report for the year ended 31 March 2014

Principal activities

The principal activity of the Company is the provision of software and services to the London and International Insurance Markets.

Business review and future developments

The results for the Company show a profit on ordinary activities before taxation of £2.4m (2013: £1.2m) for the year and sales of £16.5m (31 March 2013: £17.1m). The Company has net assets of £3.9m (2013: £3.4m). The increase in the profit on ordinary activities before taxation is in line with expectations and decreases in sales were due to the completion of a number of implementations during the year.

An interim dividend has been paid during the year of £1.5m at the rate of £1.195 per share (2013: £0.9m). The directors do not recommend a payment of a final dividend (2013: Nil).

During the year, the Company made further significant investments in its software products and continued to get strong levels of interest from the market. Insurers' recent experience in unprecedented types of catastrophe loss has increased interest in Exact, in particular. The company is sustaining its increased focus on product development during 2014-15, while at the same time offering a more integrated services offering through its parent company NIIT Technologies Limited.

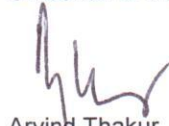
Key performance indicators (KPIs)

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties facing the Company

Insurance is generally a robust sector, but it is subject to periodic major losses, some of which can be disruptive to the company's development. Such events can lead to a slowdown in existing business, but the Company notes its customer's plan and business performance and prepares for similar scenarios.

On behalf of the Board



Arvind Thakur
Director
June 2014

NIIT Insurance Technologies Limited

Directors' Report for the year ended 31 March 2014

The directors present their annual report and the audited financial statements of NIIT Insurance Technologies Limited ('the Company') for the year ended 31 March 2014.

Financial risk management

The Company's operations expose it to a variety of limited financial risks including the effects of changes in interest rates on debt, foreign currency exchange rates, credit risk and liquidity risk.

The Company does not use derivative instruments to manage these exposures.

The Company's principal financial instruments comprise sterling bank deposits and other loans together with trade debtors and trade creditors that arise directly from its operations.

The main risks arising from the Company's financial instruments can be analysed as follows:

Credit risk

The Company's principal financial assets are bank balances and trade debtors, which represent the Company's maximum exposure to credit risk in relation to financial assets.

The Company's credit risk is primarily attributable to its trade debtors. This risk is not felt to be significant as the market place which it addresses consists of blue chip insurance companies and Lloyd's Syndicates.

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Liquidity risk

The Company has adequate capital to support its working capital requirements. Proactive receivables management results in a favourable working capital position. Management continue to focus on this area.

Foreign Exchange risk

A proportion of the Company's trading is conducted in Euros and US Dollars. However, any exposure to foreign exchange risk is the normal course of business and is deemed to be immaterial.

Interest rate and cash flow risk

The Company's favourable liquidity situation did not warrant any significant borrowing in the current year. Policies in this regard will be in review regularly by the Directors.

The Company's proactive collection initiatives ensure that it can meet its commitments.

Qualifying third party indemnity provision

The Company has a Directors and Officers Liability insurance policy. This is in force at the date of the balance sheet.

NIIT Insurance Technologies Limited

Directors' Report for the year ended 31 March 2014 (continued)

Research and development

The Company continues to invest in researching and developing new and innovative products and services to help improve the efficiency of the insurance market.

Directors

The current directors of the Company are set out on page 1. All of the directors serving during the year and up to the date of signing the financial statements are listed below:

Arvind Thakur
Rajendra S Pawar
Arvind Mehrotra
Amit Sharma

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic report, 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 prepared 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Disclosure of information to auditors

At the date of approving this report each of the company's directors, as set out on page 4, confirm the following:

- so far as each director is aware, there is no relevant audit information 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.

NIIT Insurance Technologies Limited

Directors' Report for the year ended 31 March 2014 (continued)

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Board Meeting.

On behalf of the Board



Arvind Thakur
Director
June 2014

NIIT Insurance Technologies Limited

Independent Auditors' Report to the Members of NIIT Insurance Technologies Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by NIIT Insurance Technologies Limited, comprise:

- the balance sheet as at 31 March 2014;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

NIIT Insurance Technologies Limited

Independent Auditors' Report to the Members of NIIT Insurance Technologies Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Kevin McGhee (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
June 2014

NIIT Insurance Technologies Limited

Profit and Loss account for the year ended 31 March 2014

	Note	2014 £	2013 £
Turnover	2	16,482,742	17,086,051
Cost of sales		(289,158)	(231,267)
Gross profit		16,193,584	16,854,784
Administrative expenses		(13,881,438)	(15,721,351)
Operating profit	3	2,312,146	1,133,433
Interest receivable and similar income	4	97,151	51,137
Profit on ordinary activities before taxation	5	2,409,297	1,184,570
Tax on profit on ordinary activities	5	(382,757)	(116,308)
Profit for the financial year	14	2,026,540	1,068,262

The company's profits are derived entirely from continuing operations.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial years stated above, and their historical cost equivalents.

NIIT Insurance Technologies Limited

Balance Sheet as at 31 March 2014

	Note	2014 £	2013 £
Fixed assets			
Intangible assets	9	1,558,607	64,239
Tangible assets	10	535,774	706,754
		2,094,381	770,993
Current assets			
Debtors	11	6,735,722	5,808,479
Cash at bank and in hand		1,753,644	3,453,820
Total assets		8,489,366	9,262,299
Creditors: amounts falling due within one year	12	(6,649,553)	(6,625,638)
Net current assets		1,839,813	2,636,661
Total assets less current liabilities		3,934,194	3,407,654
Net assets		3,934,194	3,407,654
Capital and reserves			
Called up share capital	13	12,557	12,557
Share premium account	14	1,749,257	1,749,257
Profit and loss account	14	2,172,380	1,635,456
Other reserves	15	-	10,384
Total shareholders' funds	16	3,934,194	3,407,654

The financial statements on pages 8 to 21 were approved by the Board on June 2014 and signed on its behalf by:

Arvind Thakur
Director

Registered Number: 2503575

NIIT Insurance Technologies Limited

Notes to the Financial Statements for the year ended 31 March 2014

1 Accounting policies

Basis of accounting

The financial statements are prepared on a going concern basis under the historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently with the prior year, are set out below.

Turnover

Turnover represents sales to customers, net of value added tax. Turnover is derived from the company's principal activity. All turnovers relates to business activities in the United Kingdom.

Recognition of turnover

Revenue may be recognised in respect of a contract, which is defined herein to be either a single contract taken as a whole or an unbundled part of a contract. However an unbundled part may be considered only if the contractual obligations for completion of it can be met without any material dependency on other components of the bundled contract.

Some contracts are determined at the outset to be short term in nature. These generally relate to short studies, the supply of professional services on a time and materials basis, or the supply of products that are sold in a standard form without any material modification. All other contracts are deemed to be long-term contracts.

For any contract, revenue is recognised only when a signed contract exists and the collection of the associated receivable is considered probable.

For a short term contract, revenue is recognised when there is a right to consideration, when delivery to the customer has occurred and there are no significant vendor obligations remaining. For long term maintenance contracts, revenue is recognised in equal instalments over the period of the contract.

For all other long term contracts revenue is recognised on a 'percentage of completion' basis at the balance sheet date, with 'percentage completion' being measured by the costs to date as a percentage of the estimated costs to completion. Any loss on a contract is recognised in full as soon as a loss is foreseen by reference to the estimated cost to completion.

The amount by which turnover exceeds payments on account is shown under debtors as amounts recoverable on contracts.

The amount by which billings are made in advance, and revenue taken subsequently in line with other accounting policies is shown under creditors as deferred income.

NIIT Insurance Technologies Limited

Notes to the Financial Statements for the year ended 31 March 2014 (continued)

1 Accounting policies (continued)

Development costs (Intangible assets)

Development costs are stated at cost less a provision for amortisation and any provision for impairment.

Costs incurred during the development period of new software products, which substantially improve those products already offered by the company, are treated as development costs. These costs are capitalised and amortised over the life of the product. Costs that are capitalised comprise directly attributable incremental costs incurred during the development period, including wages and salaries of staff employed solely for the purpose of developing the new product, and third party costs.

Amortisation of the development costs occurs on a straight line basis over five years. Impairment reviews are performed annually to ensure the present value of estimated future income streams from the associated products exceeds the capitalised cost.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected economic useful lives. Where there is evidence of impairment, fixed assets are written down to their recoverable amount. Any such write down would be charged to operating profit. The principal annual rates used are as follows:

Furniture and equipment	- 20%
Plant and machinery	- 33%

Leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the terms of the leases.

Share based payments

The parent company, NIIT Technologies Limited, India, has introduced an employee stock option plan. Certain employees of the company are awarded options over the shares of the ultimate parent.

In accordance with FRS 20, fair value calculations are derived using the Black-Scholes model. The total amount to be expensed over the vesting year is determined by reference to the fair value of the options granted. This is recognised as an expense over the vesting period, with a corresponding increase in other reserves. At each balance sheet date, the company revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the profit and loss account, with a corresponding adjustment to other reserves.

In the event that options are granted with an exercise price lower than the prevailing market price at grant date, NIIT Technologies Limited, India makes a recharge to the Company in respect of share options granted to the Company's employees. When incurred, these inter-company charges are offset in other reserves against the relevant capital contribution.

NIIT Insurance Technologies Limited

Notes to the Financial Statements for the year ended 31 March 2014 (continued)

1 Accounting policies (continued)

Deferred taxation

Deferred tax is provided, except as noted below, on timing differences that have arisen but not reversed by the balance sheet date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future. Timing differences arise because of differences between the treatment of certain items for accounting and taxation purposes.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax is measured at the average tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Pensions

Pension contributions to the defined contribution NIIT Insurance Technologies Limited Group Personal Pension Scheme are charged to the profit and loss account in the period in which contributions are incurred. Assets of the scheme are held separately from those of the company in an independently administered fund.

Foreign currency

Foreign currency transactions during the year are converted into sterling using the rate at the beginning of the month in which they occur. At the year-end monetary assets and liabilities in foreign currency amounts have been converted at the exchange rate on the balance sheet date. All foreign exchange differences are taken to the profit and loss account in the period in which they arise.

Cash flow statement

The Company is a wholly owned subsidiary of a group headed by NIIT Technologies Limited, India, and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the company has taken advantage of the exemption within FRS 1 'Cash flow statements (revised 1996)' from preparing a cash flow statement.

2 Turnover

The turnover of the Company has been derived from its principal activity for which a geographical analysis by destination is given below. The Company has only one main class of business.

Geographical area	By Origin		By Destination	
	2014 £	2013 £	2014 £	2013 £
UK	16,482,742	17,086,051	15,695,482	15,651,667
Europe	-	-	544,363	1,091,624
Rest of the world	-	-	242,897	342,760
	16,482,742	17,086,051	16,482,742	17,086,051

NIIT Insurance Technologies Limited

Notes to the Financial Statements for the year ended 31 March 2014 (continued)

3 Operating profit

Operating profit is arrived at after charging

	31 March 2014 £	31 March 2013 £
Fees payable to company auditors for :		
The audit of the company pursuant to legislation	21,435	28,846
Tax services	13,750	9,220
Other services	15,015	27,070
Depreciation and amortisation:		
Owned tangible fixed assets	382,658	356,642
Research and development	64,239	110,124
Rentals under operating leases:		
Other	322,252	322,252
Plant and machinery	17,107	21,670
Loss on disposal of fixed assets	160	510
Foreign exchange loss	643	296,307

4 Interest receivable and similar income

	31 March 2014 £	31 March 2013 £
Bank interest	7,421	6,644
Loan interest from group companies	80,000	44,493
Referral Fees	9,730	-
	97,151	51,137

NIIT Insurance Technologies Limited

Notes to the Financial Statements for the year ended 31 March 2014 (continued)

5 Tax charge on profit on ordinary activities

	31 March 2014 £	31 March 2013 £
Current tax:		
UK Corporation tax at 23% (2013: 24%)	451,931	342,391
Adjustments in respect of prior years	(77,338)	(198,770)
Total current tax charge	374,593	143,621
Deferred tax:		
Origination and reversal of timing differences	(8,703)	(31,240)
Changes in tax rates or laws	16,867	3,927
Total deferred tax	8,164	(27,313)
Tax charge on profit on ordinary activities	382,757	116,308

The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the United Kingdom 23% (2013: 24%). The differences are explained below:

Factors affecting tax charge for year		
Profit on ordinary activities before tax	2,409,297	1,184,570
Profit on ordinary activities at the standard rate of UK corporation tax 23% (2013: 24%)	554,138	284,297
Depreciation (higher) / lower than capital allowance	(11,068)	20,489
(Income) / expenses not included for tax purposes	(112,390)	17,253
Other short term timing differences	21,251	20,352
Adjustments in respect of prior years	(77,338)	(198,770)
	374,593	143,621

The deferred taxation asset of £121,301 (2013: £129,465) has been recognised and is disclosed within debtors (see note 11)

	31 March 2014 £	31 March 2013 £
Accelerated capital allowances	75,540	98,092
Short-term timing differences	34,815	16,590
Pension provision	10,946	14,783
Deferred tax asset	121,301	129,465

NIIT Insurance Technologies Limited

Notes to the Financial Statements for the year ended 31 March 2014 (continued)

5 Tax on profit on ordinary activities (continued)

	£
Deferred tax asset as at 1 April 2013	129,465
Movement during the year	(8,164)
Deferred tax asset as at 31 March 2014	121,301

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

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements.

In addition to the changes in rates of Corporation tax disclosed above, further changes to the UK Corporation tax rates have been announced. These include further reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. These changes were substantively enacted on 2nd July 2013 and the deferred tax asset has been re-measured using enacted tax rates.

The standard rate of Corporation Tax in the UK changed from 24% to 23% with effect from 1 April 2013. Accordingly, the company's profit for this accounting year is taxed at an effective rate of 15.89% (2013 9.82%) and will be taxed at 23% in the future.

6 Employees

	31 March 2014 £	31 March 2013 £
Staff costs during the year (including directors)		
Wages and salaries	4,377,877	4,599,024
Social security costs	466,601	518,254
Other pension costs	651,961	845,834
Costs associated with share based payments (See Note 15)	-	10,384
Other staff costs	144,800	155,556
	5,641,239	6,129,052

The average monthly number of persons (including executive directors) employed by the company during the year was:

	31 March 2014	31 March 2013
By activity		
Software development and support staff	70	62
Sales and marketing	12	11
Administrative Staff	9	9
	91	82

NIIT Insurance Technologies Limited

Notes to the Financial Statements for the year ended 31 March 2014 (continued)

6 Employees (continued)

Pension costs

Company operates a Defined Contribution Pension Scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The pension cost charge represents contributions payable by the company to the NIIT Insurance Technologies Limited Company Personal Pension Scheme and amounts to £651,961 (2013: £845,834). There is an accrual at the year-end for the Company Personal Pension Scheme of £54,730 (2013: £64,277).

7 Directors Emoluments

The emoluments and any options granted in respect of share schemes of Arvind Thakur, Arvind Mehrotra, Rajendra S Pawar and Amit Sharma were paid by other group companies, and they are deemed to be wholly attributable to the services of those companies. Accordingly, their emoluments are not disclosed in these financial statements.

8 Dividends

	31 March 2014 £	31 March 2013 £
Declared and paid during the year		
Ordinary shares:		
Interim paid: 1.195 per 1p share (2013: 0.717 per 1p share)	1,500,000	900,000

NIIT Insurance Technologies Limited

Notes to the Financial Statements for the year ended 31 March 2014 (continued)

9 Intangible assets

	Work-in-progress development costs	Development costs	Total
	£	£	£
Cost			
At 1 April 2013	-	550,622	550,622
Additions	1,558,607	-	1,558,607
At 31 March 2014	1,558,607	550,622	2,109,229
Accumulated amortisation			
At 1 April 2013	-	486,383	486,383
Charged in the year	-	64,239	64,239
At 31 March 2014	-	550,622	550,622
Net book value			
At 31 March 2014	1,558,607	-	1,558,607
At 31 March 2013	-	64,239	64,239

10 Tangible assets

	Furniture and equipment	Plant and machinery	Total
	£	£	£
Cost			
At 1 April 2013	525,067	2,280,339	2,805,406
Additions	-	211,838	211,838
Disposals	-	(118,231)	(118,231)
At 31 March 2014	525,067	2,373,946	2,899,013
Accumulated depreciation			
At 1 April 2013	183,768	1,914,884	2,098,652
Charged in the year	105,004	277,654	382,658
Disposals	-	(118,071)	(118,071)
At 31 March 2014	288,772	2,074,467	2,363,239
Net book value			
At 31 March 2014	236,295	299,479	535,774
At 31 March 2013	341,299	365,455	706,754

NIIT Insurance Technologies Limited

Notes to the Financial Statements for the year ended 31 March 2014 (continued)

11 Debtors

	2014 £	2013 £
Trade debtors	3,464,358	2,355,845
Loans to group undertakings	2,000,000	2,000,000
Amounts owed by group undertakings	80,452	-
Amounts recoverable on contracts	325,937	674,654
Deferred tax asset (see note 5)	121,301	129,465
Corporation tax debtor	150,516	63,063
Other debtors	71,888	62,201
Prepayments and accrued income	521,270	523,251
	6,735,722	5,808,479

Loans to group undertakings for £2,000,000 (2013, £2,000,000) are unsecured, carrying interest at 4.00% and are repayable on demand.

12 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	336,750	326,307
Amount owed to group undertakings	1,076,334	698,603
Corporation tax payable	-	-
Other taxation and social security	666,259	1,220,793
Other creditors	5,906	73,969
Accruals	663,956	638,028
Deferred income	3,900,348	3,667,938
	6,649,553	6,625,638

Amounts owed to group undertakings represent trade balances and are unsecured, non-interest bearing and have no fixed terms of repayment.

13 Called up share capital

	2014 Number of shares	2014 £	2013 Number of shares	2013 £
Authorised				
Ordinary shares of 1p each	5,000,000	50,000	5,000,000	50,000
Allotted, and fully paid				
Ordinary shares of 1p each	1,255,720	12,557	1,255,720	12,557

NIIT Insurance Technologies Limited

Notes to the Financial Statements for the year ended 31 March 2014 (continued)

14 Reserves	Share premium account £	Profit and loss account £
At 1 April 2013	1,749,257	1,635,456
Profit for the financial year	-	2,026,540
Dividends paid during the year	-	(1,500,000)
Transfer from other reserves	-	10,384
At 31 March 2014	1,749,257	2,172,380

15 Other reserves

The ultimate parent company, NIIT Technologies Limited, India, operates equity-settled, share-based compensation plans. Certain employees of the company are awarded options over the shares in the ultimate parent. The fair value of the employee services received using the Black-Scholes option pricing model in exchange for these grants of options is recognised as an expense, with a corresponding increase in Other reserves.

During the year, the company recognises the impact of the revision in the options vested and remaining to be exercised in the profit and loss account, with a corresponding adjustment to Other reserves.

	£
At 1 April 2013	10,384
Share-based capital reserve for the year	(10,384)
At 31 March 2014	-

16 Reconciliation of movements in equity shareholders' funds

	2014 £	2013 £
Profit for the financial year	2,026,540	1,068,262
Dividends paid during the year	(1,500,000)	(900,000)
Other reserves	-	10,384
Net change to shareholders' funds	526,540	178,646
Opening shareholders' funds	3,407,654	3,229,008
Closing shareholders' funds	3,934,194	3,407,654

NIIT Insurance Technologies Limited

Notes to the Financial Statements for the year ended 31 March 2014 (continued)

17 Financial commitments

At 31 March 2014 the company had annual commitments under non-cancellable operating leases expiring as follows:

	2014 £	2013 £
(i) Land and buildings, leases expiring		
Within two to five years	492,001	492,001
	492,001	492,001
(ii) Other, leases expiring		
Within one year	14,255	15,663
Within two to five years	3,120	7,315
	17,375	22,978

18 Share based payments

NIIT Technologies Limited, India, which is the ultimate holding company of NIIT Insurance Technologies Limited, operates the Employees Stock Option Plan (ESOP 2005). The remuneration committee of the holding company can grant options over shares in the holding company to employees of the group. Options are granted with a fixed exercise price. Awards under the ESOP are generally reserved for employees at senior management level and above. Grants for which options are still outstanding are represented in the table below. Exercise of an option is subject to continued employment. The fair market value of the shares was valued using the Black-Scholes option-pricing model. There were no options were granted to employees during the year.

A reconciliation of option movements over the year to 31 March 2014 is shown below:

	2014 Number	2013 Number
Options outstanding at 1 April	21,000	-
Options Granted	-	21,000
Options lapsed	21,000	-
Options exercised	-	-
Outstanding at 31 March	-	21,000
Exercisable at 31 March	-	21,000

The net charge for the year relating to employee share based payment plans was Nil (2013: £10,384) all of which related to equity share based payment transactions.

19 Related party transactions

The company has taken advantage of the exemption in paragraph 3 of FRS 8 'Related Party Disclosures' from the requirement to disclose transactions with group companies on the grounds that it is a wholly owned subsidiary and consolidated financial statements are prepared by the ultimate parent company, NIIT Technologies Limited, India. The consolidated financial statements published by the parent company are publicly available.

NIIT Insurance Technologies Limited

Notes to the Financial Statements for the year ended 31 March 2014 (continued)

20 Ultimate holding company and controlling party

NIIT Technologies Limited, which is incorporated and registered in the UK, is the immediate parent company. The ultimate parent company and controlling party is NIIT Technologies Limited, India a Company registered in India, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

NIIT Technologies Limited, India prepares group financial statements and copies can be obtained from 8 Balaji Estate, First floor, Guru Ravidas Marg, Kalkaji, New Delhi - 110019, India. Full consolidated financial statements can also be obtained for NIIT Technologies Limited, India, from that company's website at the following address, <http://www.niit-tech.com/investors/financial-reports>