Registered number:
04518162

Foolproof Limited

Annual report

For the year ended 31 March 2018

Foolproof Limited

Company Information

Directors	S Jambhale S Kishore C Rajebahadur
Registered number	04518162
Registered office	5 Fleet Place London England EC4M 7RD
Independent auditors	Deloitte LLP

Foolproof Limited

Contents

Foolproof Limited

Strategic report
For the year ended 31 March 2018

The directors present their strategic report on the Company for the period ended 31 March 2018.

Business review

The Company has 16 years of experience of working alongside major global brands, and employs the biggest talent pool of experience designers of any independent experience design agency in Europe.

In November 2016, Foolproof Limited was acquired by Zensar Technologies (UK) Limited. Following the acquisition the Company's ultimate controlling party is Zensar Technologies Limited.

The results for the year and the financial position at the year-end were considered satisfactory for the directors who are confident of continued growth for the foreseeable future.

During the period, the company had significant revenue and profit growth due to growth in existing clients and addition of six new clients.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subjected to a number of business risks. The Company ensures a continuous risk identification and management process, they evaluate the risks and select appropriate risk management strategies.

The principal risks to which the Company is exposed are listed below:

<u>Risk of over reliance on key clients</u>
Excessive exposure to a few clients could impact the Company's revenues and profitability in case of loss of these clients or a significant downsizing of projects given to the Company by these clients.

Risk mitigation
The Company has been engaged in long-term relationships with its major customers thus mitigating the risk of inconsistent revenues. The Company also, on a periodical basis, regularly updates its clients' credit risk assessments.

<u>Risk of over reliance on key industry sectors</u>
The Company may be excessively dependent on certain industry sectors. A downturn in the fortunes of clients or a reduction in their IT spending / budgets, would adversely affect the Company's own profitability.

Risk mitigation
The Company has prudently selected the industry sectors on the basis of their rapid growth and the critical dependence of these sectors on IT solutions to increase their respective business efficiency. The directors consider that the Company has sufficiently distributed its business across industry sectors to mitigate any risk of such exposure.

<u>Risk of salary price inflation and competition from third party global agencies</u>
With salary price inflation and growing third party competitors around the world, the Company's profitability is at risk of being adversely impacted. The main risk is due to the increases in expenses without the ability to increase revenue at the same rate.

Risk mitigation
The Company prides itself on the years of experience of working alongside major global brands, alongside employing the largest talent pool of experience designers of any independent experience design agency in Europe. The directors believe that these years of experience and highly talented workforce will set them apart from the third party agencies and will mitigate the risk of being unable to increase the prices inline with salary inflation.

Strategic report (continued)
For the year ended 31 March 2018

Financial key performance indicators

The operations of the Company are closely monitored and performance of the Company is measured against two KPIs:

1) Revenue and;
2) Earnings Before Interest and Tax (EBITDA)

Revenue for the year ending 31st March 2018 was £10,154,715, and Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) was £429,160 as against revenue of £11,632,318 (prorated to £9,305,854 over a 12 month period) and EBITDA of £179,063 (prorated to £143,250 over a 12 month period) in the 15 month period ending 31 December 2016. Revenue grew by 9% on account of growth in existing clients and addition of new clients. The increase in profit was on account of high revenue growth and better utilization of resources.

Other key performance indicators

The operations of the Company are managed as part of the wider Zensar group and therefore the directors believe analysis using additional KPI's is not necessary for understanding of the development, performance or position of the Company. KPI disclosures for the group, including Foolproof Limited, are included within the directors' report of Zensar Technologies Limited's annual report which does not form part of this report but is publicly available as set out in note 26.

This report was approved by the board on and signed on its behalf.

C Rajebahadur
Director

Directors' report
For the year ended 31 March 2018

The directors present their report and the audited financial statements for the year ended 31 March 2018.

Principal activities

The principal activities of the Company during the period were that of an experience design agency, creating products and providing insight, visual design and front end development to deliver online solutions to customers.

Results and dividends

The profit for the year, after taxation, amounted to £217,593 (£42027 in 15 month period ending 31 March 2017).

The statement of total comprehensive income for the period is set out on page 9.

The Company has earned turnover of £10,154,715 during the year, as compared to £11,632,318 in the previous the 15 month period. The gross profit for the year was £9,505,911, as compared to £8,695,393 in the previous 15 month period.

The Directors do not recommend a final dividend (15 month period ending 31 March 2017: £191,413).

Director

The directors who served during the year was:

S Jambhale
S Kishore
C Rajebhadur

Directors' report (continued)
For the year ended 31 March 2018

Financial risk management uncertainties

The Company's operations expose it to a variety of financial risks that include the effects of changes in credit risk and interest rate cash-flow risk. The Company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the Company. Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department. The Company does not use derivative financial instruments and as such no hedge accounting is applied.

Credit risk
The current economic climate is increasing the credit risk of the company. The company adopts policies that require appropriate credit checks on potential customers before sales are agreed

Interest rate cash-flow risk
The Company has interest bearing assets which attract interest variable rates on funds held in banks as short term deposits. The situation is reviewed by the finance department on a yearly basis to ascertain the cash flow impact of existing interest rates on the deposit balances.

Liquidity risk
The Company currently has no requirements for debt finance but maintains sufficient funds for operations.

Interest rate risk
The Company has interest bearing assets in the form of cash balances. Amounts payable to group undertakings are unsecured, interest free and have no date of repayment. Amounts receivable from group undertakings are unsecured, interest free and have no date of repayment. The directors will revisit the appropriateness of this policy should the Company's operations change in size or nature.

Price risk
The Company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Foreign exchange risk
Most of the company's revenue and expenses are generated in GBP and therefore there is no major foreign currency risk. Transactions in foreign exchange are recorded on the daily exchange rate. The directors will revisit the appropriateness of this policy should the Company's operations change size or nature.

Principal risks and uncertainties

Future developments

The directors anticipate the business environment will remain competitive. Having been acquired by Zensar Technologies (UK) Limited in the period, the Company are confident in continued growth, through strengthening customer relationships and developing new links throughout the world.

Directors' report (continued)
For the year ended 31 March 2018

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial 15 month period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;

- make judgements and accounting estimates that are reasonable and prudent; and

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

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

The directors 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.

Directors' report (continued)
For the year ended 31 March 2018

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There has been no significant post balance sheet events that are considered to impact the reported results to 31 March 2017.

Independent auditors

Pricewaterhouse Coopers LLP resigned as auditors, and Deloitte LLP were appointed auditors subsequent to the year end. There are no circumstances connected with Pricewaterhouse Coopers LLP ceasing to hold office which need to be brought to the attention of the members or creditors of the company. The decision for change in Auditors was based on Company's decision to appoint Deloitte LLP as Auditors globally for all Zensar entities of the Group.

This report was approved by the board on and signed on its behalf.

Director

Foolproof Limited

Statement of comprehensive income
For the year ended 31 March 2018

	Note	31 March 2018 £	15 Months ended 31 March 2017 £
Turnover	3	10,154,715	11,632,318
Cost of sales		(648,804)	(2,936,925)
Gross profit		9,505,911	8,695,393
Administrative expenses		(9,265,584)	(8,766,576)
Other operating income	4	52,849	70,600
Operating profit/(loss)	5	293,176	(583)
Interest payable and similar expenses	7	(25,249)	(30,283)
Profit/(loss) before taxation		267,927	(30,866)
Tax on profit/(loss)	8	(50,334)	72,893
Profit for the financial year		217,593	42,027

There were no recognised gains and losses for the year ended 31 March 2018 or the year ended 31 March 2017 other than those included in the statement of comprehensive income.

The notes on pages 13 to 38 form part of these financial statements.

Foolproof Limited
Registered number: 04518162

Balance sheet
As at 31 March 2018

	Note		2018		2017
			£		£
Fixed assets					
Intangible assets	10		1,549		1,802
Tangible assets	11		708,773		247,950
Investments	12		-		3
Current assets			710,322		249,755
Debtors: amounts falling due within one year	13	2,681,334		2,100,055	
Cash at bank and in hand		1,314,150		1,217,480	
		3,995,483		3,317,535	
Creditors: amounts falling due within one year	14	(3,437,434)		(2,707,422)	
Net current assets			558,050		610,113
Total assets less current liabilities			1,268,372		859,868
Creditors: amounts falling due after more than one year	15		(256,022)		(65,111)
Net assets			1,012,350		794,757
Capital and reserves					
Called up share capital	18		1,406		1,406
Share premium account			447,254		447,254
Profit and loss account			563,690		346,097
			1,012,350		794,757

The financial statements were approved and authorised for issue by the board of directors, and were signed on its behalf on

Director

The notes on pages 13 to 33 form part of these financial statements.

Statement of changes in equity
For the year ended 31 March 2018

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2017	1,406	447,254	346,097	794,757
comprehensive income for the period	-	-	217,593	217,593
Total comprehensive income for the period	1,406	447,254	563,690	1,012,350
Total transactions with owners	-	-	-	-
At 31 March 2018	1,406	447,254	563,690	1,012,350

Statement of changes in equity
For the year ended 31 March 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	1,152	179,010	495,483	675,645
Comprehensive income for the period				
Profit for the financials period	-	-	42,027	42,027
Other comprehensive income for the period				
Total comprehensive income for the period	-	-	42,027	42,027
Dividend			(191,413)	(191,413)
Settlement of employment share options	254	268244	-	268498
Total transactions with owners	254	268244	(191,413)	77085
At 31 March 2018	1,406	447,254	346,097	794,757

The notes on pages 13 to 33 form part of these financial statements.

Notes to the financial statements
For the year ended 31 March 2018

1. General information

Foolproof Limited are an experienced design agency, creating products and providing insight, visual design and front end development to deliver online solutions to customers.

Foolproof Limited is a private company limited by shares and is incorporated and domiciled in England with its registered office being as stated on the Company Information page.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

2. Accounting policies

2.1 Statement of compliance

The financial statements of Foolproof Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

2.2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.3 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgemental or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Notes to the financial statements
For the year ended 31 March 2018

2. Accounting policies (continued)

2.4 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the company has taken advantage of the exemption, under FRS 102 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Zensar Technologies Limited, includes the Company's cash flows in its consolidated financial statements;

- certain financial instrument disclosures providing equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated [FRS 102 paras 11.39 - 11.48A, 12.26 - 12.29];

- key management personnel compensation in total [FRS 102 para 33.7].

formation is included in the consolidated financial statements of Zensar Technologies Limited as at 31 March 2017, and these financial statements may be obtained from the company at Zensar Knowledge Park, Kharadi, Plot No. 4, MIDC, Off Nagar Road, Pune 411014, India.

2.5 Going concern

The company is able meets its day to day working capital requirements. The directors anticipate the business environment will remain competitive however continued future growth and customer contract wins will service the ongoing cash flow requirements enabling the Group to settle its debts as they fall due.

At the balance sheet date the Company had net current assets of £1,012,350 (2016: £610,113). The immediate parent Company, Zensar Technologies (UK) Limited has confirmed that it will continue to provide financial support as necessary to enable the Company to meet its financial obligations as they fall due for a period of at least 12 months from the date of signing of the financial statements. For this reason the directors consider it appropriate that the financial statements are prepared on the going concern basis.

2.6 Consolidation policy

The company is a wholly owned subsidiary of Zensar Technologies (UK) Limited and of its ultimate parent, Zensar Technologies Limited. It is included in the consolidated financial statements of Zensar Technologies Limited which are publicly available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Zensar Technologies Limited. The address of the parent’s registered office is Zensar Technologies Ltd. Zensar Knowledge Park, Kharadi, Plot #4, MIDC, Pune 411 014, India

Notes to the financial statements
For the year ended 31 March 2018

2. Accounting policies (continued)

2.7 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Rendering of services

Revenue from professional services consist of revenues earned from services performed on a "time and material" basis and related revenue is recognised as the services are performed.The Company performs time bound fixed-price engagements, under which revenue is recognised using the proportionate completion method of accounting. The cumulative impact of any revision in estimates of the stage of completion is refleccted in the year in which the change becomes known. The Company recognises revenue when the following conditions are satisfied:

- the amount of revenue can be measured reliably;

- it is probable that the company will receive the consideration due under the contract;

- the stage of completion of the contract at the end of the reporting period can be measured reliably using accurate time records; and

- the costs incurred and the costs to complete the contract can be measured reliably.

Amounts included in the financial statements, which relate to recoverable costs and accrued profits not yet billed on contracts, are classified in “Trade receivables” as “Accrued income” (Unbilled Services). Billings on uncompleted contracts in excess of accrued costs and accrued profits are classified in “Current liabilities” as “Deferred income”.

2.8 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives as follows:

Domain name	-	20 years

Amortisation is included in administrative expenses in the profit and loss account.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Notes to the financial statements
For the year ended 31 March 2018

2. Accounting policies (continued)

2.9 Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	-	9.75 years (over remaining lease period)
Fixtures & fittings	-	5 years
Computer equipment	-	4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.10 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Accounting policies (continued)

2.12 Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

2.13 Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

i.Financial assets

Basic financial assets, including trade and other debtors and cash at bank, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an even occurring aft the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

2. Accounting policies (continued)

2.13 Financial instruments (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii.Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

iii. Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.14 Creditors

Creditors due within one year are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.15 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is pound sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

2.16 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.18 Operating leases: the Company as a lessor

Rentals income from operating leases is credited to the statement of comprehensive income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

2. Accounting policies (continued)

2.19 Operating leases: the Company as a lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.20 Employee benefits

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Annual bonus plan

The company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

2.21 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

2. Accounting policies (continued)

2.22 Current and deferred taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i. Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

2.23 Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with its’ parent or with members of the same group that are wholly owned.

Notes to the financial statements
For the year ended 31 March 2018

3. Turnover

Analysis of turnover by country of destination:

	31 March 2018 £	15 Months ended 31 March 2017 £
United Kingdom	7,664,942	10,748,028
Rest of Europe	2,304,026	668,802
Rest of the world	185,747	215,488
	10,154,715	11,632,318

The directors consider that all turnover arises from the entity's principal activity.

4. Other operating income

	31 March 2018 £	15 Months ended 31 March 2017 £
Net rental receivable	19,200	70,600
	19,200	70,600

Notes to the financial statements
For the year ended 31 March 2018

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	31 March 2018 £	15 Months ended 31 March 2017 £
Depreciation of tangible fixed assets	186,065	179,331
Amortisation of intangible assets, including goodwill	253	315
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	19,000	18,000
Impairment of intercompany receivables	-	1,078,005
Impairment of intercompany investments	-	147,117
Exchange differences	4,301	6,618

6. Employees and Directors

Staff costs, including directors' remuneration, were as follows:

	31 March 2018 £	15 Months ended 31 March 2017 £
Wages and salaries	4,274,612	4,829,524
Social security costs	442,787	494,104
Other pension costs	190,696	136,275
	4,908,095	5,459,903

The average monthly number of employees, including the directors, during the year was as follows:

	31 March 2018	15 Months ended 31 March 2017
	No.	No.
Administration	16	15
Sales	18	17
Production	52	45
	86	77

Notes to the financial statements
For the year ended 31 March 2018

Directors

	31-Mar 2018 £	15 Months ended 31-Mar 2017 £
The directors' emoluments were as follows:		
Directors' emoluments	-	391,168
Company contributions to defined contribution pension schemes	-	21,205
	-	412,373

During the year retirement benefits were accruing to no directors (2017 - 7) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £NIL (2017 - £NIL).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2017 - £7,021).

Current Directors of the company are employees of other group undertakings. No remuneration is paid of payable to current Directors in their capacity as director of the company (2017- Nil). The Directors received remuneration from fellow group undertaking, in respect of their services to the group of which the company is a member. It is not possible to identify the proportion of remuneration that relates to services of this company.

7. Interest payable and similar charges

	31 March 2018 £	15 Months ended 31 March 2017 £
Bank interest payable	1,074	7,432
Other loan interest payable	18,718	5,833
Interest on finance leases and hire purchase contracts	5,457	17,018
	25,249	30,283

8 Taxation

	31-Mar 2018 £	15 Months ended 31-Mar 2017 £
Adjustment in respect of previous periods	(2,787)	2,787
Corporation Tax	45,975	2,787
Total current tax	43,188	2,787
Deferred tax		
Origination and reversal of timing differences	7,146	(25,327)
Changes to tax rates	-	(2,350)
Unused losses carried forward	-	(50,529)
Impact of change in tax rate on losses carried forward	-	2,526
Total deferred tax	7,146	(75,680)
Taxation on profit/(loss) on ordinary activities	50,334	(72,893)

Schedule to the detailed accounts
For the year ended 31 March 2018

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	31 March 2018 £	15 Months ended 31 March 2017 £
Profit/(loss) on ordinary activities before tax	267,927	(30,866)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	50,906	(6,173)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	17,586	256,722
Utilisation of tax losses / Group loss surrender	(15,720)	(52,912)
Previous year adjustment	(2,438)	
Tax deduction arising from share based payments	-	(320,883)
Unrelieved tax losses carried forward	-	50,529
Re-measurement of deferred tax - change in UK tax rate	-	(176)
Total tax charge for the year/period	50,334	(72,893)

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These included reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

9. Dividends

	2018 £	2017 £
Dividends paid on equity capital at £97.74 per share	-	191,413
	-	191,413

Schedule to the detailed accounts
For the year ended 31 March 2018

10. Intangible assets

	Domain name £
Cost	
At 1 April 2017	5,000
At 31 March 2018	5,000
Amortisation	
At 1 April 2017	3,198
Charge for the period	
At 31 March 2018	3,198
Net book value	
At 31 March 2018	1,549
At 31 March 2017	1,802

Schedule to the detailed accounts
For the year ended 31 March 2018

11 Tangible fixed assets

	Long Term Leasehold Property	Fixtures & fittings	Computer equipment	Office equipment	Total
	£	£	£	£	£
Cost					
At 1 April 2017	107,839	223,953	349,883		681,675
Additions	478,708	44,924	71,950	88,336	683,917
Deletions	(11,949)	(104,170)	(69,649)		(185,768)
At 31 March 2018	574,598	164,707	352,184	88,336	1,179,824
Depreciation					
At 1 April 2017	61,942	134,760	237,023		433,725
Charge for the period	51,933	46,737	70,896	16,499	186,065
Deletions	(8,887)	(70,947)	(68,905)		
At 31 March 2018	104,988	110,550	239,015	16,499	471,051
Net book value					
At 31 March 2018	469,610	54,157	113,170	71,837	708,773
At 31 March 2017	45,897	89,193	112,860		247,950

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018	2017
	£	£
Leasehold property improvements	-	38,639
Fixtures and fittings	-	56,805
	-	95,444

Schedule to the detailed accounts
For the year ended 31 March 2018

12. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2017	147,120
At 31 March 2018	147,120
Impairment	
At 31st March 2017	147,117
At 31 March 2018	147,120
At 31 March 2018	0
At 31 March 2017	3

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding	Principal activity
Foolproof (SG) Pte	Ordinary	100%	Experience Design Agency
Knit Limited	Ordinary	100%	Creative technology Agency
Flow Interactive	Ordinary	100%	Dormant and Dissolved on 7 November 2017

13 Debtors: Amounts falling due within one year

	2018	2017
	£	£
Trade debtors	1,097,448	1,342,707
Other debtors	198,095	171,740
Prepayments and accrued income	968,438	582,268
Deferred taxation		3,340
Intercompany Loan	417,352	
Staff Season Ticket Loans	-	
Leasehold Deposits	-	
	2,681,334	2,100,055

Trade debtors are stated after provisions of impairment of £42,806 (2017: £Nil).

Amounts owed by group undertakings are unsecured, interest free, have no repayment date and are repayable on demand. In the period to 31 March 2017 provisions against amounts owed by group undertakings amounting to £1,078, 005 have been charged to the statement of comprehensive income.

Schedule to the detailed accounts
For the year ended 31 March 2018

14 Creditors: Amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	-	84,148
Trade creditors	165,104	565,243
Amounts owed to group	1,234,275	
Loan from Group	270,879	
Obligations under finance lease and hire purchase contracts	-	31,739
Corporation tax	49,432	2,438
Other taxation and social security	160,324	611,956
Other creditors	-	130,560
Accruals and deferred income	1,557,419	1,281,338
	3,437,434	2,707,422

15. Creditors: Amounts falling due after more than one year

	2018	2017
	£	£
Bank loans and overdrafts	-	65,111
Loan from Group	256,022	
	256,022	65,111

Schedule to the detailed accounts
For the year ended 31 March 2018

16. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Bank loans	-	84,148
Loan from Group	270,879	
Amounts falling due 1-3 years		
Bank loans	-	65,111
Loan from Group	256,022	
	526,901	149,259

During the year, company received loan from Holding company over term of 18 months to 36 months, with an annual interest rate of 2.75%. The secured bank loan was repaid during the year.

17. Provision for other liabilities

The Company had the following provisions during the period.

Deferred tax:

	2018 £	2017 £
At 1 January	3,340	(72,340)
Charged to the profit or loss	(7,146)	75,680
At 31 March/31 December	(3,806)	3,340

Schedule to the detailed accounts
For the year ended 31 March 2018

17. Provision for other liabilities (continued)

The provision for deferred taxation balance is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(3,806)	(45,041)
Tax losses carried forward	-	48,003
Pension surplus	-	378
	(3,806)	3,340

18. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
1,406- Ordinary shares £1 each	1,406	1,406

19. Employee share options

There are on outstanding options of the company as on 31 March 2018 (2017– Nil) . On 2 November 2016 all share options were exercised and shares acquired were immediately sold as part of the acquisition by Zensar Technologies (UK) Limited.

20. Pension commitments

The company operates a defined contributions 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 fund and amounted to £190,696 (2017 - £136,275). Contributions totalling £24,479 (2017 - £8,317) were payable to the fund at the balance sheet date and are included in creditors.

21.

Schedule to the detailed accounts
For the year ended 31 March 2018

Commitments under operating leases

At 31 March the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than one year	458,704	177,529
Later than one year and not later than five years	2,524,121	186,185
Later than five years	1,350,321	157,646
	4,333,146	521,360

The company had no other off-balance sheet arrangements.

22. Related party transactions

The company is wholly owned subsidiary of Zensar Technologies (UK) Limited, a company incorporated in UK and has taken advantage of the exemption conferred by FRS102 Related Party Disclosures.

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with its' parent or with members of the same group that are wholly owned.

24. Controlling party

The company's immediate parent is Zensar Technologies (UK) Limited and the ultimate parent undertaking and controlling party is Zensar Technologies Limited which is incorporated in India.

Zensar Technologies Limited is the parent of the largest and smallest group to consolidate the financial statements of Foolproof Limited.

Copies of the group financial statements of Zensar Technologies Limited can be obtained from the company at Zensar Knowledge Park, Kharadi, Plot 4, MIDC, Off Nagar road, Pune 411014, India.