Registered number: 04577853

Zensar Technologies (UK) Limited

Financial Statements

For the year ended 31 March 2019

Zensar Technologies (UK) Limited

Income statement for the year ended 31 March 2019

	Note	2019 £	2018 £
Revenue	5	**65,140,281**	**42,986,705**
Cost of sales		**(52,845,288)**	**(34,097,710)**
Gross profit		**12,294,993**	**8,888,995**
Administrative expenses		**(5,984,480)**	**(5,035,616)**
Other income / (expenses)		**2,258,910**	**(358,929)**
Operating profit and profit before interest and taxation	6	**8,569,423**	**3,494,450**
Interest received and similar income	8	**167,168**	**44,780**
Profit before taxation		**8,736,591**	**3,539,230**
Tax on profit	10	**(1,305,873)**	**(771,923)**
Profit for the financial year		**7,430,718**	**2,767,307**

The results above are derived entirely from continuing operations.

There is no material difference between the profit before taxation and the profit for the financial years stated above and their historical cost equivalents.

Zensar Technologies (UK) Limited

Statement of comprehensive income for the year ended 31 March 2019

	2019 £	2018 £
Profit for the year	**7,430,718**	**2,767,307**
Other comprehensive income: Items that will not be reclassified to profit and loss	-	-
Other comprehensive income for the year, net of tax	**-**	**-**
Total comprehensive income for the year	**7,430,718**	**2,767,307**

Zensar Technologies (UK) Limited

Statement of financial position as at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Property, plant and equipment	11	**399,176**	**345,859**
Intangible assets	12	**7,485**	**-**
Investments	13	**10,783,438**	**10,783,438**
		11,190,099	**11,129,297**
Loan to group companies		**5,349,773**	**3,712,240**
Current assets			
Trade and other receivables	14	**31,070,667**	**18,652,067**
Cash and cash equivalents		**4,689,765**	**3,753,296**
		35,760,432	**22,405,363**
Creditors amounts falling due within one year	15	**(28,034,884)**	**(20,413,435)**
Net current assets		**7,725,548**	**1,991,928**
Total assets less current liabilities		**24,265,420**	**16,833,465**
Provision for liabilities	16	**(24,347)**	**(23,110)**
Net assets		**24,241,073**	**16,810,355**
Equity			
Ordinary shares	18	**50,000**	**50,000**
Retained earnings		**24,191,073**	**16,760,355**
Total shareholders' funds		**24,241,073**	**16,810,355**

The financial statements on pages 9 to 31 were approved by the board of directors on ______________ and signed on its behalf by:

Registered Number: 04577853

Zensar Technologies (UK) Limited

Statement of changes in equity

	Called-up Share Capital	Retained Earnings	Total Shareholder's funds
	£	£	£
Balance as at 1 April 2017	**50,000**	13,993,048	**14,043,048**
Profit for the year	-	2,767,307	**2,767,307**
Other comprehensive income for the year:	-	-	-
Total comprehensive income for the year	**-**	**2,767,307**	**2,767,307**
Dividends	-	-	**-**
Total transactions with owners, recognised directly in equity	-	-	**-**
Balance as at 31 March 2018	**50,000**	**16,760,355**	**16,810,355**
Balance as at 1 April 2018	**50,000**	**16,760,355**	**16,810,355**
Profit for the year	-	7,430,718	**7,430,718**
Other comprehensive income for the year:	-	-	-
Total comprehensive income for the year	**-**	**7,430,718**	**7,430,718**
Total transactions with owners, recognised directly in equity	-	-	**-**
Balance as at 31 March 2019	**50,000**	**24,191,073**	**24,241,073**

1 General Information

Zensar Technologies (UK) Limited ('the company') develops, designs, supplies, installs and programmes computer software and systems. The company operates predominantly in the UK and Europe. The company is a private limited company and is incorporated and domiciled in the UK. The address of its registered office is Ground Floor 100 Brook Drive Green Park, Reading, Berkshire, United Kingdom, RG2 6UJ

2 Summary of significant accounting policies

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

(a) Basis of preparation

The financial statements of Zensar Technologies (UK) Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.
The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3. The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for the goods or services.

The following disclosure exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

– IFRS 7, 'Financial Instruments: Disclosures'

– Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)

– IAS 7, 'Statement of cash flows'

– Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)

– The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 'Business Combinations' have been omitted as equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

– Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)

– Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:

(i) paragraph 79(a)(iv) of IAS 1;
(ii) paragraph 73(e) of IAS 16 Property, plant and equipment;
(iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)

– The following paragraphs of IAS 1, 'Presentation of financial statements':

(i) 10(d), (statement of cash flows)
(ii) 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
(iii) 16 (statement of compliance with all IFRS),
(iv) 38A (requirement for minimum of two primary statements, including cash flow statements),

(v) 38B-D (additional comparative information),
(vi) 40A-D (requirements for a third statement of financial position
(vii) 111 (cash flow statement information), and
(viii) 134-136 (capital management disclosures)

– The requirements in IAS 24, ‘Related party disclosures’ to disclose related party transactions entered into between two or more members of a group.

(b) Going concern

The company meets its day-to-day working capital requirements through its cash reserves and borrowings. The current economic conditions continue to create uncertainty particularly over the level of demand for the company's products. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current cash reserves and borrowings. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

(c) New standards, amendments and IFRIC interpretations

IFRS 15 ‘Revenue from Contracts with Customers’

Effective April 1, 2018, the company adopted IFRS 15 “Revenue from Contracts with Customers” using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted.

Following the adoption of IFRS 15, the Company has used the exemption under which contracts fulfilled before 1 January 2017 do not have to be reassessed in accordance with IFRS 15.

IFRS 15 uses the terms ‘contract asset’ and ‘contract liability’ to describe what might more commonly be known as ‘accrued revenue’ and ‘deferred revenue’, however the Standard does not prohibit an entity from using alternative descriptions in the balance sheet. The Company has adopted the commonly used terminology used in IFRS 15 to describe such balances.

The Company's accounting policies for its revenue streams are disclosed in detail in note 2 (r) below. Apart from providing more extensive disclosures for the Company's revenue transactions, the application of IFRS 15 has not had a significant impact on the financial position and/or financial performance of the Company

IFRS 9 ‘Financial Instruments’

In the current year, the Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives. The Company has elected not to restate comparatives in respect of the classification and measurement of financial instruments.

IFRS 9 introduced new requirements for:

1. The classification and measurement of financial assets and financial liabilities,
2. Impairment of financial assets, and
3. General hedge accounting.

Details of these new requirements as well as their impact on the Company's financial statements are described below.

The Company has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

(a) Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Company has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 April 2018. Accordingly, the Company has applied the requirements of IFRS 9 to instruments that continue to be recognised as at 1 April 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018.

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election / designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is not held for trading in other comprehensive income; and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

The directors of the Company reviewed and assessed the Company's existing financial assets as at 1 April 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9

have not had any impact on the Company's financial position, profit or loss, other comprehensive income or total comprehensive income in either year.

(b) Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Company to recognise a loss allowance for expected credit losses on:

1. Debt investments measured subsequently at amortised cost; and, Trade debtors and contract assets.

(c) Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer. Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

The application of IFRS 9 has had no impact on the classification and measurement of the Company's financial liabilities.

(d) General hedge accounting

The company did not enter into any hedge transaction during the year.

IFRS 16 'Leases'

IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019, with earlier application permitted (as long as IFRS 15 is also applied). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. The Company have not early adopted IFRS 16 as at the year ended 31 March 2019, however, the Company is in the process of evaluating the impact on the financial statements.

(d) Consolidation

The company is a wholly owned subsidiary of Zensar Technologies Limited (India). It is included in the consolidated financial statements of Zensar Technologies Limited (India) which is publically available in India. Therefore the company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The address of the ultimate parent's registered office is Zensar Knowledge Park, Plot No. 4., MIDC, Off Nagar Road, Kharadi, Pune – 411014, India.

These financial statements are separate financial statements.

Notes to the financial statements for the year ended 31 March 2019 (continued)

(e) Foreign currency translation

i. Functional and presentation currency :
Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

ii. Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in

foreign currencies are recognised in the income statement within 'Other income/(expense)'.

Notes to the financial statements for the year ended 31 March 2019 (continued)

(f) Property, plant and equipment

Property, plant and equipment is stated at historic purchase cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Computers and equipment	Four years
Furniture	Ten years

The assets' residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other income' in the income statement.

(g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

An item of Intangible assets is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Intangible assets are determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

Intangible assets are amortised on straight line basis over their estimated useful lives, as follows:

Software (acquired)	1-5 years

(h) Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.
Contingent consideration recognised by the company in the business combination is subsequently measured at fair value with changes recognised in profit and loss.

(i) Impairment of non-financial assets

Non-financial assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

(j) Trade and other receivables

Trade receivables
Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised at carrying value, less provision for impairment.

Other receivables & prepayments
Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. The company's loans and receivables comprises of receivables in the balance sheet. Other receivables & prepayments are recognised at carrying value, less provision for impairment.

(k) Impairment of financial assets

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

(l) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(m) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issued new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

(n) Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from supplies. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements for the year ended 31 March 2019 (continued)

(o) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or
Notes to the financial statements for the year ended 31 March 2019 (continued)

directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. 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.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(p) Employee benefits

The company operates post-employment scheme through a defined contribution pension plan.

Pension obligations

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

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

(q) Leases

Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The company leases certain property, plant and equipment. Leases of property, plant and equipment where the company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in Creditors – amounts falling due after more than one year. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

(r) Revenue

The company follows the five-step model as per IFRS 15 for recognition of revenue when (or as) the entity transfers the control of goods or services to the customer. Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied/service rendered, stated net of discounts, returns and value added taxes. The company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the company's activities, as described below.

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 also 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 reflected in the year in which the change becomes known. Provisions for estimated losses on such engagements are made during the year in which a loss becomes probable and can be readily estimated. 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".

The Company accounts for volume discounts to customers as a reduction of revenue based on the ratable allocation of discount amount to each of the underlying revenue transactions that result in progress by the customer towards earning the discount. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognises the liability based on its estimate of the customer's future purchases. The discounts are passed on to the customer or as a reduction of payments due from the customer.

(s) Interest income

Interest income on time deposits is recognised using the time proportion method based on taking into account the amount outstanding and applicable interest rates.

Interest income is recognised using the effective interest method.

(t) Dividends

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

3 Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Useful economic lives of property, plant and equipment and intangible assets
The annual depreciation charged for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 and 12 for the carrying amount of the property, plant and equipment and intangible assets and note 2(e) and 2(f) for the useful economic lives for each class of assets.

(b) Impairment of trade receivables
The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. See note 14 for the net carrying amount of the receivables and associated impairment provision.

(c) *Revenue recognition*
The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts expended to date as a proportion of the total efforts to be expended. Efforts expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

4 Financial instruments

The company has no long term financial asset or liability measured at fair value through the profit and loss account.

Notes to the financial statements for the year ended 31 March 2019 (continued)

5 Revenue

	2019	2018
	£	£
Revenue :		
From software development and allied services	**64,797,754**	**42,986,705**
From sale of licenses for software applications	**342,527**	**-**
	65,140,281	**42,986,705**

Analysis of turnover by class:

	2019	2018
	£	£
Fixed Bid & Fixed Priced	**21,498,947**	11,679,992
Time & Material *	**43,159,711**	31,306,713
Licenses	**481,623**	-
	65,140,281	42,986,705

**Includes intercompany revenue of GBP 2,136,351 (2018: GBP 2,380,160)*

Assets and liabilities related to contracts with customers:

The Company has recognised the following assets and liabilities related to contracts with customers.

	2019	2018
	£	£
Contract assets	**2,385,896**	-
	2,385,896	-

	2019	**2018**
	£	**£**
Geographical analysis (by destination):		
United Kingdom	**55,519,488**	**34,634,104**
United States of America	**2,378,866**	**2,090,206**
Continental Europe	**7,241,927**	**6,262,395**
	65,140,281	**42,986,705**

The effect on adoption of IFRS 15 was insignificant to the company.

6 Operating profit

		2019 £	2018 £
Operating profit is stated after charging / crediting:			
Staff cost (see note 7)	**7**	**19,503,788**	**13,425,344**
Operating lease expenses		**261,268**	**284,429**
Depreciation of tangible fixed assets			
- owned assets	**11**	**103,204**	**30,269**
- Intangible assets	**12**	**1,177**	**-**
Movement in provision for impairment of trade receivables		**283,792**	**17,960**
Foreign exchange (gains) / loss		**(338,666)**	**457,242**
Fees payable for the audit of the Company's annual financial statements		**27,500**	**23,326**

7 Employee information

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

By activity	2019 Number	2018 Number
Sales and support	**17**	15
Billable resources	**398**	204
Administration	**9**	5
	424	224

The aggregate staff costs for these persons were:	£	£
Wages and salaries	**18,118,886**	**12,513,598**
Social security costs	**1,212,481**	**855,602**
Pension and other costs	**172,421**	**56,144**
	19,503,788	**13,425,344**

8 Finance income

Finance income	2019 £	2018 £
Interest received on loans and bank deposits	**167,168**	44,780
	167,168	44,780

9 Directors' emoluments

One director of the company was remunerated partially by the company's ultimate parent undertaking, and it's other group companies for his services to the group as a whole in the current year, receiving no separate remuneration for his services as director of Zensar Technologies (UK) Limited. The directors do not believe that it is practical to apportion these amounts between the Company and the other entities concerned.

The second director was remunerated £334,086 by Zensar Technologies (UK) Limited during FY19.

	2019 £	2018 £
The directors' emoluments for highest paid director are as follows:		
Directors' emoluments	291,059	259,662
Company contributions to defined contribution pension schemes	3,471	2,307
Company contributions to defined contribution national insurance scheme	39,556	32,264
	334,086	294,233

10 Tax on profit

Tax expenses included in profit or loss	2019 £	2018 £
Current tax		
- UK corporation tax on profits for the year	1,181,482	734,466
- Adjustment in respect of previous periods	98,180	2,755
Total current tax	1,279,662	737,221
Deferred tax		
Origination and reversal of timing differences	26,211	34,702
Total deferred tax expense (note 16)	26,211	34,702
Total tax on profit	1,305,873	771,923

The tax assessed for the year is lower (2018: lower) than the standard rate of corporation tax in the UK applicable to the company of 19%. The differences are explained below.

	2019 £	2018 £
Profit before taxation	8,736,590	3,539,230
Profit before taxation multiplied by standard rate in the UK of 19%	1,659,952	672,454
Effects of:		
Expenses not deductible for tax purposes	34,754	96,714
Write back of deferred consideration in respect of acquisition	(354,936)	-
Capital allowances /Investment Allowances	(40,650)	-
Group tax relief on loss of subsidiary	(111,170)	-
Other adjustment	19,743	-
Adjustment in respect of previous years	98,180	2,755
Tax charge	1,305,873	771,923

Notes to the financial statements for the year ended 31 March 2019 (continued)

10 Tax on profit (continued)

Factors affecting current and future tax charges:

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include 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.

Movement in deferred taxation are as follows:

	Accelerated capital allowances £
At 1 April 2017	11,592
Charged to other income statement	(34,702)
At 31 March 2018	**(23,110)**
At 1 April 2018	(23,110)
Charged to other income statement	(26,549)
Credited to provision	25,313
At 31 March 2019	**(24,346)**

Notes to the financial statements for the year ended 31 March 2019 (continued)

11 Property, plant and equipment

	Computers and Equipment £	Furniture £	Total £
Cost			
At 1 April 2018	295,840	288,188	584,028
Additions	89,123	68,942	158,065
Disposals	(68,301)	(113,470)	(181,771)
At 31 March 2019	**316,662**	**243,660**	**560,322**
Accumulated depreciation			
At 1 April 2018	119,264	118,905	238,169
Charge for year	65,281	37,924	103,205
Disposals	(67,359)	(112,869)	(180,228)
At 31 March 2019	**117,186**	**43,960**	**161,149**
Net book value			
At 31 March 2018	176,576	169,283	345,859
At 31 March 2019	**199,476**	**199,700**	**399,176**

12 Intangible assets

	Intangible Assets £	Total £
Cost		
At 1 April 2018	-	-
Additions	8,662	8,662
Disposals	-	-
At 31 March 2019	**8,662**	**8,662**
Accumulated depreciation		
At 1 April 2018	-	-
Charge for year	1,177	1,177
Disposals	-	-
At 31 March 2019	**1,177**	**1,177**
Net book value		
At 31 March 2018	-	-
At 31 March 2019	**7,485**	**7,485**

Notes to the financial statements for the year ended 31 March 2019 (continued)

13 Investments

On 2 November 2016, the group acquired 100% of the share capital of Foolproof Group for £7.5m and obtained control of Foolproof Group.

The identifiable assets and liabilities assumed on the date of acquisition were:

	Book value £'000	Adjustment £'000	Fair value £'000
Intangible assets*	-	3,194	3,194
Tangible assets	342	-	342
Debtors	1,563	-	1,563
Cash at bank and in hand	292	-	292
Other current assets	1,292	-	1,292
Creditors	(711)	-	(711)
Borrowings	(183)	-	(183)
Other liabilities	(1,869)	-	(1,869)
	726	3,194	3,920
Goodwill			6,589
Fair value of consideration**			10,509

* Intangible assets includes non-compete agreements, customer relationships and brands.

** Fair value of consideration includes £3.03m towards fair valuation of contingent considerations

Investment in Foolproof Limited –

	Amt in £
Purchase consideration	7,482,962
Acquisition cost capitalised to investment	237,859
Fair value of contingent consideration	3,062,617
Investment Value (31 March 2019)	**10,783,438**
Less: Impairment	Nil
Investment Value (net of impairment) (31 March 2019)	**10,783,438**

Notes to the financial statements for the year ended 31 March 2019 (continued)

13 Investments (continued)

The following are details of subsidiary undertakings of the company:

Name	Class of shares	Holding	Registered office	Principal activity
Foolproof Limited	Ordinary	100%	5 Fleet Place London, EC4M 7RD	Experience Design Agency
Foolproof (SG) Pte Ltd.	Ordinary	100%	25 Seah Street, #03-02 Singapore 188381	Experience Design Agency
Knit Limited	Ordinary	100%	5 Fleet Place London, EC4M 7RD	Creative technology Agency

Amounts of revenue and profit and loss of the acquired entities since the acquisition date are as follows:

	Foolproof Limited	Foolproof (Sg) Pte Limited	Knit Limited
	£	£	£
Revenue			
FY18	10,154,715	1,319,235	651,440
FY19	10,091,530	1,595,996	115,845
Total	**20,246,245**	**2,915,231**	**767,285**
Profit / (Loss)			
FY18	217,593	120,002	(95,596)
FY19	(308,470)	117,018	(25,880)
Total	**(90,877)**	**237,020**	**(121,476)**

14 Trade and other receivables

	2019	2018
	£	£
Amounts falling due within one year		
Trade receivables	**15,309,036**	10,426,610
Amounts owed by group undertakings		
- Parent	**4,246**	-
- Subsidiary	**462,313**	630,518
- Fellow Subsidiary	**2,461,165**	1,299,121
Other receivables	**236,206**	343,508
Accrued income	**11,421,721**	5,827,363
Prepayments	**1,175,980**	124,947
	31,070,667	18,652,067

Trade receivables are stated after provisions of impairment of £323,758 (2018: £39,966)

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment. This balance is receivable on demand.

Notes to the financial statements for the year ended 31 March 2019 (continued)

15 Creditors amounts falling due within one year

	2019 £	2018 £
Trade creditors	**387,674**	**142,980**
Amounts owed to group undertakings		
- Parent Company	**15,651,152**	**10,949,929**
- Subsidiary	**692,548**	**2,32,364**
- Fellow Subsidiary	**2,653,675**	**1,199,745**
Corporation tax	**723,300**	**338,852**
Other taxation and social security	**1,627,205**	**1,244,006**
Accruals and deferred income	**5,305,419**	**3,461,200**
Contingent consideration	**993,911**	**2,844,359**
	28,034,884	**20,413,435**

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment. This balance is payable on demand.
Other taxation and social security includes pension payable of £45,099 as on March 31, 2019 (£5,511 March 31, 2018).

16 Provisions for liabilities

Movements on the provision for deferred taxation are as follows:

	Accelerated capital allowances **£**
At 1 April 2017	11,592
Credited to other income statement	(34,702)
At 31 March 2018	**(23,110)**
At 1 April 2018	(23,110)
Charged to other income statement	(26,549)
Charged to provision	25,312
At 31 March 2019	**(24,347)**

17 Defined contribution scheme

The amount recognised as an expense for the defined contribution scheme was:

	2019	2018
	£	£
Current year contributions	**1,384,902**	911,746

18 Share capital

Authorised:	**2019 £**	2018 £
100,000 ordinary shares of £1 each	**100,000**	100,000

Issued and fully paid:	**2019 £**	2018 £
50,000 ordinary shares of £1 each	**50,000**	50,000

All shares rank pari passu in all respects.

19 Capital and other commitments

Rental expenses incurred by the company under operating lease for office premises agreement totalled £261,268 (2018: £284,429).

At 31 March, the company has future minimum lease payments for above non-cancellable operating leases for the following periods:

	2019	2018
	£	£
Not later than one year	**249,336**	137,773
Within two to five years	**623,340**	481,441

20 Ultimate parent undertaking and controlling party

The company’s immediate and 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 Zensar Technologies (UK) Limited.

Copies of the group financial statements of Zensar Technologies Limited can be obtained from the company at Zensar Knowledge Park, Kharadi, Plot No. 4, MIDC, Off Nagar road, Pune 411014, India.