

Company Registration No. 05307010 (England and Wales)

3I INFOTECH (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3I INFOTECH (UK) LIMITED

COMPANY INFORMATION

Directors	Mr P V Bendre Mr H L Shenoy	(Appointed 19 January 2021) (Appointed 2 September 2021)
Company number	05307010	
Registered office	Office 404 Irongate House 22-30 Dukes Place London United Kingdom EC3A 7LP	
Independent Auditor	Azets Audit Services 6th Floor, Bank House 8 Cherry Street Birmingham United Kingdom B2 5AL	

3I INFOTECH (UK) LIMITED

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3I INFOTECH (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Principal activities

The Company's principal activity is the provision of software and services to the international banking and securities markets, particularly with regard to its investment management and stockbroking products, selling products and services from India. The Company is also the parent company for a number of dormant companies within the 3i Infotech group in the UK.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M Ghosh	(Resigned 2 September 2021)
P Iyer	(Resigned 6 May 2021)
R Sankaranarayanan	(Resigned 19 January 2021)
Mr P V Bendre	(Appointed 19 January 2021)
Mr H L Shenoy	(Appointed 2 September 2021)

Results and dividends

The profit for the year, after taxation, amounted to £185,425 (2020: £64,097).

Independent Auditor

In accordance with section 485 of the Companies Act 2006, a resolution proposing that Azets Audit Services be re-appointed as auditor will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Funding arrangements and going concern

The company does not hold any external funding facilities and has net assets of £1,485,202 at 31 March 2021 (2020: £1,299,777). The directors of the ultimate parent company, 3i Infotech Limited, have confirmed that they will provide additional financial support to the company to enable continued trading and payment of creditors as they fall due for payment for at least 12 months from the date of approval of these financial statements, if required. The directors of 3i Infotech Limited have also confirmed that intercompany balances will not be recalled where to do so would call into question the future viability of the company.

The directors have considered performance for the 2021 financial year which forecasts a stable level of profitability year on year. Given the nature of the industry in which the company trades, and after careful monitoring of the continued impact of the COVID-19 pandemic on the company and wider group, the directors have determined that the effects of the pandemic do not present a material uncertainty in relation to going concern.

Therefore, the directors consider that it remains appropriate to prepare the financial statements on the going concern basis.

In preparing this report, the directors have taken advantage of the small companies exemption provided by section 415A of the Companies Act 2006.

3I INFOTECH (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

On behalf of the board



.....
Mr H L Shenoy
Director

Date: 29/4/2022

3I INFOTECH (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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;
- 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.

3I INFOTECH (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF 3I INFOTECH (UK) LIMITED

Opinion

We have audited the financial statements of 3i Infotech (UK) Limited (the 'company') for the year ended 31 March 2021 which comprise the statement of income and retained earnings, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

3I INFOTECH (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF 3I INFOTECH (UK) LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

3I INFOTECH (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF 3I INFOTECH (UK) LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

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



Mr Stephen Anthony Harcourt FCCA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

Date: 29/4/2022

Chartered Accountants
Statutory Auditor

6th Floor, Bank House
8 Cherry Street
Birmingham
United Kingdom
B2 5AL

3I INFOTECH (UK) LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Continuing operations £	Discontinued operations £	31 March 2021 £	Continuing operations £	Discontinued operations £	31 March 2020 £
Turnover	3	65,637	1,721,028	1,786,665	1,217,092	-	1,217,092
Cost of sales		(749,217)	(496,476)	(1,245,693)	(938,311)	-	(938,311)
Gross profit		(683,580)	1,224,552	540,972	278,781	-	278,781
Administrative expenses		(40,181)	(221,282)	(261,463)	(214,684)	-	(214,684)
Other operating income		10,000	-	10,000	-	-	-
Operating profit		(713,761)	1,003,270	289,509	64,097	-	64,097
Profit/(loss) on disposal of operations - 31 March 2021		-	(69,715)	(69,715)	-	-	-
Profit before taxation		(713,761)	933,555	219,794	64,097	-	64,097
Taxation		(34,369)	-	(34,369)	-	-	-
Profit for the financial year		(748,130)	933,555	185,425	64,097	-	64,097
Retained earnings at 1 April 2020				(1,926,531)			(1,990,628)
Retained earnings at 31 March 2021				(1,741,106)			(1,926,531)

3I INFOTECH (UK) LIMITED

BALANCE SHEET

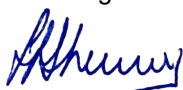
AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Debtors	7	1,478,734		1,679,164	
Cash at bank and in hand		57,520		124,344	
		<u>1,536,254</u>		<u>1,803,508</u>	
Creditors: amounts falling due within one year	8	(51,052)		(503,731)	
Net current assets		<u>1,485,202</u>		<u>1,299,777</u>	
Capital and reserves					
Called up share capital	11	3,226,308		3,226,308	
Profit and loss reserves		(1,741,106)		(1,926,531)	
Total equity		<u>1,485,202</u>		<u>1,299,777</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A small entities.

The notes on pages 9 to 15 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 29/4/2022 and are signed on its behalf by:



Mr H L Shenoy
Director

Company Registration No. 05307010

3I INFOTECH (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2019	3,226,308	(1,990,628)	1,235,680
Year ended 31 March 2020:			
Profit and total comprehensive income for the year	-	64,097	64,097
Balance at 31 March 2020	<u>3,226,308</u>	<u>(1,926,531)</u>	<u>1,299,777</u>
Year ended 31 March 2021:			
Profit and total comprehensive income for the year	-	185,425	185,425
Balance at 31 March 2021	<u><u>3,226,308</u></u>	<u><u>(1,741,106)</u></u>	<u><u>1,485,202</u></u>

3I INFOTECH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

3i Infotech (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Office 405 One Thomas More Square, London, United Kingdom, E1W 1YN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

- the requirements of Section 7 Statement of Cash Flows
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 3 Related Party Disclosures paragraph 33.7.
- the requirements of Section 12 Other Financial Instruments issues paragraph 12.26

This information is included in the consolidated financial statements of 3i Infotech Limited as at 31 March 2021 and these financial statements may be obtained from CFO Office, 3i Infotech Ltd, Tower # 5, 6th Floor, International Infotech Park, Vashi, Navi Mumbai 400 703 India.

The preparation of the financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
 - Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
 - Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
 - Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
 - Section 33 'Related Party Disclosures': Compensation for key management personnel.
-

3i INFOTECH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Consolidated financial statements

The financial statements contain information about 3i Infotech (UK) Limited as an individual company and do not contain information as the parent of a group. The parent, and the group headed by it, qualify as small and therefore the company has taken advantage of the exemption conferred by section 383 of the Act and the parent and the group are considered eligible for the exemption as determined by reference to sections 384 and 399(2A) of the Act.

1.2 Going concern

The company does not hold any external funding facilities and has net assets of £1,485,202 at 31 March 2021 (2020: £1,299,777). The directors of the ultimate parent company, 3i Infotech Limited, have confirmed that they will provide additional financial support to the company to enable continued trading and payment of creditors as they fall due for payment for at least 12 months from the date of approval of these financial statements, if required. The directors of 3i Infotech Limited have also confirmed that intercompany balances will not be recalled where to do so would call into question the future viability of the company.

The directors have considered performance for the 2021 financial year which forecasts a stable level of profitability year on year. Given the nature of the industry in which the company trades, and after careful monitoring of the continued impact of the COVID-19 pandemic on the company and wider group, the directors have determined that the effects of the pandemic do not present a material uncertainty in relation to going concern.

Therefore, the directors consider that it remains appropriate to prepare the financial statements on the going concern basis.

1.3 Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Revenue from licences are recognised upon delivery to a customer when the significant risks and rewards of ownership have been transferred from the Company to the customer and it is probable that the Company will receive the previously agreed upon payment. In circumstances where significant risks and rewards of ownership have not transferred, revenue recognition is delayed until significant risks and rewards have been transferred. Service revenue comprises revenues for maintenance, transaction processing and professional services. Maintenance and support contracts are recognised ratably over the period of the contract. Where multiple element contracts are entered into and the constituent parts do not stand alone, all revenues are spread over the period of the contract. Electronic data interchange and remote processing services are recognised monthly as work is performed. Professional services, such as implementation, training and consultancy, are recognised, when the services are performed.

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

3I INFOTECH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

Debtors

Short term debtors are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Financial assets

Financial assets comprise cash at bank and in hand, trade debtors and amounts owed by group undertakings; these are initially recorded at cost on the date they originate and are subsequently recorded at amortised cost under the effective interest method. The company considers evidence of impairment for all individual trade and other debtors and any subsequent impairment is recognised in the profit and loss.

Impairment of financial assets carried at amortised cost

Impairment provisions are recognised when there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulties of the counterparty, default of significant delays in payment. Impairment provisions represent the difference between the net carrying value of a financial and the present value of the expected future cash receipts from the asset.

Financial liabilities

Financial liabilities comprise trade creditors, amounts owed to group undertakings, other creditors and accruals; these are initially recorded at cost on the date they originate and are subsequently carried at amortised cost under the effective interest rate method.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

3I INFOTECH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.7 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

1.8 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.9 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.10 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

3I INFOTECH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Judgements and key sources of estimation uncertainty

The company makes certain estimates and assumptions regarding the future. These judgements and estimates affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates are continually evaluated based on historical experience and expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. In preparing these financial statements, the directors have made the following judgements and estimates as follows:

Trade debtors

Given the nature of the principal activity and the jurisdictions in which customers are based, the receipt of trade debtors is often significantly after the time of invoicing. At each reporting date, trade debtors are assessed for recoverability. If there is any evidence of impairment, the carrying amount of the debtor is reduced to its recoverable amount. The impairment loss is recognised immediately in the statement of comprehensive income.

Amounts owed by group undertakings

At each reporting date, amounts owed by group undertakings are assessed for recoverability. If there is any evidence of impairment, the carrying amount of the debtor is reduced to its recoverable amount. The impairment loss is recognised immediately in the statement of comprehensive income.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021	2020
	£	£
Turnover analysed by class of business		
Company's principal activity	1,786,665	1,217,092
	<u> </u>	<u> </u>
	2021	2020
	£	£
Other significant revenue		
Grants received	10,000	-
	<u> </u>	<u> </u>

3I INFOTECH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4 Employees

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

	2021 Number	2020 Number
Sales and marketing	1	1
	<u>1</u>	<u>1</u>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	56,340	58,769
Social security costs	2,551	-
Pension costs	2,947	2,928
	<u>59,287</u>	<u>61,697</u>

5 Discontinued operations

31 March 2021

Due to a change in strategy throughout the 3i group it was decided that the product division within throughout the Group would be disposed of and the Group would focus on its service division. The disposal was completed on 31 March 2021 at which date the control of the product division passed to the acquirer. The comparative figures have been re-presented to show separately the results of the discontinued operation as included in that period.

Sale of discontinued operations	£
Debtors	965,786
Creditors	(289,888)
	<u>675,898</u>
Net assets disposed of	675,898
Loss on sale of discontinued operations	69,715
	<u>606,183</u>

3I INFOTECH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

6 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	
3i Infotech (Western Europe) Group Limited	UK	Dormant holding company	Ordinary	100.00	-
3i Infotech (Western Europe) Holdings Limited	UK	Dormant holding company	Ordinary	100.00	-
Rhyme Systems Limited	UK	Dormant	Ordinary	100.00	-

Investments in subsidiaries have a carrying value of £nil (2020: £nil)

7 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	3,878	456,238
Amounts due from group undertakings	1,460,332	810,453
Other debtors	14,524	412,473
	<u>1,478,734</u>	<u>1,679,164</u>

All amounts shown under debtors fall due for payment within one year.

The amounts owed by group undertakings are not secured and do not bear interest and have no fixed date of repayment.

Trade debtors are shown net of a provision of £11,717 (2020: £162,308)

Due to the nature of the principal activity, and the jurisdictions in which customers are based, trade debtors not provided against are considered recoverable despite the ageing such debtors.

8 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	-	27,115
Amounts owed to group undertakings	22,295	216,838
Taxation and social security	538	-
Other creditors	28,219	259,778
	<u>51,052</u>	<u>503,731</u>

The amounts owed to group undertakings are not secured and do not bear interest and have no fixed date of repayment.

3I INFOTECH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

9 Deferred income

	2021 £	2020 £
Other deferred income	-	233,729

10 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	2,947	2,928

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. £548 was outstanding at 31 March 2021 (2020: £459).

11 Called up share capital

	2021 £	2020 £
Ordinary share capital Issued and fully paid		
3,226,308 Ordinary shares of £1 each	3,226,308	3,226,308

12 Financial commitments, guarantees and contingent liabilities

On 7 June 2012 the company had consented to provide security in respect of a corporate debt restructuring package obtained by the ultimate parent company. Security was given in the form of a corporate guarantee and debenture.

13 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2021 £	2020 £
Within one year	21,900	25,800
Between two and five years	17,100	-
	<u>39,000</u>	<u>25,800</u>

3I INFOTECH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Parent company

The company is a subsidiary of 3i Infotech Limited which is the ultimate parent company incorporated in India. The consolidated accounts of this company are available to the public and may be obtained from CFO Office, 3i Infotech Ltd, Tower # 5, 6th Floor, International Infotech Park, Vashi, Navi Mumbai 400 703 India.

The ultimate parent company continues to be under corporate debt restructuring process ("CDR") a mechanism in terms of the guidelines issued by the Reserve Bank of India which enables viable business units to restructure their debt exposure in various ways envisaged under the scheme.