

Registration number: 06830214

Incessant Technologies (UK) Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2020

Incessant Technologies (UK) Limited

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Incessant Technologies (UK) Limited

Company Information

Directors

Mr Madan Mohan

Mr Arunbir Singh Soin

Registered office

Hygeia Building
Rear Ground Floor
66-68 College Road
Harrow
Middlesex
HA1 1BE

Statutory Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers

HSBC Bank
Canary Wharf Branch
Canary Wharf
London
E14 5AH

Incessant Technologies (UK) Limited

Strategic Report for the Year Ended 31 March 2020

The directors present their strategic report for the year ended 31 March 2020.

Principal activity

The principal activity of the company is that of provision of software solutions, consultancy services and solutions in business process management (BPM) to the banking, insurance and government sectors.

Fair review of the business

Incessant Technologies (UK) Limited helps global organizations realize their digital integration goals through the agile delivery of enterprise iBPM solutions. The company's BPM Practice has unmatched certification levels in the industry, thereby engaging highly experienced teams on customer engagements.

Incessant Technologies (UK) Limited is the largest niche global BPM services vendor, specializing only in this field. Our focus is 100% on two technology platforms; Pega & Appian. The company provides services in Application Development and Maintenance, Testing, Enterprise solutions and package implementation, application managed services and systems integrations to the organisations based in UK and rest of the world.

The revenue profile of the company is diversified across the main domains of Banking, Financial Services (BFS), Insurance and Public Sector. The company has shown a marginal increase in its turnover in the current financial year primarily due to scaling up of one of a large program in its existing customer/account. The company has gained new direct and indirect clients this year in BFS, Insurance and Professional Services. The company aggressively strives to grow its existing portfolio and increase its footprint in the area of Robotics Process Automation (RPA), Decisioning and Analytics, Digital Transformation and Automation Testing.

Key Performance Indicators

Turnover and profit on ordinary activities before taxation as presented in the business review are the key measures considered by the directors which is as follows:

Particulars	GBP' 000		Change
	2020	2019	%
1. Turnover	22,684	20,715	9.5%
2. Profit before tax	1,487	4,337	-65.7%
3. Shareholder funds	5,990	4,788	25.1%
4. Employees	102	104	-1.9%

The results of the company show profit on activities before taxation of £1,487,218 (2019: £4,336,663) for the year and turnover of £22,684,292 (2019: £20,715,146). The profitability has dropped due to loss of few deals in second half of the year. Secondly, Incessant went through leadership changes in FY20, whereby erstwhile promoters exited the organization. Later, CEO and COO also moved out of the organization, creating vacuum in focused leadership for few months. Incessant UK sales engine is now under guidance of senior NTL sales leader and his team. New COO has been appointed in February 2020. Profit before tax from regular operations is lower compared to previous year. Net assets of the company as of 31st March 2020 are £5,989,941 (2019: £4,787,811)

Dividend

The directors do not recommend payment of a final dividend in current fiscal year (2019: £3.1m).

Incessant Technologies (UK) Limited

Strategic Report for the Year Ended 31 March 2020 (continued)

Principal risks and uncertainties

In December 2019 there was an outbreak of Covid-19, which the World Health Organization (WHO) declared pandemic on 11 March 2020.

The full impact of the Covid-19 pandemic on the insurance and financial industry is still being assessed. The Company does not foresee substantial impact and the demand is still strong. In addition, the current expectation is that, in the medium -to-long term, technology will play an even bigger role in the industry's future as it will likely invest more in digital transformations to increase automation and resilience. The company does not have significant presence in travel and transportation sector that is most likely to be affected by this pandemic.

The nature of the business of the Company is to provide digital integration services and single platform for client IT solutions, hence these services are critical to the customers, the circumstances resulting from Covid-19 are not expected to have a significant impact on the trading performance in near future.

We are not currently taking part in the Government's furlough scheme and did not take advantage of deferring any tax payments as per Government tax payment extensions, due to business operating as usual.

The Company services customers in the UK, Europe, Australia and the USA. Our service delivery and operating model is not largely impacted by Covid-19, as all our staff members have continued to operate by working from home. There's no change in head count. Several major customers of the Company have entered into the new long-term deals, which illustrates that the business is running on sustainable projects.

Based on our review of the ongoing projects, under worst case scenario, we have considered revenue increase of 5% over previous year. Under this scenario the company is expecting to generate additional an increase in operating cash flow in the year to 31 March 2021, compared to actual of £1.1m in the year to 31 March 2020.

Approved by the Board on 24th June 2020 and signed on its behalf by:



Mr Arunbir Singh Soin
Director

Incessant Technologies (UK) Limited

Directors' Report for the Year Ended 31 March 2020

The directors present their report and the audited financial statements of the company for the year ended 31 March 2020.

Directors of the company

The directors who held office during the year were as follows:

Mr Madan Mohan

Mr Arunbir Singh Soin

Mr Arvind Thakur (Director resigned 17 May 2019)

Future developments

Please refer to the note on current situation and future strategy on COVID-19 in the Strategic Report.

The strategy of Incessant Technologies (UK) Limited is to continue to build a strong differentiation in its offerings by remaining focused in the chosen verticals and emerging technologies in Digital Process Automation and cognitive process management technologies focusing predominantly on banking, financial and insurance domains.

The external business environment is expected to remain challenging in the UK for 2020-21 as national, offshore and multinational organizations continue to invest and compete for business in the focused vertical. The company remains confident that it will achieve a higher level of growth in the coming year by growing the existing accounts as well as acquiring new clients in the focused verticals. The focus will be to continue to acquire customers in digital transformation offerings, further consolidating our position in BFSI domain, make in-roads into the UK government sector which has started to open up for a more cost efficient IT service delivery and also to take advantage of the broader investment across sectors in the digital technology.

Future outlook and Going concern

In assessing whether the financial statements for the Company should be prepared on the going concern basis, the directors have considered the future outlook of the Company. The Directors have considered the future operating profits, cash flows and facilities available.

The Company had £4m of cash available on its balance sheet at 31 March 2020. The cash balance has slightly decreased by £0.5m and stands at £3.5m as at 30 April 2020. The Company has net current assets and positive shareholder's funds of £6m as at 31 March 2020.

Based on the negotiations with the main customers and review of the ongoing IT projects and our pipeline, the Company does not expect significant decline in revenue or profit for the year ended 31 March 2021 compared to the prior year. Under this scenario the Company is expected to generate positive operating cash flow for the year ending 31 March 2021. The main assumptions used the model are as follows:

- Year on year growth has been considered at 7% decline (compared to pre Covid-19 forecast) in revenues to business due to its Software contracts (critical for customers' systems) and rich pipeline;
- No unplanned changes in the headcount;
- Minimal delay in collections of customer payments, as per current experience;
- No external or parent company financing is required.

The Company's three year forward scenario, which takes into consideration the current environment and worst-case potential impact of Covid-19, show that they are expected to remain profitable and generate positive cash flows for the foreseeable future. As a result, the directors have prepared these financial statements on a going concern basis.

Incessant Technologies (UK) Limited

Directors' Report for the Year Ended 31 March 2020 (continued)

Financial risk management (other than covered by Principal risks and uncertainties facing the Company section of the Strategic Report on page 2 and 3)

Post Statement of Financial Position Events

There have been no significant events affecting the Company since the year end.

Price risk, credit risk, liquidity risk and cash flow risk

Price risk

Due to the nature of its business, the company is not exposed to any major price risks. Due consideration is given for annual salary increases in line with the growth in business in terms of both price and volumes inter dependent on contract negotiations.

Credit risk

Credit risk refers to the risk of default on its obligation by the counter party. During the reporting period, there has not been any provision for doubtful debts (2019: £Nil). There were no bad debts during the year (2019: £Nil). The Company has implemented policies whereby the credit controller ensures prompt communication and timely chasing of the customers for payment.

Liquidity risk

Proactive receivables management results in a favourable working capital position. Management continues its focus in this area.

Foreign currency exchange rate risk

Management is aware of the volatility in foreign currency fluctuation and will put in place measures to minimise the risks if this continues. However, majority of transactions are being done in pounds and euros, impact of foreign currency will be minimal.

Qualifying third party indemnity provisions

The directors and officers of the company are covered by the corporate directors and officers liability insurance policy. This is in force at the Statement of Financial Position Statement date and also at the date of signing of the financial statements.

Employee involvement

The company is also committed to provide employees with information on matters of concern to them on a regular basis, so that the view of the employees can be taken into account when making decisions that are likely to affect their interest. Employee involvement in the company is encouraged to achieve a common awareness of the financial and economic factors affecting the company in addition, the company encourages the involvement of employees by employee satisfaction surveys, focus group discussions and 360-degree feedback mechanism.

Incessant Technologies (UK) Limited

Directors' Report for the Year Ended 31 March 2020 (continued)

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 comprising Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Independent auditors

During the year, the company appointed Ernst & Young LLP as the statutory auditors to replace the incumbent auditors, Kajaine Limited. Incumbent Auditors have resigned from office on 10th Jan 2020.

Approved by the Board on 24th June 2020 and signed on its behalf by:



Mr Arunbir Singh Soin
Director

Incessant Technologies (UK) Limited

Independent Auditor's Report to the Members of Incessant Technologies (UK) Limited

Opinion

We have audited the financial statements of Incessant Technologies (UK) Limited (the 'company') for the year ended 31 March 2020, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and the related Notes 1 to 21, including a summary of 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 2020 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 below. 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.

Emphasis of matter - Effects of COVID-19

We draw attention to Note 3 of the financial statements, which describes the economic and social consequences the company is facing as a result of COVID-19 which could impact customer demand. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

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.

Incessant Technologies (UK) Limited

Independent Auditor's Report to the Members of Incessant Technologies (UK) Limited (continued)

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, set out on page 6, 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 for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Incessant Technologies (UK) Limited

Independent Auditor's Report to the Members of Incessant Technologies (UK) Limited (continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Naresh Alimchandani (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor

1 More London Place
London
SE1 2AF

Date: 25th June 2020

Incessant Technologies (UK) Limited

Profit and Loss Account for the Year Ended 31 March 2020

	Note	2020 £	2019 £
Turnover	4	22,684,292	20,715,146
Cost of sales		<u>(19,136,489)</u>	<u>(14,462,604)</u>
Gross profit		3,547,803	6,252,542
Administrative expenses		<u>(2,060,585)</u>	<u>(1,916,004)</u>
Operating profit	5	1,487,218	4,336,538
Other interest receivable and similar income	6	<u>-</u>	<u>125</u>
Profit before tax		1,487,218	4,336,663
Taxation	10	<u>(285,088)</u>	<u>(825,866)</u>
Profit for the financial year		<u>1,202,130</u>	<u>3,510,797</u>

The notes on pages 14 to 23 form an integral part of these financial statements.

Incessant Technologies (UK) Limited

Statement of Comprehensive Income for the Year Ended 31 March 2020

	2020	2019
	£	£
Profit for the year	1,202,130	3,510,797
Total comprehensive income for the year	1,202,130	3,510,797

The notes on pages 14 to 23 form an integral part of these financial statements.

Incessant Technologies (UK) Limited

(Registration number: 06830214) Statement of Financial Position as at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	34,521	44,244
Current assets			
Debtors: Amounts falling within one year	12	5,565,248	4,763,221
Cash at bank and in hand	13	3,991,910	2,882,155
		<u>9,557,158</u>	<u>7,645,376</u>
Creditors: Amounts falling due within one year	14	<u>(3,601,738)</u>	<u>(2,901,809)</u>
Net current assets		<u>5,955,420</u>	<u>4,743,567</u>
Net assets		<u>5,989,941</u>	<u>4,787,811</u>
Capital and reserves			
Called up share capital	16	1,000	1,000
Retained Earnings		<u>5,988,941</u>	<u>4,786,811</u>
Total equity		<u>5,989,941</u>	<u>4,787,811</u>

Approved and authorised by the Board on 24th June 2020 and signed on its behalf by:



Mr Arunbir Singh Soin
Director

Incessant Technologies (UK) Limited

Statement of Changes in Equity for the Year Ended 31 March 2020

	Share capital £	Retained Earnings £	Total £
At 1 April 2018	1,000	4,376,014	4,377,014
Profit for the year	-	3,510,797	3,510,797
Total comprehensive income	-	3,510,797	3,510,797
Dividends	-	(3,100,000)	(3,100,000)
At 31 March 2019	1,000	4,786,811	4,787,811
	Share capital £	Retained Earnings £	Total £
At 1 April 2019	1,000	4,786,811	4,787,811
Profit for the year	-	1,202,130	1,202,130
Total comprehensive income	-	1,202,130	1,202,130
At 31 March 2020	1,000	5,988,941	5,989,941

The notes on pages 14 to 23 form an integral part of these financial statements.

Incessant Technologies (UK) Limited

Notes to the Financial Statements for the Year Ended 31 March 2020

1 General information

Incessant Technologies (UK) Limited (the company) is a private company limited by shares, incorporated in England and Wales.

The address of its registered office is:

Hygeia Building
Rear Ground Floor
66-68 College Road
Harrow
Middlesex
HA1 1BE
United Kingdom

The company is a wholly owned subsidiary of NIIT Incessant Private Limited, India. The ultimate parent company and controlling party is NIIT Technologies Limited, India, a Company registered in India.

2 Statement of compliance

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), and the Companies Act 2006 for the year ended 31 March 2020.

3 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.

Basis of preparation

These financial statements have been prepared on a going concern basis using the historical cost convention.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 paragraph 1.12(b), on the basis that it is a qualifying entity and its ultimate parent company, NIIT Technologies Limited, includes these in its own consolidated financial statements:

- the requirement to prepare a statement of cash flows;
- certain financial instrument disclosures;
- the non-disclosure of key management personnel compensation in total.

The amounts are presented rounded to the nearest pound. The functional and presentational currency is GBP Sterling (£), being the currency of the primary economic environment in which the company operates in.

There were no critical accounting estimates used in the preparation of financial statements in compliance with FRS 102.

Incessant Technologies (UK) Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

Going concern

In assessing whether the financial statements for the Company should be prepared on the going concern basis, the directors have considered the future outlook of the Company. The Directors have considered the future operating profits, cash flows and facilities available.

The Company had £4m of cash available on its balance sheet at 31 March 2020. The cash balance has slightly decreased by £0.5m and stands at £3.5m as at 30 April 2020. The Company has net current assets and positive shareholder's funds of £6m as at 31 March 2020.

Based on the negotiations with the main customers and review of the ongoing IT projects and our pipeline, the Company does not expect significant decline in revenue or profit for the year ended 31 March 2021 compared to the prior year. Under this scenario the Company is expected to generate positive operating cash flow for the year ending 31 March 2021. The main assumptions used the model are as follows:

- Year on year growth has been considered at 7% decline (compared to pre Covid-19 forecast) in revenues to business due to its Software contracts (critical for customers' systems) and rich pipeline;
- No unplanned changes in the headcount;
- Minimal delay in collections of customer payments, as per current experience;
- No external or parent company financing is required.

The Company's three year forward scenario, which takes into consideration the current environment and worst-case potential impact of Covid-19, show that they are expected to remain profitable and generate positive cash flows for the foreseeable future. As a result, the directors have prepared these financial statements on a going concern basis.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

For time and material contracts, revenue is recognized on basis of billable efforts. For long term maintenance contracts, revenue is recognized in equal instalments over the period of the contract.

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

The amount by which turnover exceeds payment on account is shown under receivables as amounts recoverable on contracts. The amount by which billing are made in advance, and revenue taken subsequently in line with other accounting policies is shown payables as deferred income.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Incessant Technologies (UK) Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

Policies on deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the statement of financial position date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Office equipment	Straight line over 5 years
Computer equipment	Straight line over 2-5 years
Fixtures and fittings	Straight line over 10 years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Incessant Technologies (UK) Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors 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 the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

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

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial assets and liabilities are recognised when the company becomes party to the contractual provisions of the financial instrument. The company holds both basic and non-basic financial instruments, which comprise cash and cash equivalents, trade and other debtors, trade and other creditors, loan and other borrowings and equity investments.

The company has applied the measurement and recognition provisions of Section 11 Basic Financial Instruments in full for the basic financial instruments.

Incessant Technologies (UK) Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

4 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2020	2019
	£	£
Rendering of services	22,684,292	20,715,146

The analysis of the company's turnover for the year by market is as follows:

	2020	2019
	£	£
UK	21,644,189	19,427,383
Europe	600,323	835,543
Rest of world	439,780	452,220
	22,684,292	20,715,146

5 Operating profit

Arrived at after charging/(crediting)

	2020	2019
	£	£
Depreciation expense	14,755	13,836
Foreign exchange losses	819	27,763
Professional and consultancy fees	815,664	1,480,510
Operating lease expense - Land and buildings	145,893	142,398
Profit on disposal of property, plant and equipment	-	(242)

6 Other interest receivable and similar income

	2020	2019
	£	£
Interest income on bank deposits	-	125

Incessant Technologies (UK) Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020	2019
	£	£
Wages and salaries	6,299,169	5,596,728
Social security costs	572,107	445,706
Other short-term employee benefits	20,674	24,097
Pension costs, defined contribution scheme	16,174	9,632
Other employee expense	174,615	244,007
	<u>7,082,739</u>	<u>6,320,170</u>

The average monthly number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2020	2019
	No.	No.
Consultancy	93	95
Sales	4	4
Administration	3	2
	<u>100</u>	<u>101</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020	2019
	£	£
Remuneration	<u>-</u>	<u>46,928</u>

Directors received no remuneration for their qualifying services in the current year.

9 Auditors' remuneration

	2020	2019
	£	£
Audit of the financial statements	<u>42,983</u>	<u>7,000</u>
Other fees to auditors		
All other non-audit services	<u>-</u>	<u>14,480</u>

Incessant Technologies (UK) Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

10 Taxation

Tax charged/(credited) in the income statement

	2020	2019
	£	£
Current taxation		
UK corporation tax	285,088	825,866

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2019: the same as the standard rate of corporation tax in the UK) of 19% (2019: 19%).

The differences are reconciled below:

	2020	2019
	£	£
Profit before tax	1,487,218	4,336,663
Corporation tax at standard rate	282,572	823,966
Effect of expense not deductible in determining taxable profit (tax loss)	445	(46)
Tax increase from effect of capital allowances and depreciation	2,071	1,946
	285,088	825,866

11 Tangible assets

	Fixtures and fittings	Computer and office equipment	Total
	£	£	£
Cost			
At 1 April 2019	29,837	43,239	73,076
Additions	-	5,032	5,032
At 31 March 2020	29,837	48,271	78,108
Accumulated Depreciation			
At 1 April 2019	8,097	20,735	28,832
Charge for the year	2,984	11,771	14,755
At 31 March 2020	11,081	32,506	43,587
Carrying amount			
At 31 March 2020	18,756	15,765	34,521
At 31 March 2019	21,740	22,504	44,244

Incessant Technologies (UK) Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

12 Debtors: Due within one year

	Note	2020 £	2019 £
Trade debtors		4,601,387	3,580,843
Amounts owed by group undertakings	20	261,963	700,622
Other debtors		64,402	51,658
Prepayments		3,597	40,804
Accrued income		633,899	389,294
		5,565,248	4,763,221

13 Cash and cash equivalents

	2020 £	2019 £
Cash at bank	3,991,910	2,882,155
	3,991,910	2,882,155

14 Creditors

	Note	2020 £	2019 £
Due within one year			
Trade creditors		95,051	28,495
Amounts owed to group undertakings	20	2,244,893	1,107,996
Social security and other taxes		682,994	900,946
Other payables		193,747	5,966
Accrued expenses		337,436	417,114
Corporation tax payable	10	47,617	441,292
		3,601,738	2,901,809

15 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £16,174 (2019: £9,632).

16 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
	1,000		1,000	

Incessant Technologies (UK) Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

17 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2020	2019
	£	£
Not later than one year	62,000	14,202
Later than one year and not later than five years	124,000	-
	<u>186,000</u>	<u>14,202</u>

Existing Lease has been extended for next 3 years and all the terms & conditions have also been agreed but due to Covid-19 signing of the lease agreement is pending.

18 Dividends

	2020	2019
	£	£
Interim dividend of £Nil (2019: £3,100) per ordinary share	-	3,100,000
	<u>-</u>	<u>3,100,000</u>

19 Post Statement of Financial Position events

There have been no significant events affecting the Company since the year end.

20 Related party transactions

The company has taken advantage of the exemptions available in FRS 102 from disclosing related party transactions with other companies that are wholly owned within the group. There are no related party transactions other than within the group.

Incessant Technologies (UK) Limited

Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

21 Parent and ultimate parent undertaking

The company's immediate parent is NIIT Incessant Private Limited (formerly Incessant Technologies Private Limited), incorporated in India.

The most senior parent entity producing publicly available financial statements is NIIT Technologies Limited. These financial statements are available upon request from

NIIT Technologies Limited
8 Balaji Estate
3rd Floor, Guru Ravidas Marg
Kalkaji,
New Delhi - 110019
India

Full consolidated financial statements can also be obtained for NIIT Technologies Limited, India, from that Company's website at the following address, <http://www.niit-tech.com/investors/financial-reports>.

The ultimate controlling party is NIIT Technologies Limited.