

Registration number: 06830214

# Coforge DPA UK Ltd

Annual Report and Financial Statements

for the year ended 31 March 2022

## **Coforge DPA UK Ltd**

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## **Coforge DPA UK Ltd Company Information**

### **Directors**

Mr Madan Mohan  
Mr Kishore Krishnan  
Mr Gautam Samanta

### **Registered office**

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

### **Independent auditors**

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

### **Bankers**

HSBC Bank  
Canary Wharf Branch  
Canary Wharf  
London, UK  
E14 5AH

Citibank N.A. London  
Citigroup Centre  
33 Canada Square  
London, UK  
E14 5LB

## **Coforge DPA UK Ltd**

### **Strategic Report for the Year Ended 31 March 2022**

The directors present their strategic report for the year ended 31 March 2022.

#### **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**

Coforge DPA UK Limited is one of the largest niche global BPM services vendors and 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.

The focus of the company is to provide services in application development and maintenance, testing, enterprise solutions and package implementation, application managed services and systems integrations primarily on two technology platforms: Pega & Appian, 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, insurance (BFSI) and government sector. The company has shown an increase of 21.3% in its turnover in the current financial year primarily due to new customers in insurance and IT sectors. 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:

	<b>Change</b>	<b>2022</b>	<b>2021</b>
	<b>%</b>	<b>£000</b>	<b>£000</b>
Turnover	21.3%	30,623	25,257
Profit before tax	67.1%	7,077	4,235
Shareholder funds	(13.5)%	5,469	6,319
Employees (number)	21.6%	124	102

The results of the company show profit on activities before taxation of £7,076,923 (2021: £4,234,728) for the year and turnover of £30,622,869 (2021: £25,257,542). The revenue and the profitability have increased primarily due to increase in sales to the new customers in insurance and IT sectors. Net assets of the company as of 31st March 2022 are £5,468,722 (2021: £6,319,191).

#### **Dividends**

During the reporting period, the company paid an interim dividend to its immediate parent company, Coforge DPA Private Limited of £6,600,000 (2021: £3,100,000) at the rate of £6,600 per share (2021: £3,100).

**Coforge DPA UK Ltd**  
**Strategic Report for the Year Ended 31 March 2022 (continued)**

**Principal risks and uncertainties**

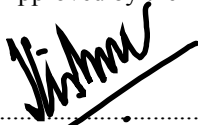
Competition from national, offshore, and multinational vendors as well as employee retention and the resilience of the UK economy over the next few years are areas that give rise to risks and uncertainty. The Company also recognises the potential risk of a considerable portion of its revenue continuing to emanate from few customers and is striving to expand its customer base to mitigate this. The Company has focused on enhancing client relationship through client partners in key customers accounts and looking forward to cross sale in other business verticals.

The management of the Company also foresee a risk associated with potential changes to the immigration regulations that could impact sourcing skills from outside the UK.

With the outset of pandemic COVID 19, the Company has successfully met all its deliveries and obligations to clients with its employees working from home and the Company has been able to achieve year on year growth of 21.3% in turnover and expects to maintain its growth in the future. The Company does not foresee substantial impact and the demand is still strong.

The Russia's invasion of Ukraine in February 2022 has impaired the global trade as both the nations are major commodity producers and disruption there resulted in soaring global prices, especially on crude oil and wheat. The future operations of the company are not impacted by the subjected affair as it does not have significant impact on the IT industry and the Company doesn't have any operations either in Russia or Ukraine.

Approved by the Board on 28 July 2022 and signed on its behalf by:



.....  
Mr Kishore Krishnan  
Director

## **Coforge DPA UK Ltd**

### **Directors' Report for the Year Ended 31 March 2022**

The directors present their report and the audited financial statements of the company for the year ended 31 March 2022.

#### **Directors of the company**

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

Mr Madan Mohan

Mr Kishore Krishnan

Mr Gautam Samanta

#### **Future developments**

The strategy of Coforge DPA 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 competitive in the UK for 2022-23 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 maintains quarterly forecasts for the next 12 months and annual forecasts for the next three years until March 2025.

The Company had £1.3m of cash available on its balance sheet at 31 March 2022. The cash balance has increased by £0.6m and stands at £1.9m as at 30 April 2022. The Company has net current assets and positive shareholder's funds of £5.4m and £5.5m, respectively, as at 31 March 2022.

Based on the negotiations with the main customers and review of the ongoing IT projects and our pipeline, the Company expects increase in revenue and profit for the year ended 31 March 2023 compared to the prior year. The Company is projecting the increase in revenue from the existing customers, where new projects and extensions are expected in the next year. Under this scenario the Company is expected to generate positive operating cash flow for the following three years including the going concern period up to 31 July 2023.

As at 31 March 2022, the Company had an outstanding loan of £1.8m payable to Coforge SF Limited. After the end of reporting period, the repayment term of the loan was extended up to 3 April 2023, please see subsequent events disclosed in note 20. The Company does not foresee any risk attached to repayment of loan based on the favourable liquidity situation even in the worst-case scenario, hence the repayment has been included in the forecast.

The directors believe that the Company is well placed to manage its business risks successfully and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the going concern period up to 31 July 2023. Thus, the Company continues to adopt the going concern basis of accounting in preparing the financial statements.

**Coforge DPA UK Ltd**  
**Directors' Report for the Year Ended 31 March 2022 (continued)**

**Post Statement of Financial Position events**

As disclosed in note 15 of the financial statements, in April 2022, the repayment term of the unsecured related-party loan of £1,800,000 has been extended to 3 April 2023.

**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.

**Financial risk management**

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

***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. The Company has implemented policies whereby the credit controller ensures prompt communication and timely chasing of the customers for payment. The Company has a robust mechanism for identifying instances wherein the provision for doubtful debts are required and makes such provision timely.

***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 British Pounds Sterling and Euros, impact of foreign currency will be minimal.

***Interest rate and Cashflow risk***

As at 31 March 2022, the Company had an outstanding loan of £1.8m payable to Coforge SF Limited. The Company does not foresee any risk attached to repayment of loan based on the favourable liquidity situation.

**Qualifying third party indemnity provisions**

The directors and officers of the company are covered by the corporate directors' and officer's 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.

**Coforge DPA UK Ltd**  
**Directors' Report for the Year Ended 31 March 2022 (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 comprising FRS 102 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**

The auditors, Ernst & Young LLP, have indicated their willingness to continue in office.

Approved by the Board on 28 July 2022 and signed on its behalf by:



.....  
Mr Kishore Krishnan  
Director



## **Coforge DPA UK Ltd**

### **Independent Auditor's Report to the Members of Coforge DPA UK Ltd**

#### **Opinion**

We have audited the financial statements of Coforge DPA UK Ltd for the year ended 31 March 2022, which comprise the Profit and Loss Account, Statement of Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 22, 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 company's affairs as at 31 March 2022 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.

#### **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 to 31 July 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company’s ability to continue as a going concern.

#### **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.

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.

**Coforge DPA UK Ltd**  
**Independent Auditor's Report to the Members of Coforge DPA UK Ltd (continued)**

**Opinions on other matter 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 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 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.

***Explanation as to what extent 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, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

**Coforge DPA UK Ltd**  
**Independent Auditor's Report to the Members of Coforge DPA UK Ltd (continued)**

***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)***

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the Financial Reporting Standard 102, the Companies Act 2006, the Proceeds of Crime Act 2002, the Bribery Act 2010, relevant UK employment and tax legislation and UK General Data Protection Regulation.
- We understood how Coforge DPA UK Ltd is complying with those frameworks by combination of reviewing minutes of board meetings and performing enquiries regarding the processes and procedures in place as well as carrying walkthroughs of those processes and procedures as appropriate. We considered the oversight of those charged with governance and the culture of honesty and ethical behaviour including the emphasis placed on fraud prevention. We consider these factors to reduce opportunities for fraud to take place as they could persuade individuals not to commit fraud because of the likelihood of detection and punishment. We have corroborated our inquiries with the parent company auditor - EY India. The ultimate parent of the company is listed in India and it has a comprehensive legal and compliance framework that is monitored for all subsidiaries.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by identifying significant classes of transactions and significant accounts and considering how these classes of transactions and accounts may be subject to management override and fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved testing of transactions in the financial statements with characteristics that may indicate a higher risk of fraud. We identified revenue as an area that was particularly susceptible to misstatement through management override. Our response to this risk was to carry out detailed testing over revenue, receivables and cash. We also carried out detailed testing of the unusual items identified during our work.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**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: 29 July 2022

**Coforge DPA UK Ltd**  
**Profit and Loss Account for the Year Ended 31 March 2022**

	Note	2022 £	2021 £
Turnover	4	30,622,869	25,257,542
Cost of sales		<u>(22,226,030)</u>	<u>(19,562,972)</u>
Gross profit		8,396,839	5,694,570
Administrative expenses		<u>(1,332,613)</u>	<u>(1,517,915)</u>
Operating profit		<u>7,064,226</u>	<u>4,176,655</u>
Other interest and similar income	6	88,443	58,788
Interest and similar expenses	7	<u>(75,746)</u>	<u>(715)</u>
		12,697	58,073
Profit before tax		7,076,923	4,234,728
Tax on profit	11	<u>(1,327,392)</u>	<u>(805,478)</u>
Profit for the financial year		<u>5,749,531</u>	<u>3,429,250</u>

The notes on pages 14 to 25 from an integral part of these financial statements.

**Coforge DPA JUK Ltd**  
**Statement of Other Comprehensive Income for the Year Ended 31 March 2022**

	2022 £	2021 £
Profit for the year	5,749,531	3,429,250
Total comprehensive income for the year	<u>5,749,531</u>	<u>3,429,250</u>

The notes on pages 14 to 25 from an integral part of these financial statements.

**Coforge DPA UK Ltd**  
**Statement of Financial Position as at 31 March 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	12	47,939	32,475
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	8,620,785	7,688,983
Debtors: amounts falling due after one year	13	2,437,093	2,369,979
Cash at bank and in hand	14	1,257,611	2,836,410
		12,315,489	12,895,372
<b>Creditors: Amounts falling due within one year</b>	15	(6,894,706)	(6,560,986)
<b>Net current assets</b>		5,420,783	6,334,386
<b>Total assets less current liabilities</b>		5,468,722	6,366,861
<b>Creditors: Amounts falling due after more than one year</b>	15	-	(47,670)
<b>Net assets</b>		5,468,722	6,319,191
<b>Capital and reserves</b>			
Called up share capital	17	1,000	1,000
Profit and loss account		5,467,722	6,318,191
<b>Total equity</b>		5,468,722	6,319,191

The financial statements were approved and authorised for issue by the Board on 28 July 2022 and signed on its behalf by:



.....  
Mr Kishore Krishnan  
Director

Registration number: 06830214

**Coforge DPA UK Ltd**  
**Statement of Changes in Equity for the Year Ended 31 March 2022**

	<b>Share capital</b> £	<b>Retained</b> <b>Earnings</b> £	<b>Total</b> £
At 1 April 2020	1,000	5,988,941	5,989,941
Total comprehensive income	-	3,429,250	3,429,250
Dividends (Note 16)	-	(3,100,000)	(3,100,000)
At 31 March 2021	<u>1,000</u>	<u>6,318,191</u>	<u>6,319,191</u>
Total comprehensive income	-	5,749,531	5,749,531
Dividends (Note 16)	-	(6,600,000)	(6,600,000)
At 31 March 2022	<u>1,000</u>	<u>5,467,722</u>	<u>5,468,722</u>

The notes on pages 14 to 25 from an integral part of these financial statements.

# **Coforge DPA UK Ltd**

## **Notes to the Financial Statements for the Year Ended 31 March 2022**

### **1 General information**

Coforge DPA UK Ltd (the company) is a private company limited by shares, incorporated in England and Wales under registration number 06830214.

The company was formerly known as Incessant Technologies (UK) Limited. The company changed its name from Incessant Technologies (UK) Limited to Coforge DPA UK Ltd effective from 10 September 2020.

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 Coforge DPA Private Limited, India. The ultimate parent company and controlling party is Coforge Limited, a company registered in India.

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.

### **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 2022.

### **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 the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv) in respect of reconciliation of the number of shares outstanding at the beginning and end of the period;
- the requirements of Section 7 Statement of Cash Flows in respect of preparation of statement of cash flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d) in respect of presentation of statement of cash flows in the financial statements;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7 in respect of the non-disclosure of key management personnel compensation in total.

The Company is a wholly owned subsidiary of a group headed by Coforge Limited, India. Coforge Limited, India prepares consolidated financial statements and copies can be obtained from 8 Balaji Estate, Third Floor, Guru Ravidas Marg, Kalkaji, New Delhi – 110019, India or from the company's website at the following address, <https://www.coforge.com/investors>.



**Coforge DPA UK Ltd**  
**Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)**

**3 Accounting policies (continued)**

**Basis of preparation (continued)**

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

The following are the critical estimates used in the preparation of financial statements in compliance with IFRS 102:

- Service contracts are recognised based on stage of completion.

**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 maintains quarterly forecasts for the next 12 months and annual forecasts for the next three years until March 2025.

The Company had £1.3m of cash available on its balance sheet at 31 March 2022. The cash balance has increased by £0.6m and stands at £1.9m as at 30 April 2022. The Company has net current assets and positive shareholder's funds of £5.4m and £5.5m, respectively, as at 31 March 2022.

Based on the negotiations with the main customers and review of the ongoing IT projects and our pipeline, the Company expects increase in revenue and profit for the year ended 31 March 2023 compared to the prior year. The Company is projecting the increase in revenue from the existing customers, where new projects and extensions are expected in the next year. Under this scenario the Company is expected to generate positive operating cash flow for the following three years including the going concern period up to 31 July 2023.

As at 31 March 2022, the Company had an outstanding loan of £1.8m payable to Coforge SF Limited. After the end of reporting period, the repayment term of the loan was extended up to 3 April 2023. See subsequent events disclosed in note 20. The Company does not foresee any risk attached to repayment of loan based on the favourable liquidity situation even in the worst-case scenario, hence the repayment has been included in the forecast.

The directors believe that the Company is well placed to manage its business risks successfully and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the going concern period up to 31 July 2023. Thus, the Company continues to adopt the going concern basis of accounting in preparing the financial statements.

**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.

**Coforge DPA UK Ltd**  
**Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)**

**3 Accounting policies (continued)**

**Revenue recognition (continued)**

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.

**Interest income**

Interest income is recognised as the interest accrues at the effective interest rate to the net carrying amount of the financial asset.

**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 Company 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.

**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.

**Coforge DPA UK Ltd**  
**Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)**

**3 Accounting policies (continued)**

**Tangible assets (continued)**

Impairment reviews are performed annually. Where there is evidence of impairment, tangible assets are written down to their recoverable amount. Any such write down would be charged to operating profit.

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

**Impairment of non-financial assets**

Where there are indicators of impairment of individual assets, the Company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transaction in an arm's length transactions on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next three years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

**Depreciation**

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
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.

**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.

**Coforge DPA UK Ltd**  
**Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)**

**3 Accounting policies (continued)**

**Interest bearing loans**

Basic financial liabilities, other than short term payables, are subsequently carried at amortised cost, using the effective interest rate method. The effective interest rate amortisation is included in interest payable and similar expenses in the income statement.

**Basic financial instruments – financial assets other than equity investments**

These basic financial assets, other than short term receivables, are subsequently carried 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.

***Offsetting***

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

The company has applied the measurement and recognition provisions of Section 11 Basic Financial Instruments in full for the basic financial instruments of FRS102 in full for the basic financial instruments.

**Coforge DPA UK Ltd**  
**Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)**

**4 Revenue**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Rendering of services	30,622,869	25,257,542

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
UK	30,552,853	25,178,881
Europe	70,016	78,661
	<u>30,622,869</u>	<u>25,257,542</u>

**5 Operating profit**

Arrived at after charging/(crediting):

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Depreciation expense	16,029	14,919
Foreign exchange (gain)/loss	(114,529)	259,355
Professional and consultancy fees	569,613	435,592
Bad debts expense	0	30,966
Operating lease expense - Land and buildings	114,276	149,125

**6 Other interest and similar income**

	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
Interest income on loan given	13	86,919	58,025
Other finance income		1,524	763
		<u>88,443</u>	<u>58,788</u>

Interest income relates to the loans given to affiliated entities, Coforge AdvantageGo Limited and Coforge DPA NA Inc. See note 13 for the terms of these loans.

**7 Interest and similar expenses**

	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
Interest expense on loan received	15	74,318	-
Other finance cost		1,428	715
		<u>75,746</u>	<u>715</u>

Interest expense relates to the loans taken from affiliated entity, Coforge SF Limited. See note 15 for the terms of these loans.

**Coforge DPA UK Ltd**  
**Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)**

**8 Staff costs**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	8,231,845	6,376,521
Social security costs	891,037	631,465
Other short-term employee benefits	12,883	36,944
Pension costs, defined contribution scheme	33,915	28,957
Other employee expense	8,250	34,284
	<u>9,177,930</u>	<u>7,108,171</u>

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Consultancy	119	96
Sales	3	3
Administration	2	3
	<u>124</u>	<u>102</u>

**9 Directors' emoluments**

The management of the company considered it to be impracticable to identify and estimate the directors' emoluments of the directors for their qualifying services to the company. The directors are employees of other group companies who are remunerated by those companies and did not receive remuneration for their services as directors of the company. As a result, this is not included in the directors' emoluments disclosure in the financial statements.

**10 Auditors' remuneration**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Audit of the financial statements	<u>41,900</u>	<u>43,964</u>

**Coforge DPA UK Ltd**  
**Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)**

**11 Taxation**

Tax charged in the income statement

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Current taxation</b>		
UK corporation tax	1,341,464	850,348
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	(14,072)	(44,870)
Tax expense in the income statement	1,327,392	805,478

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2022: 19%, 2021: 19%).

The differences are reconciled below:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit before tax	7,076,923	4,234,728
Corporation tax at standard rate of 19%	1,344,615	804,598
Effect of expense not deductible in determining taxable profit	(2,811)	45,249
Deferred tax credit from timing differences	(14,072)	(44,870)
Tax decrease from effect of capital allowances and depreciation	(3,315)	(70)
Other tax effects for reconciliation between accounting profit and tax expense	2,975	571
Total tax charge	1,327,392	805,478

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Movement in Deferred tax</b>		
Deferred tax asset as at 1 April	44,870	-
Deferred tax credit on short-term timing differences	14,072	44,870
<b>Deferred tax asset as at 31 March</b>	58,942	44,870

In the Budget 2020 delivered on 11 March 2020, the government announced that the UK corporation tax rate for the years starting April 2020 and 2021 will remain at 19%. The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were enacted in June 2021, and therefore were in effect at the period end. The company has considered the rate at which its deferred tax balances will unwind, and applied this to the closing balances at the period end.

**Coforge DPA UK Ltd**  
**Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)**

**12 Tangible assets**

	Fixtures and fittings £	Computer and office equipment £	Total £
<b>Cost</b>			
At 1 April 2021	29,837	61,144	90,981
Additions	-	31,493	31,493
At 31 March 2022	29,837	92,637	122,474
<b>Accumulated Depreciation</b>			
At 1 April 2021	14,065	44,441	58,506
Charge for the year	2,984	13,045	16,029
At 31 March 2022	17,049	57,486	74,535
<b>Carrying amount</b>			
At 31 March 2021	15,772	16,703	32,475
At 31 March 2022	12,788	35,151	47,939

**13 Debtors**

	Note	2022 £	2021 £
<b>Due within one year</b>			
Trade debtors		4,419,736	3,953,908
Amounts owed by group undertakings	21	2,675,286	1,173,822
Loans given to related parties		1,000,000	2,000,000
Other debtors		51,933	73,782
Prepayments		35,157	6,061
Accrued income		379,731	436,540
Deferred tax assets	11	58,942	44,870
		<u>8,620,785</u>	<u>7,688,983</u>
<b>Due after one year</b>			
Accrued income		-	50,939
Loans given to related parties		2,437,093	2,319,040
		<u>2,437,093</u>	<u>2,369,979</u>
		<u>11,057,878</u>	<u>10,058,962</u>

Amounts owed by group undertakings represent trade balances that are unsecured, non-interest bearing within stipulated payment terms, and interest receivable on intercompany loans of £36,986 (2021: £21,042).



**Coforge DPA UK Ltd**  
**Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)**

**13 Debtors (continued)**

Loans given to related parties consists of the following:

a. Unsecured loan amounting to £1,000,000 given to a fellow subsidiary, Coforge AdvantageGo Limited, which is originally repayable in one or more instalments on 18 September 2021 and was extended to 18 September 2022 during the year and carries simple interest rate of 2% p.a.

b. Unsecured loan of £2,437,093 (equivalent to approximately USD 3,200,000) given to a fellow subsidiary, Coforge DPA NA Inc., having a tenure of ten years (24 June 2030) and repayable in one or more instalments and carries simple interest of 2% p.a.

**14 Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Cash at bank	1,257,611	2,836,410

**15 Creditors**

	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
<b>Due within one year</b>			
Trade creditors		135,476	82,852
Amounts owed to group undertakings	21	3,057,497	3,460,358
Loan taken from related parties		1,800,000	-
Social security and other taxes		1,077,315	1,879,393
Other payables		14,259	1,873
Accrued expenses		714,361	689,430
Corporation tax payable	11	95,798	447,080
		6,894,706	6,560,986
<b>Due after one year</b>			
Other non-current financial liabilities		-	47,670
		6,894,706	6,608,656

Amounts owed to group undertakings represent trade balances that are unsecured, non-interest bearing within stipulated payment terms, and interest payable on intercompany loans of £ 6,455 (2021: Nil).

Loans taken from related parties consists of the following:

a. Unsecured loan balance of £3,700,000 taken from its fellow subsidiary, Coforge SF Limited (formerly Whishworks Limited), repayable originally on 3 April 2022, carrying a simple interest of 2% p.a. payable on the refund of the loan, was partially repaid by £1,900,000 during the year. The repayment term of the loan was extended up to 3 April 2023 after the end of reporting period. See subsequent events disclosed in note 20.

b. The Company also borrowed two other unsecured loans of £1,000,000 and £700,000 on 31 August 2021 and 26 November 2021, respectively, carrying a simple interest of 2% p.a., from the same fellow subsidiary. These were fully repaid during the year.

**Coforge DPA UK Ltd**  
**Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)**

**16 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 £33,915 (2021: £28,957).

**17 Share capital**

**Allotted, called up and fully paid shares**

	<b>2022</b>		<b>2021</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

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**18 Obligations under leases and hire purchase contracts**

**Operating leases**

The total of future minimum lease payments is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Not later than one year	64,777	62,000
Later than one year and not later than five years	86,737	18,083
	<u>151,514</u>	<u>80,083</u>

**19 Dividends**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interim dividend of £6,600 (2021: £3,100) per ordinary share	6,600,000	3,100,000

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**20 Post Statement of Financial Position events**

As disclosed in note 15, in April 2022, the repayment term of the unsecured related-party loan of £1,800,000 has been extended to 3 April 2023.

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

**21 Related party transactions**

The Company has taken advantage of the exemption available in FRS 102 from the requirement to disclose transactions with group companies on the grounds that it is a wholly owned subsidiary and consolidated financial statements are prepared by the ultimate parent Company, Coforge Limited, India.

**Coforge DPA UK Ltd**  
**Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)**

**22 Parent and ultimate parent undertaking**

The Company's immediate parent is Coforge DPA Private Limited (formerly NIIT Incessant Private Limited), incorporated in India.

The Company is a wholly owned subsidiary of a group headed by Coforge Limited, India. Coforge Limited, India prepares consolidated financial statements and copies can be obtained from 8 Balaji Estate, Third Floor, Guru Ravidas Marg, Kalkaji, New Delhi – 110019, India. Consolidated financials can also be obtained for Coforge Limited, India, from that Company's website at the following address, <https://www.coforge.com/investors>.