

Registration number: 06830214

Coforge DPA UK Ltd
Annual Report and Financial Statements
for the year ended 31 March 2023

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

Anderson Anderson & Brown Audit LLP
Kingshill View, Prime Four Business Park
Kingswells, Aberdeen
AB15 8PU

Bankers

HSBC Bank
Canary Wharf Branch
Canary Wharf
London
E14 5AH

Citibank N.A. London
Canada SQ Service Centre
Citigroup Centre,
25 Canada SQ
London
E14 5LB

Coforge DPA UK Ltd
Strategic Report for the Year Ended 31 March 2023

The directors present their strategic report for the year ended 31 March 2023.

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 the largest niche global BPM services vendor 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 (BFS), Insurance and Government Sector. The company has shown an increase of 34.5% in its turnover in the current financial year primarily due to additional projects from its existing customers.

The Company has invested in the research and development of technology and IT tools for various customers and accordingly has claimed research and development expenditure credit as per the guidelines prescribed by HMRC on an accrual basis in the statement of comprehensive income.

On 28 March 2023, the Board approved the transfer of business of the Company with effect from 01 April 2023 to Coforge U.K Ltd, an affiliate of Coforge Limited (the ultimate holding Company). Subsequent to the year end, the Company entered into a Business Transfer Agreement (BTA) on 01 April 2023 to transfer its Business including all assets, liabilities and contracts to Coforge U.K. Ltd. on a going concern basis and completed the transfer at Net Book Value.

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:

	Change		
	%	2023	2022
Turnover	34.5%	41,189	30,623
Profit before tax	37.15%	9,706	7,077
Shareholder funds	40.70%	7,695	5,469
Employees	25.00%	155	124

The results of the company show profit on activities before taxation of £9,706,380 (2022: £7,076,923) for the year and turnover of £41,189,327 (2022: £30,622,869). The revenue and the profitability have increased primarily due to increase in resources. Net assets of the company as of 31st March 2023 are £7,633,313 (2022: £5,468,722)

Dividends

During the reporting period, the company paid an interim dividend to its immediate parent company, Coforge DPA Private Limited of £6,000,000 (2022: £6,600,000) at the rate of £6,000 per share (2022: £6,600).

Coforge DPA UK Ltd
Strategic Report for the Year Ended 31 March 2023 (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 34.5% 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 doesn't 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 15th December 2023 and signed on its behalf by:



Mr Gautam Samanta
Director

Coforge DPA UK Ltd
Directors' Report for the Year Ended 31 March 2023

The directors present their report and the audited financial statements of the company for the year ended 31 March 2023.

Directors of the company

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

Mr Madan Mohan

Mr Kishore Krishnan

Mr Gautam Samanta

Future developments

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

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.

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 forecasts for the next 12 months.

The Company has £1.2m of cash available on its balance sheet at 31 March 2023. The Company has net current assets and positive shareholder's funds of £7.6m and £7.7m respectively as at 31 March 2023.

The directors believe that the Company is well placed to manage its business risks successfully and has a reasonable expectation that the Company has adequate resources to continue in operational existence for a minimum of 12 months from the date of approving the financial statements, for a period of at least up to 30 June 2024. 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 2023 (continued)

Post Statement of Financial Position events

On 28 March 2023, the Board approved the transfer of business of the Company with effect from 01 April 2023 to Coforge U.K Ltd, an affiliate of Coforge Limited (the ultimate holding Company). Subsequent to the year end, the Company entered into a Business Transfer Agreement (BTA) on 01 April 2023 to transfer its Business including all assets, liabilities and contracts to Coforge U.K. Ltd. on a going concern basis and completed the transfer at Net Book Value.

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 on March 2023, the company does not have any outstanding loan to be repaid. Thus, does not face any interest rate and cashflow risk.

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.

Research and development

During the reporting period, the focus of the company's technology teams has been the development of new features within its client's IT infrastructure. The Company has made a claim for Research and Development Expenditure Credit (RDEC) for the relevant qualifying expenditure incurred in undertaking activities which fall within the meaning set out in s1138 Corporation Tax Act 2010 (CTA 2010).

Coforge DPA UK Ltd
Directors' Report for the Year Ended 31 March 2023 (continued)

The company continues to be responsible for maintaining, managing and supporting its client's IT landscape. The company was able to improve existing support and maintenance practices, often leading to the development of new techniques of automated incident resolution and disaster recovery.

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

M/s Ernst & Young LLP, ICAEW Registration Number – C009126168 have ceased to hold office since the company has not re-appointed them as Statutory Auditors for the FY23.

The Board has appointed M/s Anderson Anderson & Brown Audit LLP as Statutory Auditor of the Company for FY23 and onwards unless the Board decides otherwise.

Approved by the Board on 15th December 2023 and signed on its behalf by:



Mr Gautam Samanta
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COFORGE DPA UK LIMITED

Opinion

We have audited the financial statements of Coforge DPA UK Limited (the 'company') for the year ended 31 March 2023 which comprise the Profit and Loss Account, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, 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 Financial Reporting Standard 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 2023 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COFORGE DPA UK LIMITED (CONTINUED)

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 Director's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page six, 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 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.

Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities including fraud to be:

- Management override of controls to manipulate the company's key performance indicators to meet targets;
- Timing of revenue recognition; and
- Compliance with relevant laws and regulations which directly impact the financial statements and those that the company needs to comply with for the purpose of trading.

Our audit procedures to respond to these risks included:

- Testing of journal entries and other adjustments for appropriateness;
- Cut-off testing confirming that revenue recorded immediately before and after the year-end is recorded in the correct period;
- Enquiries of management about litigation and claims and inspection of relevant correspondence; and
- Reviewing legal and professional fees to identify indications of actual or potential litigation, claims and any noncompliance with laws and regulations

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COFORGE DPA UK LIMITED
(CONTINUED)**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Use of our 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 a Report of the Auditors 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.

Anderson Anderson & Brown Audit LLP

Stuart Rose (Senior Statutory Auditor)
for and on behalf of
Anderson Anderson & Brown Audit LLP
Statutory Auditor

81 George Street
Edinburgh
EH2 3ES

Date: 15th December 2023

Coforge DPA UK Ltd
Profit and Loss Account for the Year Ended 31 March 2023

	Note	2023 £	2022 £
Turnover	4	41,189,327	30,622,869
Cost of sales		<u>(29,481,045)</u>	<u>(22,226,030)</u>
Gross profit		11,708,282	8,396,839
Administrative expenses		<u>(2,001,902)</u>	<u>(1,332,613)</u>
Operating profit		<u>9,706,380</u>	<u>7,064,226</u>
Other interest receivable and similar income	6	419,414	88,443
Interest payable and similar expenses	7	<u>(8,140)</u>	<u>(75,746)</u>
		<u>411,274</u>	<u>12,697</u>
Profit before tax		10,117,654	7,076,923
Tax on profit	11	<u>(1,890,957)</u>	<u>(1,327,392)</u>
Profit for the financial year		<u>8,226,697</u>	<u>5,749,531</u>

Coforge DPA UK Ltd
Statement of Financial Position as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	62,106	47,939
Current assets			
Debtors: amounts falling due within one year	13	7,341,886	8,620,785
Debtors: amounts falling due after one year	13	2,587,275	2,437,093
Cash at bank and in hand	14	1,234,595	1,257,611
		<u>11,163,756</u>	<u>12,315,489</u>
Creditors: Amounts falling due within one year	15	<u>(3,530,443)</u>	<u>(6,894,706)</u>
Net current assets		<u>7,633,313</u>	<u>5,420,783</u>
Total assets less current liabilities		7,695,419	5,468,722
Creditors: Amounts falling due after more than one year	15	<u>-</u>	<u>-</u>
Net assets		<u>7,695,419</u>	<u>5,468,722</u>
Capital and reserves			
Called up share capital	17	1,000	1,000
Profit and loss account		<u>7,694,419</u>	<u>5,467,722</u>
Total equity		<u>7,695,419</u>	<u>5,468,722</u>

The financial statements were approved and authorised for issue by the Board on 15th December 2023 and signed on its behalf by:



Mr Gautam Samanta
 Director

Registration number: 06830214

Coforge DPA UK Ltd
Statement of Changes in Equity for the Year Ended 31 March 2023

	Share capital £	Retained Earnings £	Total £
At 1 April 2021	1,000	6,318,191	6,319,191
Total comprehensive income	-	5,749,531	5,749,531
Dividends	-	(6,600,000)	(6,600,000)
At 31 March 2022	<u>1,000</u>	<u>5,467,722</u>	<u>5,468,722</u>
Total comprehensive income	-	8,226,697	8,226,697
Dividends	-	(6,000,000)	(6,000,000)
At 31 March 2023	<u>1,000</u>	<u>7,694,419</u>	<u>7,695,419</u>

Coforge DPA UK Ltd
Notes to the Financial Statements for the Year Ended 31 March 2023

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 2023.

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.

Coforge DPA UK Ltd
Notes to the Financial Statements for the Year Ended 31 March 2023 (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 has £1.2m of cash available on its balance sheet at 31 March 2023. The Company has net current assets and positive shareholder's funds of £7.6m and £7.7m respectively as at 31 March 2023. Further, as on March 2023, the company has no outstanding loan to be repaid (March 2022: £1.8m).

On 28 March 2023, the Board approved the transfer of business of the Company with effect from 01 April 2023 to Coforge U.K Ltd, an affiliate of Coforge Limited (the ultimate holding Company). Subsequent to the year end, the Company entered into a Business Transfer Agreement (BTA) on 01 April 2023 to transfer its Business including all assets, liabilities and contracts to Coforge U.K. Ltd. on a going concern basis and completed the transfer at Net Book Value.

The directors believe that the Company is well placed to manage its business risks successfully and has a reasonable expectation that the Company has adequate resources to continue in operational existence for a minimum of 12 months from the date of approving the financial statements, for a period of at least up to 30 June 2024. 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.

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.

Coforge DPA UK Ltd
Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

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.

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

Coforge DPA UK Ltd
Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

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:

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.

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.

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.

Coforge DPA UK Ltd
Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

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.

4 Revenue

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

	2023	2022
	£	£
Rendering of services	41,189,327	30,622,869

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

	2023	2022
	£	£
UK	41,017,464	30,552,853
EMEA	84,864	70,016
APAC	14,803	-
US	72,196	-
	<u>41,189,327</u>	<u>30,622,869</u>

5 Operating profit

Arrived at after charging/(crediting):

	2023	2022
	£	£
Depreciation expense	24,104	16,029
Foreign exchange (gain)	(138,696)	(114,529)
Professional and consultancy fees	459,854	569,613
Bad debts expense	-	-
Operating lease expense - Land and buildings	87,977	114,276

Coforge DPA UK Ltd
Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

6 Other interest receivable and similar income

	Note	2023 £	2022 £
Interest income on loan given	13	72,846	86,919
Other finance income		346,568	1,524
		419,414	88,443

7 Interest payable and similar expenses

	Note	2023 £	2022 £
Interest expense on loan received	15	8,140	74,318
Other finance cost		-	1,428
		8,140	75,746

8 Staff costs

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

	2023 £	2022 £
Wages and salaries	10,297,623	8,231,845
Social security costs	1,155,817	891,037
Other short-term employee benefits	31,492	12,883
Pension costs, defined contribution scheme	57,896	33,915
Other employee expense	38,518	8,250
	11,581,346	9,177,930

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

	2023 No.	2022 No.
Consultancy	149	119
Sales	2	3
Administration	4	2
	155	124

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.

Coforge DPA UK Ltd
Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

10 Auditors' remuneration

	2023	2022
	£	£
Audit of the financial statements	21,000	41,900

11 Taxation

Tax charged/(credited) in the income statement

	2023	2022
	£	£
Current taxation		
UK corporation tax	1,914,994	1,341,464
Deferred taxation		
Arising from origination and reversal of timing differences	(24,037)	(14,072)
Tax expense in the income statement	1,890,957	1,327,392

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2023: 19%, 2022: 19%).

The differences are reconciled below:

	2023	2022
	£	£
Profit before tax	10,117,654	7,076,923
Corporation tax at standard rate of 19%	1,922,354	1,344,615
Effect of expense not deductible in determining taxable profit	(41,827)	(2,811)
Deferred tax credit from timing differences	(24,037)	(14,072)
Tax (decrease)/increase from effect of capital allowances and depreciation	-	(3,315)
Other tax effects for reconciliation between accounting profit and tax expense	-	2,975
Effect of change in tax rate for deferred tax purposes	-	-
Interest on Income tax	-	-
Taxes of earlier years	34,467	-
Total tax charge	1,890,957	1,327,392

Movement in Deferred tax

	2023	2022
	£	£
Deferred tax asset as at 1 April	58,942	44,870
Deferred tax credit on Short-term timing differences	24,037	14,072
Deferred tax asset as at 31 March	82,979	58,942

Coforge DPA UK Ltd
Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

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. Deferred tax has been recognized based on the enacted rate of 25%.

The Company has adopted the new R&D expenditure credit legislation introduced in 2013 that allows large companies to claim expenditure credits equal to 13% of the qualifying research and development (R&D) expenditure, see note 9 for the details of calculation. The operating profit for the current reporting period includes the effect of these tax credits. In spring budget 2023 HMRC has announced increase in research and development expenditure credit from 13% to 20% effective 1st April 2023.

12. Tangible assets

	Fixtures and fittings £	Computer and office equipment £	Total £
Cost			
At 1 April 2022	29,837	92,637	122,474
Additions	-	38,270	38,270
At 31 March 2023	29,837	130,907	160,744
Accumulated Depreciation			
At 1 April 2022	17,049	57,486	74,535
Charge for the year	2,983	21,120	24,103
At 31 March 2023	21,032	78,606	98,638
Carrying amount			
At 31 March 2022	12,788	35,151	47,939
At 31 March 2023	9,805	52,301	62,106

13. Debtors

	2023 £	2022 £
Due within one year		
Trade debtors	4,978,691	4,419,736
Amounts owed by group undertakings	21 1,174,112	2,675,286
Loans given to related parties	-	1,000,000
Other debtors	46,930	51,933
Prepayments	80,937	35,157
Accrued income	978,237	379,531
Deferred tax assets	11 82,979	58,942
	<u>7,341,886</u>	<u>8,620,785</u>
Due after one year		
Loans given to related parties	<u>2,587,275</u>	<u>2,437,093</u>
	<u>9,929,161</u>	<u>11,057,878</u>

Coforge DPA UK Ltd
Notes to the Financial Statements for the Year Ended 31 March 2023(continued)

Amounts owed by group undertakings represent trade balances and interest receivable on intercompany loans of £ 50,654 (2022: £ 36,986), are unsecured, non-interest bearing within stipulated payment terms.

Loans given to related parties consists of the following:

- a. Unsecured loan of £ 2,580,970 (March 2022: 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.

The Company in the current year has repaid the Unsecured loan amounting to £1,000,000 which given to a fellow subsidiary, Coforge AdvantageGo Limited and was outstanding as on 31 March 2022.

14 Cash and cash equivalents

	2023	2022
	£	£
Cash at bank	1,234,595	1,257,611

15 Creditors

	Note	2023	2022
		£	£
Due within one year			
Trade creditors		67,553	135,476
Amounts owed to group undertakings	22	436,238	3,057,497
Loan taken from related parties		-	1,800,000
Social security and other taxes		1,444,104	1,077,315
Other payables		7,238	14,259
Accrued expenses		779,168	714,361
Corporation tax payable		796,142	95,798
		<u>3,530,443</u>	<u>6,894,706</u>
Due after one year			
Other non-current financial liabilities		-	-
		<u>3,530,443</u>	<u>6,894,706</u>

Amounts owed to group undertakings represent trade balance and, are unsecured, non-interest bearing within stipulated payment terms. As on March 2022, this amount also included interest payable on intercompany loans of £ 6,455.

Loans taken from related parties : As on March 2023, there are no outstanding loan to be repaid (March 2022: £1,800,000)

Coforge DPA UK Ltd
Notes to the Financial Statements for the Year Ended 31 March 2023 (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 £57,896 (2022: £33,915).

17 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

18 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2023	2022
	£	£
Not later than one year	61,000	64,777
Later than one year and not later than five years	25,737	86,737
	<u>86,737</u>	<u>151,514</u>

19 Dividends

	2023	2022
	£	£
Interim dividend of £6,000 (2022: £6,600) per ordinary share	6,000,000	6,600,000

20 Post Statement of Financial Position events

On 28 March 2023, the Board approved the transfer of business of the Company with effect from 01 April 2023 to Coforge U.K Ltd, an affiliate of Coforge Limited (the ultimate holding Company). Subsequent to the year end, the Company entered into a Business Transfer Agreement (BTA) on 01 April 2023 to transfer its Business including all assets, liabilities and contracts to Coforge U.K. Ltd. on a going concern basis and completed the transfer at Net Book Value.

21 Research and Development Expenditure Credit

The Company has claimed research and development expenditure credit as per the guidelines prescribed by HMRC on an accrual basis in the statement of comprehensive income. A summary of the qualifying research and development expenditure and the gross RDEC is as follows:

Coforge DPA UK Ltd
Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

	£
Staffing costs	2,660,000
Total qualifying research and development expenditure	2,660,000
<hr/>	
Gross RDEC @ 13%*	345,800
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*The R&D credit of £345,800 recorded in the current year consists of R&D credit of £ 94,482 pertaining to financial year ending March 2021 and the remaining amount of £ 251,318 pertaining to March 2022 and March 2023.

Management is confident that the claims will be successful.

22 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.

23 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>