

Coforge U.K. Limited

(Registered Number: 2648481)

**Annual Report and Financial Statements
for the year ended 31 March 2023**

Coforge U.K. Limited

Contents

	Pages
Directors and advisors	1
Strategic report	2-3
Directors' report	4-9
Independent auditors' report	10-12
Statement of comprehensive income	13
Statement of financial position	14
Statement of changes in equity	15
Notes to the financial statements	16-29

Coforge U.K. Limited

Directors and Advisors

Directors

Sudhir Singh

Gautam Samanta

Kishore Krishnan

Company secretary

Abogado Nominees Limited

Company number

2648481

Registered office

280 Bishopsgate,
London, United Kingdom,
EC2M 4RB

Independent auditors

Anderson Anderson & Brown Audit LLP
81 George Street
Edinburgh EH2 3ES

Bankers

Citi bank N.A. London
Canada SQ Service CTR
Citigroup CTR 25 Canada SQ
E14 5LB

Citibank Europe plc, succursale en France
21-25 rue Balzac
75406 Paris Cedex 08
France, RCS Paris 814 664 892

Business address

2nd Floor,
47 Mark Lane
London
EC3R 7QQ

New address: with effect from October 1, 2023
5th Floor, 8 Fenchurch Place
London EC3M 4AJ UK.

Branch office

71 avenue Victor Hugo
75116 Paris
France

Coforge U.K. Limited

Strategic report for the year ended 31 March 2023

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

Principal activities

The Company provides services in software application development and maintenance, software testing, enterprise solutions including package implementation, infrastructure managed services and system integration to organisations based in the UK and rest of the world.

Business review

The revenue profile of Coforge UK Limited is diversified across the main verticals of Travel and Transportation, Banking and Financial Services (BFS), Insurance, Public Sector, Media and Entertainment technologies.

The results for the Company show a gross profit of £24.90m (2022: £12.21) for the year and turnover of £161.49m (2022: £100.02m), hence showing an increase of 61.5% on revenue, majorly on account of addition of new customers/ growth in banking and financial services practice. The Company has reported improved gross profit from 12.20% to 15.42% during the current year due to addition of new customers/ growth in banking and financial services practice. The Company has net current assets and total net assets at the year-end of £(2.56m) (2022: 7.53m) and £29.56m (2022: £24.82m).

The Company has invested in the research and development of technology and IT tools for various customers. 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.

Key performance indicators

	2023	2022	
	£000	£000	Change %
Turnover	161,490	100,020	61.5%
Gross profit	24,903	12,206	104.0%
Gross profit ratio (%)	15.42%	12.20%	
Shareholder funds	29,566	25,451	16.2%

	2023	2022	
	Number	Number	Change %
Employees	387	315	22.9%

Turnover and gross profit are presented in the business review are the key measures considered by the directors.

An interim dividend of £6.0m has been paid during the year (2022: £2.5m).

Coforge U.K. Limited

Principal risks and uncertainties

The challenging market conditions and continued consolidation is driving an amount of uncertainty. This uncertainty combined with continued pressure in our home market, London, presents an element of risk. The company's strategy to continue to grow market share in London whilst accessing new growing territories is more important than ever.

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

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 the areas that throw up risks and uncertainty. The Company also recognises the potential risk of a considerable portion of its revenue continuing to emanate from a few customers and its striving to expand its customer base to mitigate this. The Company has focused on enhancing client relationship through client partners in key customer accounts.

On behalf of the board



Gautam Samanta

Director

Date: December 6, 2023

Coforge U.K. Limited

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.

The following disclosures describe how the directors have had regard to the matters set out in section 172(1) (a) to (f) when performing their duties under section 172 and form part of the Directors' Statement required under Section 414CZA (1) of the Companies Act 2006.

Decision making

The Company recognises the importance of good governance to the success of the Company. The Board determines the strategic objectives and strategies of the Company to best support the delivery of long-term value providing overall strategic direction. The Company has robust systems of financial controls and risk management, the Board takes decisions that affect the success of the Company in long term after a disciplined review. The Board undertakes its decisions by ensuring safety, efficiency, smart technology adoption and sustainability.

Engaging Colleagues

Every year, the employees are asked to share their thoughts on what it is like to work in the Company and the suggestions for improvement. Company has a digital intranet portal "Percipio" in order to upgrade the learning skills of employees and provide a growth for their career path. The employees can directly access the CEO of the Company via e-mail.

Customers and Suppliers

The Company's customers are at the heart of everything the Company does. Regular reviews are conducted for key accounts. Customers visit our offshore facilities located in India and we encourage their involvement and suggestions at the development stage of our projects. As a responsible business, our supplier payments are made within the respective credit terms. The Company implements adequate security measures in order to maintain the privacy of its customers and suppliers.

Community and Environment

The Company is committed to the wider social and economic impact of its operations. Being in the service industry, the Company has only electronic waste which is disposed of in a responsible manner by engaging specialised hardware disposal vendors.

Members

As the Company is 100% subsidiary of Coforge Limited, India, there is only one shareholder of the Company. The Directors on the Board are the nominees of the shareholder, and all the decisions are regularly informed to them via Board Agendas.

Company and high standards of Conduct

The Company adopts high ethical standards and follows a strict policy of maintaining integrity. Any payments or gifts whether directly or indirectly for securing the business is strictly prohibited by the Company.

There were no principal decisions made in current reporting period that would require disclosure under section 172 above.

Dividend from Subsidiaries

During the reporting year, the Company has received dividend from Coforge S.A. amounting to £1,577,880 and Coforge B.V amounting to £439,700.

Coforge U.K. Limited

Directors' Report for the year ended 31 March 2023 (continued)

Future outlook

The strategy of Coforge U.K. Limited is to continue to build a strong differentiation in its offerings by remaining focused in the chosen verticals and emerging technologies e.g. Digital, Data & Analytics, Cloud and Automation.

The external business environment was very promising post the lifting of restrictions imposed during Covid-19 pandemic. However, as our customers and prospects are growing and we are working on the new operating model post Covid-19 era, we are experiencing a surge in demand across all our key clients across all verticals. The focus will be to continue to grow the key accounts across in the region through consolidation and acquire accounts in the Managed Services business offerings, expand our presence in the Banking and Finance (BFS) and Insurance verticals and return to the growth path in Travel & Hospitality sector.

We are expecting a strong business growth in the next year.

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 monthly forecasts for the next 12 months and annual forecasts for the next three years until March 2026.

The Company continues to have a positive cash balance. The Company had £1.73m of cash available as at 31 March 2023.

Based on the negotiations with the main customers and review of the ongoing IT projects and our pipeline, the Company expect significant growth in the revenue in the next year ending on 31 March 2024 compared to the prior year. The forecasted growth is driven by the increased demand from the existing customers in the banking sector as well as the restart of the airline industry.

The Company's three year forward scenario, which takes into consideration the current environment, shows that we are expected to remain profitable and generate positive operating cash flows for the following three years including the going concern period up to 31 December 2024.

During the year, Company has fully repaid the intercompany loan taken from Coforge GmbH and Coforge Airline Technologies GmbH.

The dividends will only be paid to the extent the sufficient cash and distributable reserves are available and these payments are not 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 December 2024. Thus, the Company continues to adopt the going concern basis of accounting in preparing the financial statements.

Coforge U.K. Limited

Directors' Report for the year ended 31 March 2023 (continued)

Directors

The current directors of the Company are set out on page 1. All of the directors serving during the year and up to the date of signing the financial statements are listed below:

Sudhir Singh
Gautam Samanta
Kishore Krishnan

Branch Office

The operations of the branch in France have been consolidated with the financial statements of the Head Office and are included in these financial statements.

Employee involvement

The Company is also committed to provide employees with the 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.

Employment of disabled persons

Applications that are received from disabled persons are always given full and equal consideration.

The Company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status and offers appropriate training and a career development for disabled staff. If members of staff become disabled, the Company continues employment wherever possible and arranges retraining. The Company's policy on training, career development and promotion of disabled people is, as far as possible, identical to that for other employees.

Financial risk management

The Company's operations expose it to limited financial risks that include price risk, credit risk, liquidity risk, foreign currency exchange rate risk and interest rate cash flow risk.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The Company's finance department implements policies set by the board of directors.

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

The majority of the Company's customer base is comprised of blue-chip customers. During the reporting period, the Company had provided for doubtful debts of £194,649 (2022: £20,768).

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Coforge U.K. Limited

Directors' Report for the year ended 31 March 2023 (continued)

Financial risk management (continued)

Liquidity risk

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

Interest rate and cash flow risk

The Company has outstanding unsecured working capital intercompany loans of Nil (2022: £1.86M).

Foreign currency exchange rate risk

Management is aware of the volatility in foreign currency fluctuations and will put in place measures to minimise the risks if this continues.

Qualifying third party indemnity provisions

The Directors and Officers of the Company are covered by the Corporate Directors and Officers Liability insurance policy insurance. This is in force at the date of the statement of financial position 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 bespoke systems or 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).

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

Political and charitable donations

The company did not make any charitable donations during the year (2022: £Nil). There were no political donations made during the year (2022: £Nil).

Coforge U.K. Limited

Directors' Report for the year ended 31 March 2023 (continued)

Statement of Directors' Responsibilities

The directors are responsible 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), 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 then 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.

Environmental Reporting

Environment

Coforge UK Limited recognizes the importance of its environmental responsibilities as part of the wider community and is committed to optimising its energy consumption and carbon footprint.

Streamlined Energy and Carbon Reporting (SECR)

This report outlines Company's greenhouse gas and energy usage for the year ended 31 March 2023, as required and in accordance with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

UK kWh and CO2e

Energy type	Emission type	Definition	Total volume (kWh)	Calculated emission (tonnes of CO2e)
Electricity	Scope 2 (indirect)	Total energy consumption - purchased electricity used for operations	115,468	20.11

Coforge U.K. Limited

Directors' Report for the year ended 31 March 2023 (continued)

Intensity Ratio

Intensity measurement	No. of FTE for the period	Intensity ratio (tCO ₂ e/No. of FTE)
Number of full-time employees (FTE)	387	0.05

Reporting Methodology and Quantification

In line with the guidance on SECR, the Company has tabled the energy used on the leased premises for which it is responsible for energy consumption by way of electricity purchased from service provider.

Energy Efficient Action

Due to Covid-19 scenario, most of the employees are working from home; hence energy consumption of the Company is at minimal level. The Company is committed towards environment protection through minimum optimum energy consumptions and using energy-saving equipment (plant and machinery) which consumes minimum electricity.

Disclosure of information to auditors

At the date of approving this report, each of the Company's directors, as set out on page 1, confirm the following:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Post Statement of Financial Position Events

On 28 March 2023, the Board approved the transfer of business to Coforge UK Limited from Coforge DPA UK Limited and Coforge SF Limited with effect from 01 April 2023, an affiliate of Coforge Limited (the ultimate holding Company). Subsequent to the year end, the Company entered into a Business Transfer Agreement (BTA) with Coforge DPA UK Limited and Coforge SF Limited on 01 April 2023 to transfer its all assets, liabilities and contracts to Coforge U.K. Ltd. on a going concern basis at a purchase consideration equivalent to the net book value of its assets and liabilities.

Independent auditors

The auditors, Anderson Anderson & Brown Audit LLP, have indicated their willingness to continue in office.

Approved on behalf of the Board of Directors



Gautam Samanta

Director

Date: December 6, 2023

Coforge U.K. Limited

Independent Auditors' Report to the Members of Coforge U.K. Limited

Opinion

We have audited the financial statements of Coforge U.K Limited (the 'company') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, 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

Coforge U.K. Limited

Independent Auditors' Report to the Members of Coforge U.K. 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.

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.

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 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..

Coforge U.K. Limited

Independent Auditors' Report to the Members of Coforge U.K. Limited (continued)


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

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.

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: December 6, 2023

Coforge U.K. Limited

Statement of Comprehensive Income for the year ended 31 March 2023

		2023	2022
	Note	£	£
Turnover	4	161,489,741	100,019,968
Cost of sales		(136,587,127)	(87,813,583)
Gross profit		24,902,614	12,206,385
Administrative expenses		(13,668,395)	(9,517,583)
Operating profit		11,234,219	2,688,802
Dividend Income from group undertakings		2,017,580	-
Interest and similar income	6	17,704	15,156
Interest and similar charges	7	(86,797)	(106,086)
Profit on ordinary activities before taxation		13,182,706	2,597,872
Tax on profit on ordinary activities	10	(2,229,332)	(478,389)
Profit for the financial year		10,953,374	2,119,483
Total comprehensive income for the reporting period		10,953,374	2,119,483

Coforge U.K. Limited

Statement of Financial Position as at 31 March 2023

	Note	2023 £	2022 (Restated) £
Fixed assets			
Tangible assets	11	129,747	204,426
Investments	12	32,082,241	17,082,241
		32,211,988	17,286,667
Current assets			
Debtors			
amounts falling due within a year	15	33,809,699	26,968,788
amounts falling due after more than a year	15	4,669,104	3,271,998
Cash		1,730,054	1,793,743
Total current assets		40,208,857	32,034,529
Creditors - amounts falling due within one year	16	(42,773,821)	(24,506,040)
Net current (liabilities)/ assets		(2,564,964)	7,528,489
Total assets less current liabilities		29,647,024	24,815,156
Creditors - amounts falling due after more than one year	17	(80,925)	(202,431)
Net assets		29,566,099	24,612,725
Equity			
Called up share capital	19	3,276,427	3,276,427
Retained earnings		26,289,672	21,336,298
Total shareholder's funds		29,566,099	24,612,725

The financial statements on pages 17 to 30 were approved by the board of directors on December 6, 2023 and were signed on its behalf by:



Gautam Samanta
Director

Registered Number: 2648481

Coforge U.K. Limited

Statement of Changes in Equity for the year ended 31 March 2023

	Share Capital £	Retained Earnings £	Total Equity £
At 1 April 2021	3,276,427	22,201,043	25,477,470
Total comprehensive income for the year	-	2,119,483	2,119,483
Share-based capital reserve	-	354,027	354,027
Dividends paid during the year	-	(2,500,000)	(2,500,000)
At 31 March 2022	3,276,427	22,174,553	25,450,980
Share-based capital reserve (Note 13)	-	(838,255)	(838,255)
Restated amount as at 1 April 2022	3,276,427	21,336,298	24,612,725
Total comprehensive income for the year	-	10,953,374	10,953,374
Dividends paid during the year	-	(6,000,000)	(6,000,000)
At 31 March 2023	3,276,427	26,289,672	29,566,099

Coforge U.K. Limited

Notes to the Financial Statements for the year ended 31 March 2023

1 General information

Coforge U.K. Limited ('the Company') is a wholly owned subsidiary of Coforge Limited, India a global IT software and services company. The Company provides services in software application development and maintenance, software testing, enterprise solutions including package implementation, infrastructure managed Services and system integration to organisations based in the UK and rest of the world.

The Company is a private company limited by shares and is incorporated in England and Wales under registration number 2648481. The address of its registered office is 280 Bishopsgate, London, United Kingdom, EC2M 4RB.

2 Statement of compliance

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102) and the Companies Act 2006 for the year ended 31 March 2023.

3 Accounting policies

Basis of preparation

The financial statements are prepared on a going concern basis under the historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently with the prior year, are set out below.

The financial statements have been prepared in British Pounds, which is the company's functional currency and rounded to the nearest pound.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. Accounting estimates have been used in the valuation of the Employee Stock Options granted under ESOP 2005 using the Black Scholes Options Pricing Model.

It also requires management to exercise judgment in applying the company's accounting policies.

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 monthly forecasts for the next 12 months and annual forecasts for the next three years until March 2026.

The Company continues to have a positive cash balance. The Company had £1.73m of cash available as at 31 March 2023.

Based on the negotiations with the main customers and review of the ongoing IT projects and our pipeline, the Company expect significant growth in the revenue in the next year ending on 31 March 2024 compared to the prior year. The forecasted growth is driven by the increased demand from the existing customers in the banking sector as well as the restart of the airline industry.

The Company's three year forward scenario, which takes into consideration the current environment, shows that we are expected to remain profitable and generate positive operating cash flows for the following three years including the going concern period up to 30 September 2024.

Coforge U.K. Limited

Notes to the Financial Statements for the year ended 31 March 2023 (continued)

During the year, Company has fully repaid the intercompany loan taken from Coforge GmbH and Coforge Airline Technologies GmbH.

The dividends will only be paid to the extent the sufficient cash and distributable reserves are available and these payments are not 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. Thus, the Company continues to adopt the going concern basis of accounting in preparing the financial statements.

Consolidated financial statements

The results of the French branch are included in the financial statements of the Company.

The Company is a wholly owned subsidiary of Coforge U.K. Limited, India and in accordance with the provisions of S401 of the Companies Act 2006, consolidated financial statements have not been prepared. The financial statements of the Company and its subsidiary undertakings are included in the consolidated financial statements published by the parent company Coforge Limited, India and are publicly available at the that company's website at <https://www.coforgetech.com/investors>. The Company has several direct subsidiaries, which have not been included in these financial statements, as they are not consolidated. The list of subsidiaries can be found at note 13.

Turnover

Turnover represents sales to customers, net of value added tax, trade discounts and unbilled accrued revenue. Turnover is derived from the company's principal activity. All turnover relates to business activities in the United Kingdom.

Recognition of turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

In respect of long-term fixed price software projects, revenue is recognised 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 recognised in full as soon as a loss is foreseen by reference to the estimated cost to completion.

For time and material contracts, revenue is recognised on the basis of billable efforts.

In respect of fixed price agreements requiring provision of professional services, revenue is recognised over the year the service is provided as per the terms of the agreements.

Deferred revenue

Fees for services received in advance are recorded as a liability within deferred revenue and these amounts are amortised to the income statement over the life of the contract which is in line with the provision of the services.

Interest income

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

Coforge U.K. Limited

Notes to the Financial Statements for the year ended 31 March 2023 (continued)

Dividends

Revenue is recognised when the Company's right to receive payment is established.

Tangible fixed assets and depreciation

The tangible fixed assets are stated at their purchase cost, together with any incidental expenses of acquisition less accumulated depreciation. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. The principal estimated lives used for this purpose are:

Computer equipment:	3 to 5 years
Office equipment:	3 to 10 years

Operating leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the full terms of the leases. Lease incentives are recognised over the lease term on a straight-line basis.

Finance leases

As a lessee

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group are capitalized in the statement of financial position and are depreciated over the shorter of the lease term and the asset's useful lives. A corresponding liability is recognized for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the statement of financial position. Lease payments are apportioned between the reduction of the lease liability and finance charges in the statement of comprehensive income so as to achieve a constant rate of interest on the remaining balance of the liability.

As a lessor

The Company, as a lessor, recognises asset which are subject to finance leases in the statement of financial position as a debtor at an amount which is equal to the net investment in the lease. The 'net investment' in the lease is the gross investment in the lease discounted at the interest rate implicit in the lease. The 'gross investment' in the lease is the total of:

- the minimum lease payments receivable by the lessor under the finance lease; and
- any unguaranteed residual value accruing to the lessor.

Finance income is recognised in the statement of comprehensive income based on a pattern that reflects a constant periodic rate of return on the lessor's net investment in the finance lease.

Sublease

When the intermediate lessor enters into the sublease, the intermediate lessor:

- derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognises the net investment in the sublease;
- recognises any difference between the right-of-use asset and the net investment in the sublease in the statement of comprehensive income; and
- retains the lease liability relating to the head lease in the statement of financial position, which represents the lease payments owed to the head lessor.

Coforge U.K. Limited

Notes to the Financial Statements for the year ended 31 March 2023 (continued)

Current and deferred taxation

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.

The Group includes a number of companies, including the parent company, which are part of a tax group for certain aspects of the tax legislation. One of these aspects relates to group relief whereby current tax liabilities can be offset by current tax losses arising in other companies within the same tax group. Payment for group relief is made equal to the tax benefit and amounts are included within the current tax disclosures.

Dividend

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.

Investments

Investments are held at cost less accumulated impairment losses. See next sections for impairment calculation.

Impairment of non-financial assets

At each reporting date, the Company determines whether there is objective evidence that the non-financial asset (tangible assets or investment) is impaired. If such evidence is present, the Company calculates the amount of impairment as the difference between the recoverable amount and its carrying value, and then recognizes the loss within the Statement of Comprehensive Income.

The recoverable amount is higher of an asset's fair value less cost of disposal or value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or a group of assets (cash-generating units). Non-financial assets that suffer an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Coforge U.K. Limited

Notes to the Financial Statements for the year ended 31 March 2023 (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.

Pensions

Pension contributions to the defined contribution Coforge U.K. Limited Group Personal Pension Scheme are charged to profit or loss in the period in which contributions are incurred. Assets of the scheme are held separately from those of the Company in an independently administered fund.

Foreign currency

The company's functional and presentational currency is GBP.

Transactions denominated in foreign currencies are translated into sterling at the exchange rate prevailing on the first working day of the month. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. Exchange gains and losses are taken to the statement of comprehensive income in the year in which they arise.

Share based payments

The parent company, Coforge Limited, India, has introduced an employee stock option plan. Certain employees of the Company are awarded options over the shares of the ultimate parent.

In accordance with FRS 102, the fair value of these options using the Black-Scholes model is recognised as an expense, with a corresponding increase in other reserves. The total amount to be expensed over the vesting period is determined by reference to the fair market value of the options granted. At each statement of financial position date, the entity revises its estimates of the number of options that are expected to vest and recognises the impact of the revision to original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

In the event that options are granted with an exercise price lower than the prevailing market price at grant date, and when Coforge Limited, India makes a recharge to the Company in respect of share options granted to the Company's employees, these inter-company charges are offset in other reserves against the relevant capital contribution.

Financial instruments

Financial assets:

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price. The same are retranslated at the rate of exchange ruling at the statement of financial position date. Exchange gains and losses are taken to the statement of comprehensive income in the year in which they arise. Any losses arising from impairment are recognized in the income statement in other operating expenses.

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Coforge U.K. Limited

Notes to the Financial Statements for the year ended 31 March 2023 (continued)

At the end of each reporting period financial assets are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the statement of comprehensive income.

Financial liabilities:

Basic financial liabilities, including trade and other payables are initially recognised at transaction price. The same are retranslated at the rate of exchange ruling at the statement of financial position date. Exchange gains and losses are taken to the statement of comprehensive income in the year in which they arise.

Trade payables 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 payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

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.

Financial Reporting Standard 102 – Reduced Disclosure Exemptions

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

- the requirements of Section 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 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.

Coforge Limited, India prepares group financial statements and copies can be obtained from 8 Balaji Estate, First Floor, Guru Ravidas Marg, Kalkaji, New Delhi – 110019, India or from that company website - <https://www.coforgetech.com/investors/financial-reports>.

Coforge U.K. Limited

Notes to the Financial Statements for the year ended 31 March 2023 (continued)

4 Turnover

The Company is in the business of providing IT software services only. The analysis of turnover by geographical segment is shown below.

	2023	2022
	£	£
Geographical area		
United Kingdom and Ireland	149,421,542	92,018,370
Rest of Europe	7,242,114	3,000,599
Rest of World	4,826,085	5,000,999
	161,489,741	100,019,968

5 Operating profit / (loss)

	2023	2022
	£	£
Operating profit / (loss) is stated after charging:		
Depreciation of tangible assets	154,927	184,782
Auditors' remuneration:		
- The audit of the Company pursuant to legislation	35,000	45,475
- Tax services	9,000	12,000
Operating lease charges:		
- Land and buildings	-	-
Allowance for doubtful debts	173,881	16,433
Foreign exchange loss, net	103,508	121,920

6 Interest and similar income

	2023	2022
	£	£
Bank interest	-	1,154
Finance income from finance lease	15,910	14,002
	15,910	15,156

7 Interest and similar charges

	2023	2022
	£	£
Bank interest	15,080	21,266
Interest charges on loans	64,078	73,560
Finance cost from finance lease	7,639	11,260
	86,797	106,086

Interest expense relates to the loans taken from affiliated entities Coforge GmbH and Coforge Airline Technologies GmbH.

Coforge U.K. Limited

Notes to the Financial Statements for the year ended 31 March 2023 (continued)

8 Directors' emoluments

Non-resident directors:

During the financial year, the company received a share of the costs of Sudhir Singh as CEO Office Management fees totalling £583,992 (2022: £317,098).

There are no retirement benefits accruing to Sudhir Singh (2022: £Nil) under the defined contribution scheme.

Resident directors:

	2023	2022
	£	£
Aggregate remuneration	1,789,818	1,271,133

Included in the aggregate remuneration disclosed above are the post-employment benefits under a defined contribution pension scheme aggregating to £266,709 (2022: £255,047) accruing to 2 directors (2022: 2).

Highest paid director:

The highest paid director's emoluments were as follows:

	2023	2022
	£	£
The amount of emoluments and amounts (excluding shares) receivable under long-term incentive schemes	866,930	620,371
Defined contribution pension scheme:		
Contributions during the year	156,334	187,415
	1,023,264	807,786

9 Employee information

The average monthly number of individuals (including executive directors) employed by the Company during the year was:

By activity	2023	2022
	Number	Number
Software Development Staff	343	272
Sales and Marketing Staff	35	33
Administration Staff	10	10
	387	315

Employment costs during the year were as follows:

	2023	2022
	£	£
Wages and salaries	33,034,085	25,410,730
Social security costs	3,582,670	2,689,038
Other pension costs	524,335	646,353
Costs associated with share-based payments (Note 21)	402,329	354,027
	37,543,419	29,100,148

Coforge U.K. Limited

Notes to the Financial Statements for the year ended 31 March 2023 (continued)

10 Tax on profit on ordinary activities

	2023 £	2022 £
Current tax:		
UK corporation tax on profits of the year	2,183,420	474,543
Total current tax charge	2,183,420	474,543
Deferred tax:		
Origination and reversal of timing differences	45,912	3,846
Total deferred tax charge	45,912	3,846
Tax on profit on ordinary activities	2,229,332	478,389

The tax assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before taxation	13,182,706	2,597,872
Profit on ordinary activities multiplied by standard rate in UK of corporation tax of 19% (2021: 19%)	2,504,714	493,596
Effects of:		
Expenses not deductible	10,069	5,215
Income not included for tax purposes	(383,340)	-
Overseas tax suffered	-	-
Other reconciling items	97,889	(20,422)
Tax charge for the year	2,229,332	478,389

The deferred tax asset of £141,661 (2022: £187,573) has been recognised and is disclosed within receivables (see Note 15).

	2023 £	2022 £
Deferred tax asset comprises:		
Accelerated capital allowances	39,931	42,410
Employee share scheme (ESOP)	84,624	122,984
Short term timing differences	2,602	12,368
Pension provision	14,504	9,811
Deferred tax asset as at 31 March	141,661	187,573

	2023 £	2022 £
Deferred tax assets at 1 April	187,573	191,419
Deferred tax charge to profit for the period	(45,912)	(3,846)
Deferred tax asset as at 31 March	141,661	187,573

Coforge U.K. Limited

Notes to the Financial Statements for the year ended 31 March 2023 (continued)

The standard rate of Corporation Tax in the UK for the reporting period is 19%. The company's profit for the reporting period is taxed at an effective rate of 16.91% (2022: 18.41%).

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. Further, in the Spring Budget 2021, the government announced that the UK corporation tax rate for the years starting April 2023 will increase to 25%. 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% from 1 January 2020 of the qualifying research and development (R&D) expenditure, see note 10 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.

11 Tangible assets

	Computer equipment £	Office equipment £	Total £
Cost			
At 1 April 2022	1,000,959	107,397	1,108,356
Additions	80,248	-	80,248
Disposals	32,872	-	32,872
At 31 March 2023	1,048,335	107,397	1,155,732
Accumulated depreciation			
At 1 April 2022	796,533	107,397	903,930
Charge for year	154,927	-	154,927
Disposals	32,872	-	32,872
At 31 March 2023	918,588	107,397	1,025,985
Net book value at 31 March 2023	129,747	-	129,747
Net book value at 31 March 2022	204,426	-	204,426

Coforge U.K. Limited

Notes to the Financial Statements for the year ended 31 March 2023 (continued)

12 Investments

	Intercompany loan/ advances 2023 (*) £	Intercompany loan/ advances 2022 £	Shares in subsidiary undertakings 2023 £	Shares in subsidiary undertakings 2022 £
Cost at opening	-	-	17,082,241	16,937,701
Addition during the period	15,000,000	-		144,540
Net book value at closing	15,000,000	-	17,082,241	17,082,241

(*) It includes £15,000,000 share application money paid to Coforge Advantage Go Limited, Subsidiary against which ordinary share were allotted to the Company in April 2023.

Subsidiary undertakings:

Company name	Registered address	Country of Incorporation	Principal activity	% Interest (direct holding)	Capital and reserves	Profit or (loss) after tax
Coforge BV	Regus WTC Zuidplein 36 1077 XV Amsterdam, Netherlands	Holland	Software services	100%	€ 170,438	€ 39,916
Coforge AdvantageGo Ltd	100 New Bridge Street, London EC4V 6JA	UK	Software services	100%	£ 9,970,811	£ (5,274,378)
Coforge S.A.	2 nd Floor, Street Mendez Alvro 9 P.C. 28045 Madrid	Spain	Software services	100%	€ 1,2338,839	€ 578,092
Coforge SRL	Strada Gara Herastrau, Nr. 2, Cladirea 1, Biroul Nr. 39, ETAJ 5	Romania	Software services	100%	RON (38,322)	RON (19,245)
Coforge AB	c/o Baker & Mckenzie Advokatbyra AB, Box 180, 101 23, Stockholm	Sweden	Software services	100%	SEK 59,174	SEK 5,603
Coforge SP. Z O.O	ul Zlota 59 00-120 Warszawa	Poland	Software services	100%	PLN 2,235,604	PLN 949,209
Coforge SpA	Miraflores 222, 28th floor, Santiago, Chile	Chile	Software services	100%	CLP 138,396,570	CLP (3,010,749)

Management believes that the recoverable amount is greater than its carrying value, hence no impairment charge needs to be recognised.

13 Reclassification of previous years

S.No.	Description	Financial statement Caption	Amount
1	Classified in previous year(s)	Retained earning	838,255
2	Reclassification of previous year in current year	Creditors - Amounts owned to group undertakings	838,255

Liability relating to shared based payments has been restated to share based liability from statement of changes in equity which was considered as equity contribution in the earlier years.

14 Contingent liabilities and financial commitments

Capital commitments relating to procurement of Plant & Machinery remaining to be executed and not provided for at the date of the financial statements is £Nil (2022: £Nil).

Coforge U.K. Limited

Notes to the Financial Statements for the year ended 31 March 2023 (continued)

15 Debtors

	2023	2022
	£	£
Amounts falling due within a year		
Trade debtors (net of provision £194,649 (2022: £20,768))	28,178,209	22,340,258
Amounts owed by group undertakings	1,046,812	1,541,647
Other receivables	72,917	11,858
Finance leases	121,828	118,750
Deferred tax asset	141,661	187,573
Prepayments and accrued income	4,248,272	2,768,702
	33,809,699	26,968,788

Amounts owed by group undertakings for the current and previous reporting period represent trade balances which are unsecured, non-interest bearing and within stipulated payment terms.

	2023	2022
	£	£
Amounts falling due after more than a year		
Deferred contract costs	4,588,182	3,069,567
Finance leases	80,922	202,431
	4,669,104	3,271,998

Deferred contract costs relate to costs incurred to fulfil contracts with customers which are amortised over the contract period.

16 Creditors - amounts falling due within one year

	2023	2022
	£	(Restated) £
Trade payables	1,585,889	1,022,966
Amounts owed to group undertakings	25,628,166	11,023,134
Loan owed to fellow subsidiaries	-	1,855,966
Corporation tax	2,190,795	478,966
Other taxation and social security	7,813,738	4,869,100
Other payables	49,793	6,014
Finance leases	122,004	118,750
Accruals	4,833,115	4,707,049
Deferred income	550,321	424,095
	42,773,821	24,506,040

Trade balances included in amounts owed to group undertakings for the current and previous year are unsecured and interest free. Accruals relate to the vendor provisions and employee bonus provisions.

17 Creditors - amounts falling due after more than one year

	2023	2022
	£	£
Finance lease	80,925	202,431
	80,925	202,431

Coforge U.K. Limited

Notes to the Financial Statements for the year ended 31 March 2023 (continued)

18 Finance leases

The future minimum finance lease payments are as follows:

	2023 £	2022 £
Not later than one year	125,820	125,820
Later than one year	81,783	207,603
Total undiscounted lease receivable/liability	207,603	333,423
Less: impact of discounting	(4,674)	(12,242)
Present value of lease receivable/liability	202,929	321,181

Analysed as:

	2023 £	2022 £
Current - amounts falling due within one year	122,004	118,750
Non-current - amounts falling due after more than one year	80,925	202,431
	202,929	321,181

There was no new lease taken during the current year. During the previous year(s), the Company had entered into a finance lease for hire of equipment for the period of 4 years with equipment return option at end of the lease term. Concurrently, the Company entered into a sub-lease agreement with a customer with the same terms (including the payment amounts) as that of head finance lease. The Company does not face a significant liquidity risk with regards to its finance lease liability as the current assets are sufficient to meet the obligations related to finance lease liability as and when they fall due.

19 Called up, allotted and fully paid-up share capital

	2023 £	2022 £
Authorised		
7,000,000 (2021: 7,000,000) ordinary shares of £1 each	7,000,000	7,000,000
Called up, allotted and fully paid		
3,276,427 (2021: 3,276,427) ordinary shares of £1 each	3,276,427	3,276,427

20 Related party transactions

The Company has taken advantage of the exemption 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. The consolidated financial statements published by the parent Company are publicly available.

Coforge U.K. Limited

Notes to the Financial Statements for the year ended 31 March 2023 (continued)

21 Share based payments

Coforge Limited, India, which is the 100% Holding Company of Coforge Limited, operates an Employee Stock Option Plan (ESOP 2005). The remuneration committee of the holding company can grant options over shares in the holding Company to employees of the group. Options are granted with a fixed exercise price. Awards under the ESOP are generally reserved for employees at senior management level and above. The movement of the options during the current financial year is as follows:

	Number	2023 Weighted average exercise price INR Rs	Number	2022 Weighted average exercise price INR Rs
Outstanding at 1 April	198,256	10	181,594	10
Granted	11,375	-	33,000	-
Lapsed	-	-	(3,405)	-
Exercised	25,641	-	(12,933)	-
Outstanding at 31 March	183,990	10	198,256	10
Exercisable at 31 March	41,943	10	31,835	-

The net charge for the year relating to employee share based payment plans was £402,029 (2022: £354,027).

22 Pensions

The Company operates a defined contribution pension scheme. The charge for the year represents contributions payable by the Company to the fund and amounted to £524,335 (2022: £646,353) paid into defined contribution pension schemes.

23 Post statement of financial position events

On 28 March 2023, the Board approved the transfer of business to Coforge UK Limited from Company DPA UK Limited and Coforge SF Limited with effect from 01 April 2023, 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 at a purchase consideration equivalent to the net book value of its assets and liabilities.

24 Ultimate parent company

The immediate and ultimate parent company and controlling party is Coforge Limited, India a Company registered in India, which is the parent of the smallest and largest group to consolidate these financial statements.

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 that company website at the following address - <https://www.coforgetech.com/investors/financial-reports>.