

Registration number: 08989957

# Cigniti Technologies (UK) Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2021

KNAV  
Statutory Auditors  
Hygeia Building  
Ground Floor  
66-68 College Road  
Harrow  
Middlesex  
HA1 1BE

## **Cigniti Technologies (UK) Limited**

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## **Cigniti Technologies (UK) Limited**

### **Company Information**

|                          |   |
|--------------------------|---|
| <b>Directors</b>         | Mr Venkata Subramanyam Chakkilam<br>Mr Srikanth Chakkilam   |
| <b>Registered office</b> | Hygeia Building<br>Rear Ground Floor<br>66-68 College Road<br>Harrow<br>Middlesex<br>HA1 1BE                          |
| <b>Auditors</b>          | KNAV<br>Statutory Auditors<br>Hygeia Building<br>Ground Floor<br>66-68 College Road<br>Harrow<br>Middlesex<br>HA1 1BE |

## **Cigniti Technologies (UK) Limited**

### **Directors' Report for the Year Ended 31 March 2021**

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

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

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

Mr Venkata Subramanyam Chakkilam

Mr Srikanth Chakkilam

#### **Principal activity**

The principal activity of the company is that of provision of software testing services

#### **Dividends**

During the year, no dividends have been paid or declared (2020: No dividends have been paid or declared).

#### **Going concern**

The COVID-19 pandemic has impacted the company's financial performance adversely. The Company's turnover has dropped to £5.2m (2020: £9.6m) and loss after tax of £400k (2020: profit of £50k).

Irrespective, at the date of approving the financial statements, due to the corrective action taken to reduce expenses and preserve cash, the pandemic has not resulted in a significant impact to the Company's access to liquidity to manage operations on an ongoing basis.

The Company meets its day-to-day working capital requirements through its ongoing commercial business contracts and if required, support from its ultimate parent, Cigniti Technologies Limited. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The Company therefore continues to adopt the going concern basis in preparing its financial statements.

#### **Reappointment of auditors**

The auditors KNAV are deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Small companies provision statement**

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 23 April 2021 and signed on its behalf by:



.....  
Mr Venkata Subramanyam Chakkilam  
Director

## **Cigniti Technologies (UK) Limited**

### **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 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;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **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.

## **Cigniti Technologies (UK) Limited**

### **Independent Auditor's Report to the Members of Cigniti Technologies (UK) Limited**

#### **Opinion**

We have audited the financial statements of Cigniti Technologies (UK) Limited (the 'company') for the year ended 31 March 2021, which comprise the Profit and Loss Account, Balance Sheet, 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 FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's 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 original financial statements were 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. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Cigniti Technologies (UK) Limited**

### **Independent Auditor's Report to the Members of Cigniti Technologies (UK) Limited**

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities [set out on page 3], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

## **Cigniti Technologies (UK) Limited**

### **Independent Auditor's Report to the Members of Cigniti Technologies (UK) Limited**

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

We are not responsible for preventing non-compliance and cannot be expected to detect noncompliance with all laws and regulations - this responsibility lies with management with the oversight of the Directors.

Based on our understanding of the Company and industry, discussions with management, we identified Companies Act 2006, Financial Reporting Standard 102 Section 1A, and UK taxation legislation as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the Company's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- enquiry of management about the Company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the Board of directors minutes;
- enquiry of management and review and inspection of relevant correspondence with any legal firms;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

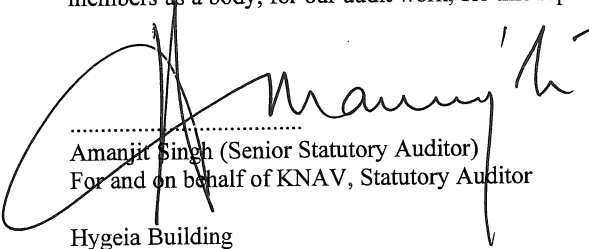


## **Cigniti Technologies (UK) Limited**

### **Independent Auditor's Report to the Members of Cigniti Technologies (UK) Limited**

#### **Use of our report**

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



.....  
Amanjit Singh (Senior Statutory Auditor)  
For and on behalf of KNAV, Statutory Auditor

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

23 April 2021

## Cigniti Technologies (UK) Limited

### Profit and Loss Account for the Year Ended 31 March 2021

|                                      | Note | 2021<br>£               | 2020<br>£            |
|--------------------------------------|------|-------------------------|----------------------|
| Turnover                             |      | 5,235,900               | 9,615,403            |
| Cost of sales                        |      | <u>(4,494,865)</u>      | <u>(7,165,623)</u>   |
| Gross profit                         |      | 741,035                 | 2,449,780            |
| Administrative expenses              |      | (1,419,897)             | (2,402,605)          |
| Other operating income               |      | <u>278,553</u>          | <u>3,783</u>         |
| Operating (loss)/profit              |      | <u>(400,309)</u>        | <u>50,958</u>        |
| (Loss)/profit before tax             | 5    | (400,309)               | 50,958               |
| Taxation                             |      | <u>2,665</u>            | <u>-</u>             |
| (Loss)/profit for the financial year |      | <u><u>(397,644)</u></u> | <u><u>50,958</u></u> |

The notes on pages 12 to 19 form an integral part of these financial statements.  
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**Cigniti Technologies (UK) Limited**

**(Registration number: 08989957)  
Balance Sheet as at 31 March 2021**

|   | Note | 2021<br>£          | 2020<br>£          |
|---|------|--------------------|--------------------|
| <b>Fixed assets</b>                                   |      |                    |                    |
| Tangible assets                                       | 6    | 5,814              | 6,177              |
| <b>Current assets</b>                                 |      |                    |                    |
| Debtors   | 7    | 1,592,047          | 3,287,543          |
| Cash at bank and in hand                              |      | <u>129,891</u>     | <u>78,101</u>      |
|   |      | 1,721,938          | 3,365,644          |
| <b>Creditors: Amounts falling due within one year</b> | 8    | <u>(1,857,868)</u> | <u>(3,101,627)</u> |
| <b>Net current (liabilities)/assets</b>               |      | <u>(135,930)</u>   | <u>264,017</u>     |
| <b>Total assets less current liabilities</b>          |      | (130,116)          | 270,194            |
| <b>Provisions for liabilities</b>                     |      | -                  | <u>(2,666)</u>     |
| <b>Net (liabilities)/assets</b>                       |      | <u>(130,116)</u>   | <u>267,528</u>     |
| <b>Capital and reserves</b>                           |      |                    |                    |
| Called up share capital                               | 9    | 855,001            | 855,001            |
| Profit and loss account                               |      | <u>(985,117)</u>   | <u>(587,473)</u>   |
| Shareholders' (deficit)/funds                         |      | <u>(130,116)</u>   | <u>267,528</u>     |

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 23 April 2021 and signed on its behalf by:



Mr Venkata Subramanyam Chakkilam  
Director

## Cigniti Technologies (UK) Limited

### Statement of Changes in Equity for the Year Ended 31 March 2021

|                            | <b>Share capital</b> | <b>Profit and loss</b> | <b>Total</b>   |
|----------------------------|----------------------|------------------------|----------------|
|                            | <b>£</b>             | <b>account</b>         | <b>£</b>       |
|                            |                      | <b>£</b>               |                |
| At 1 April 2019            | 855,001              | (638,431)              | 216,570        |
| Profit for the year        | -                    | 50,958                 | 50,958         |
| Total comprehensive income | -                    | 50,958                 | 50,958         |
| At 31 March 2020           | <u>855,001</u>       | <u>(587,473)</u>       | <u>267,528</u> |

|                            | <b>Share capital</b> | <b>Profit and loss</b> | <b>Total</b>     |
|----------------------------|----------------------|------------------------|------------------|
|                            | <b>£</b>             | <b>account</b>         | <b>£</b>         |
|                            |                      | <b>£</b>               |                  |
| At 1 April 2020            | 855,001              | (587,473)              | 267,528          |
| Loss for the year          | -                    | (397,644)              | (397,644)        |
| Total comprehensive income | -                    | (397,644)              | (397,644)        |
| At 31 March 2021           | <u>855,001</u>       | <u>(985,117)</u>       | <u>(130,116)</u> |

The notes on pages 12 to 19 form an integral part of these financial statements.

## Cigniti Technologies (UK) Limited

### Statement of Cash Flows for the Year Ended 31 March 2021

|  | Note | 2021<br>£             | 2020<br>£            |
|--|------|-----------------------|----------------------|
| <b>Cash flows from operating activities</b>          |      |                       |                      |
| (Loss)/profit for the year                           |      | (397,644)             | 50,958               |
| Adjustments to cash flows from non-cash items        |      |                       |                      |
| Depreciation and amortisation                        |      | 3,457                 | 5,833                |
| Income tax expense                                   |      | (2,665)               | -                    |
| Foreign exchange (gains) / losses                    |      | <u>2,221</u>          | <u>(5,642)</u>       |
|  |      | (394,631)             | 51,149               |
| Working capital adjustments                          |      |                       |                      |
| Decrease/(increase) in trade debtors                 | 7    | 1,693,274             | (904,126)            |
| (Decrease)/increase in trade creditors               | 8    | <u>(1,060,813)</u>    | <u>302,521</u>       |
| Net cash flow from operating activities              |      | 237,830               | (550,456)            |
| <b>Cash flows from investing activities</b>          |      |                       |                      |
| Acquisitions of tangible assets                      |      | (3,094)               | (1,770)              |
| <b>Cash flows from financing activities</b>          |      |                       |                      |
| Repayment of other borrowing                         |      | <u>(182,946)</u>      | <u>182,946</u>       |
| Net increase/(decrease) in cash and cash equivalents |      | 51,790                | (369,280)            |
| Cash and cash equivalents at 1 April                 |      | <u>78,101</u>         | <u>447,381</u>       |
| Cash and cash equivalents at 31 March                |      | <u><u>129,891</u></u> | <u><u>78,101</u></u> |

The notes on pages 12 to 19 form an integral part of these financial statements.

## **Cigniti Technologies (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

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

The principal place of business is:

Floor 3  
WeWork 30 Churchill Place  
London  
E14 5RE  
United Kingdom

These financial statements were authorised for issue by the Board on 23 April 2021.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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.

##### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to nearest pound.

##### **Summary of disclosure exemptions**

In preparing these financial statements, the company has taken advantage of the exemption from disclosing certain financial instrument disclosures, as permitted by FRS 102 paragraph 1.12 (b), on the basis that it is a qualifying entity and its ultimate parent company, Cigniti Technologies Limited, includes these in its own consolidated financial statements.

## **Cigniti Technologies (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **Going concern**

The COVID-19 pandemic has impacted the company's financial performance adversely. The Company's turnover has dropped to £5.2m (2020: £9.6m) and loss after tax of £400k (2020: profit of £50k).

Irrespective, at the date of approving the financial statements, due to the corrective action taken to reduce expenses and preserve cash, the pandemic has not resulted in a significant impact to the Company's access to liquidity to manage operations on an ongoing basis.

The Company meets its day-to-day working capital requirements through its ongoing commercial business contracts and if required, support from its ultimate parent, Cigniti Technologies Limited. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The Company therefore continues to adopt the going concern basis in preparing its 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.

Revenue from contracts is assessed on an individual basis with revenue earned being ascertained based on the stage of completion of the contract which is estimated using a combination of the milestones on the contract and the time spent to date compared to the total time expected to be required to undertake the contract. Estimates of the total time required to undertake the contracts are made on a regular basis and subject to management review. These estimates may differ from the actual results due to a variety of factors such as efficiency of working, accuracy of assessment of progress to date and client decision making.

#### **Government grants**

Government grants are accounted under the accruals model as permitted by FRS102 and are recognised in the Profit and Loss in the same period as the related expenditure. The company has chosen to show the government grants received as other operating income.

#### **Foreign currency transactions and balances**

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

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

#### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

## Cigniti Technologies (UK) Limited

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

| Asset class        | Depreciation method and rate |
|--------------------|------------------------------|
| Computer equipment | 33% Straight line            |

#### 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 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.



## **Cigniti Technologies (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### **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.

#### **Invoice discounting**

Amounts due in respect of invoice discounting are separately disclosed as current liabilities. The company can use these facilities to draw down a percentage of the value of certain sales invoices. The management and collection of trade receivables remains with the company.

#### **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.

## Cigniti Technologies (UK) Limited

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### Financial instruments

##### *Classification*

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans from related parties.

##### *Recognition and measurement*

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other debtors and creditors, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

Debt instruments that are payable or receivable within one year, typically trade creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms of financed at a rate of interest that is not a market rate or in case of an out-right short term loan not at a market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

##### *Impairment*

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured as amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discounted rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

#### 3 Staff numbers

The average monthly number of persons employed by the company (including directors) during the year, was 49 (2020: 78).

#### 4 Auditors' remuneration

|                                   | 2021         | 2020         |
|-----------------------------------|--------------|--------------|
|                                   | £            | £            |
| Audit of the financial statements | <u>8,000</u> | <u>8,000</u> |

## Cigniti Technologies (UK) Limited

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 5 Loss/profit before tax

Arrived at after charging/(crediting)

|                            | 2021             | 2020     |
|----------------------------|------------------|----------|
|                            | £                | £        |
| Depreciation expense       | 3,457            | 5,833    |
| Exchange (gains)/losses    | 2,817            | 33,396   |
| Government grants received | <u>(277,399)</u> | <u>-</u> |

#### 6 Tangible assets

|                          | Computer<br>equipment | Total         |
|--------------------------|-----------------------|---------------|
|                          | £                     | £             |
| <b>Cost or valuation</b> |                       |               |
| At 1 April 2020          | 47,915                | 47,915        |
| Additions                | <u>3,094</u>          | <u>3,094</u>  |
| At 31 March 2021         | <u>51,009</u>         | <u>51,009</u> |
| <b>Depreciation</b>      |                       |               |
| At 1 April 2020          | 41,738                | 41,738        |
| Charge for the year      | <u>3,457</u>          | <u>3,457</u>  |
| At 31 March 2021         | <u>45,195</u>         | <u>45,195</u> |
| <b>Carrying amount</b>   |                       |               |
| At 31 March 2021         | <u>5,814</u>          | <u>5,814</u>  |
| At 31 March 2020         | <u>6,177</u>          | <u>6,177</u>  |

#### 7 Debtors

|                                    |      | 2021             | 2020             |
|------------------------------------|------|------------------|------------------|
|                                    | Note | £                | £                |
| Trade debtors                      |      | 1,079,826        | 2,046,843        |
| Amounts owed by group undertakings | 10   | 356,886          | 791,722          |
| Other debtors                      |      | 142,087          | 6,125            |
| Accrued income                     |      | 7,611            | 421,295          |
| Prepayments                        |      | <u>5,637</u>     | <u>21,558</u>    |
|                                    |      | <u>1,592,047</u> | <u>3,287,543</u> |

The Company has an invoice financing agreement with Barclays Bank PLC; at 31 March 2021, the amount held by Barclays Bank PLC as an undrawn facility was £125,461 (2020: £Nil). Refer to note 8 for further details.

## Cigniti Technologies (UK) Limited

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 8 Creditors

##### Creditors: amounts falling due within one year

|                                    | Note | 2021<br>£ | 2020<br>£ |
|------------------------------------|------|-----------|-----------|
| <b>Due within one year</b>         |      |           |           |
| Other borrowings                   |      | -         | 182,946   |
| Trade creditors                    |      | 96,981    | 186,750   |
| Amounts owed to group undertakings | 10   | 886,005   | 2,118,787 |
| Taxation and social security       |      | 643,134   | 452,300   |
| Other creditors                    |      | 43,002    | 80,361    |
| Accrued expenses                   |      | 188,746   | 80,483    |
|                                    |      | 1,857,868 | 3,101,627 |

Other borrowings represent the invoice facility with Barclays Bank PLC. Any amounts owed to Barclays Bank PLC in respect of this are secured by a fixed and floating charge over the company's assets. The amount held by Barclays Bank PLC as undrawn facility was £125,461 (2020: £Nil). This amount has been disclosed under other debtors (see note 7).

#### 9 Share capital

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

|                            | 2021    |         | 2020    |         |
|----------------------------|---------|---------|---------|---------|
|                            | No.     | £       | No.     | £       |
| Ordinary shares of £1 each | 855,001 | 855,001 | 855,001 | 855,001 |

The entire issued and outstanding shares held by Cigniti Technologies Limited, the parent Company.

#### 10 Related party transactions

##### Summary of transactions with other related parties

The company has taken advantage of the exemptions available in FRS 102 1A from disclosing related party transactions with other companies that are wholly owned within the group.

## **Cigniti Technologies (UK) Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **11 Parent and ultimate parent undertaking**

The company's immediate parent is Cigniti Technologies Limited, incorporated in India.

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

Company Secretary  
Suite No. 106 & 107  
6-3-456/C, MGR Estates  
Dwarkapuri Colony  
Panjagutta  
Hydrabad 500 082  
India

There is no one controlling party.

## Cigniti Technologies (UK) Limited

### Detailed Profit and Loss Account for the Year Ended 31 March 2021

|  | 2021<br>£               | 2020<br>£            |
|--|-------------------------|----------------------|
| Turnover (analysed below)                        | 5,235,900               | 9,615,403            |
| Cost of sales (analysed below)                   | <u>(4,494,865)</u>      | <u>(7,165,623)</u>   |
| Gross profit                                     | <u>741,035</u>          | <u>2,449,780</u>     |
| Gross profit (%)                                 | 14.15%                  | 25.48%               |
| <b>Administrative expenses</b>                   |                         |                      |
| Employment costs (analysed below)                | (604,058)               | (783,621)            |
| Establishment costs (analysed below)             | (57,512)                | (81,303)             |
| General administrative expenses (analysed below) | (732,790)               | (1,502,300)          |
| Finance charges (analysed below)                 | (22,080)                | (29,548)             |
| Depreciation costs (analysed below)              | <u>(3,457)</u>          | <u>(5,833)</u>       |
|  | (1,419,897)             | (2,402,605)          |
| Other operating income (analysed below)          | <u>278,553</u>          | <u>3,783</u>         |
| Operating (loss)/profit                          | <u>(400,309)</u>        | <u>50,958</u>        |
| (Loss)/profit before tax                         | <u><u>(400,309)</u></u> | <u><u>50,958</u></u> |

## Cigniti Technologies (UK) Limited

### Detailed Profit and Loss Account for the Year Ended 31 March 2021

|   | 2021<br>£          | 2020<br>£          |
|---|--------------------|--------------------|
| <b>Turnover</b>   |                    |                    |
| Rendering of services, UK   | 5,235,900          | 9,615,403          |
| <b>Cost of sales</b>  |                    |                    |
| Software & Licenses   | (182,660)          | (191,838)          |
| Direct costs  | (1,964,872)        | (3,153,719)        |
| Wages and salaries (excluding directors)                            | (2,116,192)        | (3,493,841)        |
| Staff NIC (Employers)   | <u>(231,141)</u>   | <u>(326,225)</u>   |
|   | <u>(4,494,865)</u> | <u>(7,165,623)</u> |
| <b>Employment costs</b>   |                    |                    |
| Wages and salaries  | (289,124)          | (307,069)          |
| Staff NIC (Employers)   | (52,369)           | (68,394)           |
| Staff pensions (Defined contribution)                               | (159,932)          | (104,280)          |
| Sales commissions   | (101,734)          | (295,828)          |
| Staff welfare   | <u>(899)</u>       | <u>(8,050)</u>     |
|   | <u>(604,058)</u>   | <u>(783,621)</u>   |
| <b>Establishment costs</b>  |                    |                    |
| Rent  | (29,399)           | (42,814)           |
| Light, heat and power   | -                  | (8)                |
| Insurance   | (27,939)           | (38,456)           |
| Repairs and maintenance   | <u>(174)</u>       | <u>(25)</u>        |
|   | <u>(57,512)</u>    | <u>(81,303)</u>    |
| <b>General administrative expenses</b>                              |                    |                    |
| Telephone and fax   | (2,216)            | (2,210)            |
| Printing, postage and stationery                                    | (348)              | (811)              |
| Trade subscriptions   | (10,395)           | (2,298)            |
| Charitable donations  | -                  | (2,605)            |
| Sundry expenses   | (360)              | (567)              |
| Travel and subsistence  | (46,635)           | (194,415)          |
| Advertising   | (26,736)           | (46,773)           |
| Customer entertaining (disallowable for tax)                        | (1,601)            | (13,058)           |
| Accountancy fees  | (2,000)            | (2,100)            |
| Auditor's remuneration - The audit of the company's annual accounts | (8,000)            | (8,000)            |
| Auditor's remuneration - Other services pursuant to legislation     | (9,275)            | (8,500)            |
| Service charges   | (567,966)          | (1,050,548)        |
| Legal and professional fees   | (32,649)           | (131,214)          |

This page does not form part of the statutory financial statements.

## Cigniti Technologies (UK) Limited

### Detailed Profit and Loss Account for the Year Ended 31 March 2021

|   | 2021<br>£               | 2020<br>£            |
|---|-------------------------|----------------------|
| Bad debts written off                               | (21,792)                | (5,805)              |
| Foreign currency (gains)/losses - operating expense | <u>(2,817)</u>          | <u>(33,396)</u>      |
|   | <u>(732,790)</u>        | <u>(1,502,300)</u>   |
| <b>Finance charges</b>                              |                         |                      |
| Bank charges  | (22,080)                | (29,548)             |
| <b>Depreciation costs</b>                           |                         |                      |
| Depreciation of office equipment (owned)            | (3,457)                 | (5,833)              |
| <b>Other operating income</b>                       |                         |                      |
| Government grants received                          | 277,399                 | -                    |
| Other operating income                              | <u>1,154</u>            | <u>3,783</u>         |
|   | <u>278,553</u>          | <u>3,783</u>         |
| Operating (loss)/profit                             | <u>(400,309)</u>        | <u>50,958</u>        |
| (Loss)/profit before tax                            | <u><u>(400,309)</u></u> | <u><u>50,958</u></u> |