

**Mastek (UK) Limited**  
**Annual Report for the year ended 31 March 2024**

**Registered Number 02731277**

**Mastek (UK) Limited****Statement of comprehensive income for the year ended 31 March 2024**

	Notes	Year ended 31 March 2024	Year ended 31 March 2023
		£	£
<b>Turnover</b>	2	13,28,68,728	12,41,89,546
Cost of sales		(6,91,21,525)	(8,98,08,407)
<b>Gross Profit</b>		6,37,47,203	3,43,81,140
Administration expense		(3,70,79,642)	(1,01,86,086)
<b>Operating profit</b>	4	2,66,67,561	2,41,95,054
Interest received and similar income	6	75,447	21,07,020
<b>Profit on ordinary activities before taxation</b>		2,67,43,009	2,63,02,074
Tax on profit on ordinary activities	7	(47,82,697)	(50,12,428)
<b>Profit for the financial year</b>		2,19,60,312	2,12,89,646
<b>Other comprehensive income for the year</b>		-	-
<b>Items that may be reclassified subsequently to the statement of comprehensive income</b>		-	-
Investment in equity instrument - Net change in fair value of financial instruments through OCI		-	-
Total other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		2,19,60,312	2,12,89,646

The financial statements were approved by the Board of Directors on \_\_\_\_\_ and were signed on its behalf by:

A Singh - Director

Registered number: 02731277

The notes 1 to 26 form part of these financial statements.

**Mastek (UK) Limited**  
**Balance sheet as at 31 March 2024**

	Notes	As at 31 March 2024 £	As at 31 March 2023 £
<b>Non current assets</b>			
Fixed assets-			
Tangible assets	8(a)	11,08,838	11,33,696
Intangible assets	8(b)	85,393	6,395
Capital work in progress		(0)	2,00,850
Investments	9	11,19,72,482	11,19,72,482
Prepaid expenses		-	524
		<b>11,31,66,713</b>	<b>11,33,13,949</b>
<b>Current assets</b>			
Debtors	10	3,58,78,127	2,90,64,609
Loan to related parties		9,51,286	6,28,335
Cash at bank and in hand	18	93,30,392	66,21,973
Other Current assets	11	47,03,762	-
		<b>5,08,63,568</b>	<b>3,63,14,917</b>
Creditors-Amounts falling due within one year	12(b)	(2,75,73,861)	(2,99,81,293)
Lease liability - current	14	(2,00,548)	(9,55,525)
<b>Net current assets</b>		<b>2,30,89,160</b>	<b>53,78,100</b>
<b>Total assets less current liabilities</b>		<b>13,62,55,872</b>	<b>11,86,92,048</b>
Borrowings	12(a)	(50,00,000)	(50,00,000)
Lease liability - non current	14	(5,53,336)	-
<b>Net assets</b>		<b>13,07,02,537</b>	<b>11,36,92,048</b>
<b>Capital and reserves</b>			
Called up share capital	15	2,00,000	2,00,000
Capital contribution		6,95,959	6,95,959
Retained earning		12,94,89,794	11,29,29,483
Reserve on IBCL Merger		(2,69,685)	(2,69,685)
Excess tax benefit on share based payments		5,86,469	1,36,291
<b>Total Equity</b>		<b>13,07,02,537</b>	<b>11,36,92,048</b>

The financial statements were approved by the Board of Directors on \_\_\_\_\_ and were signed on its behalf by:

A Singh - Director

Registered number: 02731277

The notes 1 to 26 form part of these financial statements.

Mastek (UK) Limited

Statement of Changes in Equity for the year ended 31 March 2024

	Called up share capital	Capital contribution	Excess tax benefits on share based payments	Reserve on IBCL merger	Retained earning	Total
<b>Balance as at 31 March 2022</b>	<b>2,00,000</b>	<b>6,95,959</b>	<b>14,36,599</b>	<b>(2,69,685)</b>	<b>9,76,39,837</b>	<b>9,97,02,710</b>
Profit for the financial year	-	-	-	-	2,12,89,646	2,12,89,646
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,12,89,646</b>	<b>2,12,89,646</b>
Excess tax benefits on share based options	-	-	(13,00,308)	-	-	(13,00,308)
<b>Transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>(13,00,308)</b>	<b>-</b>	<b>2,12,89,646</b>	<b>1,99,89,338</b>
Dividends	-	-	-	-	(60,00,000)	(60,00,000)
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>(13,00,308)</b>	<b>-</b>	<b>1,52,89,646</b>	<b>1,39,89,338</b>
<b>Balance as at 31 March 2023</b>	<b>2,00,000</b>	<b>6,95,959</b>	<b>1,36,291</b>	<b>(2,69,685)</b>	<b>11,29,29,482</b>	<b>11,36,92,048</b>
Profit for the financial year	-	-	-	-	2,19,60,312	2,19,60,312
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,19,60,312</b>	<b>2,19,60,312</b>
Excess tax benefits on share based options	-	-	4,50,178	-	-	4,50,178
<b>Transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>4,50,178</b>	<b>-</b>	<b>2,19,60,312</b>	<b>2,24,10,490</b>
Dividends	-	-	-	-	(54,00,000)	(54,00,000)
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>4,50,178</b>	<b>-</b>	<b>1,65,60,312</b>	<b>1,70,10,490</b>
<b>Balance as at 31 March 2024</b>	<b>2,00,000</b>	<b>6,95,959</b>	<b>5,86,469</b>	<b>(2,69,685)</b>	<b>12,94,89,794</b>	<b>13,07,02,537</b>

Cash flow statement for the year ended 31 March 2024

	Notes	Year ended 31 March 2024 £	Year ended 31 March 2023 £
Net cash generated from operating activities	16	1,58,12,984	1,95,56,342
Taxation paid		(62,13,254)	(38,27,220)
Cash flow from financing activities	17	(62,69,337)	(1,36,47,037)
Cash flow from investing activities	17	(5,27,236)	(4,12,60,191)
Increase in cash in the year		28,03,156	(3,91,78,106)
Cash and cash equivalents at the beginning of the year	18	66,21,973	4,37,63,996
Exchange gain/(loss) on cash and cash equivalent		(94,737)	20,55,754
<b>Cash and cash equivalents at the end of the year</b>		<b>93,30,392</b>	<b>66,41,643</b>

The notes 1 to 26 form part of these financial statements.

## **Mastek (UK) Limited**

### **Notes to the financial statements for the year ended 31 March 2024**

#### **1. Accounting Policies**

Mastek (UK) Limited is a private limited company and is incorporated and domiciled in the UK. The address of its registered office is Pennant House, 2 Napier Court, Napier Road, Reading, RG1 8BW.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (“FRS 101”).

The Company’s ultimate parent undertaking, Mastek Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Mastek Limited are publicly available from its registered office, 804/805 President House, C.N. Vidyalaya, Near Ambawadi Circle, Ahmedabad – 380 006. Therefore the company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- IFRS 7, ‘Financial Instruments: Disclosures’;
- Comparative information requirements in respect of tangible assets and investments;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel;
- The requirements to disclose related party transactions entered into between two or more members of a Company, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- Capital management disclosure
- Certain share based payment disclosure
- Disclosures in relation to impairment of assets

Foreign currency transactions of the Company are accounted for at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities are translated at the rate prevailing on the Balance Sheet date whereas non-monetary assets and liabilities are translated at the rate prevailing on the date of the transaction. Gains and losses resulting from the settlement of foreign currency monetary items and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 22.

#### **Accounting convention**

These financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. All amounts included in the financial statements are reported in Great Britain Pound (GBP) except shares and unless otherwise stated.

#### **Going concern**

The company meets its day-to-day working capital requirements through its cash reserves and borrowings. The current economic conditions continue to create uncertainty particularly over the level of demand for the company’s products. The company's management have considered the impact of current economic condition and have reviewed the forecasts and projections of the company for future years after taking into consideration the reasonably possible changes in business performance, show that the future business has no impact and the company should be able to operate within the level of its current cash reserves and borrowings. 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.

#### **Turnover**

The Company derives revenue primarily from Information Technology services which includes IT Outsourcing services, support and maintenance services. The Company recognizes revenue on transfer of control of deliverables (solutions and services) to its customers in an amount reflecting the consideration to which the Company expects to be entitled. To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

The company accounts for a contract when it has approval and commitment from all parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

## Mastek (UK) Limited

### Notes to the financial statements for the year ended 31 March 2024

Fixed Price contracts related to Application development, consulting and other services are single performance obligation or a stand-ready performance obligation, which in either case is comprised of a series of distinct services that are substantially the same and have the same pattern of transfer to the customer (i.e. distinct days or months of service). Revenue is recognized in accordance with the method prescribed for measuring progress i.e. percentage of completion method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. Revenues relating to time and material contracts are recognized as the related services are rendered.

#### Multiple element arrangements-

In contracts with multiple performance obligations, the company accounts for individual performance obligations separately if they are distinct, and allocate the transaction price to each performance obligation based on its relative standalone selling price out of total consideration of the contract. Standalone selling price is determined utilizing observable prices to the extent available. If the standalone selling price for a performance obligation is not directly observable, the company uses expected cost plus margin approach.

#### IT support and maintenance-

Contracts related to maintenance and support services are either fixed price or time and material. In these contracts, the performance obligations are satisfied, and revenues are recognized, over time as the services are provided. Revenue from maintenance contracts is recognized rateably over the period of the contract because the company transfers the control evenly by providing stand-ready services.

The term of the maintenance contract is usually one year. Renewals of maintenance contracts create new performance obligations that are satisfied over the term with the revenues recognized rateably over the term.

Contracts may include incentives, service level penalties and rewards. The company includes an estimate of the amount it expects to receive for the total transaction price if it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Any modification or change in existing performance obligations is assessed whether the services added to existing contracts are distinct or not. The distinct services are accounted for as a new contract and services which are not distinct are accounted for on a cumulative catch-up basis.

Unbilled revenue represent revenue recognised on services rendered as per contractual terms, for which amounts are billed in subsequent periods.

#### Trade Receivables

Trade Receivables, net is primarily comprised of billed and unbilled receivables (i.e. only the passage of time is required before payment is due) for which we have an unconditional right to consideration, net of an allowance for doubtful accounts. A contract asset is a right to consideration that is conditional upon factors other than the passage of time.

The company has evaluated the impact of COVID-19 resulting from (i) the possibility of constraints to render services which may require revision of estimated costs to complete the contract because of additional efforts; (ii) onerous obligations; (iii) penalties relating to breaches of service-level agreements, and (iv) termination or deferment of contracts by customers. The company has concluded that the impact of COVID-19 is not material based on these estimates. Due to the nature of the pandemic, the company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

#### Disaggregated Revenue

The table below presents disaggregated revenues from contracts with customers by service line for each of our business segments. The Company believe this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

	2024	2023
	£	£
Digital & Application Engineering	12,21,02,311	11,25,15,870
Oracle Cloud & Enterprise Applications	48,402	6,98,598
Digital Commerce & Experience	46,06,613	35,89,370
Data, Automation and AI	36,62,857	73,84,939
<b>Grand total</b>	<b>13,04,20,184</b>	<b>12,41,88,776</b>

**Note:** Total turnover includes other income of £ 0 for the year ended March 31, 2024 (March 31, 2023: £ 770)

## Mastek (UK) Limited

### Notes to the financial statements for the year ended 31 March 2024

#### Remaining performance obligation

As of 31 March 2024, the aggregate amount of transaction price allocated to remaining performance obligations, was £ 13,114,906, which is expected to be recognized as revenues within 3 years.

#### Other Income

Other income comprises interest income, research and development credits, gains / (losses) on foreign exchange.

#### Tangible fixed assets

Tangible fixed assets are stated at historical purchase cost less accumulated depreciation. Depreciation is provided at the following annual rates in order to write off the cost of each asset less the estimated residual value, over its estimated useful life.

Fixtures and fittings	20% on straight-line basis
Computer equipment	50% - 100% on straight-line basis

#### Long term contracts

Debtors include amounts recoverable on contracts, which are stated at cost plus attributable profit to the extent that such profit is reasonably certain and after making provision for any foreseeable losses in completing contracts (as noted in the turnover accounting policy above), less payments received on account.

Cost comprises the direct costs of providing the goods and services, together with directly attributable overheads. Payments on account represent the excess of amounts billed over that recognised.

#### Deferred and Current Tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

The current income tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### Share Based Payment

The parent company (Mastek Limited) runs a stock option scheme under which it grants options to the employees of the subsidiary company (Mastek UK Limited). Stock options are vested over the period of time as stated in the terms of the option. Once vested, employees are entitled to receive shares of the parents at the time of exercise of options. The scheme is identified as Equity settled and the parent determines the compensation cost based on the fair value method which is cross charged to Mastek (UK) Limited. The company records the fair value as a cost to profit & loss with a corresponding adjustment to capital contribution. However, since the parent recharge the fair value to the company, the corresponding amount is reduced from the capital contribution resulting in a net nil impact to capital contribution.

#### Leases

The company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported same as before.

#### As a lessee

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### i. Right of Use assets

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies note for impairment of non-financial assets.

## **Mastek (UK) Limited**

### **Notes to the financial statements for the year ended 31 March 2024**

#### **ii. Lease liabilities**

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The company's lease liabilities are included in Interest-bearing loans and borrowings.

#### **iii) Short-term leases and leases of low-value assets**

The company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of laptops, lease-lines and office furniture and equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### **Creditors**

Creditors are measured at transaction price which is usually the invoice price.

#### **Provisions**

Provisions are recognised when the company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation.

#### **Holiday pay**

The employees of the company are also entitled to other long-term benefit in the form of compensated absences as per the policy of the Company. Employees are entitled to accumulate leave balance up to the upper limit as per the Company's policies which can be carried forward perpetually. Leave encashment for employees gets triggered on an annual basis, if the accumulated leave balance exceeds the upper limit of leave. Further, at the time of retirement, death while in employment or on termination of employment, leave encashment vests equivalent to the salary payable for number of days of accumulated leave balance. Liability for such benefits is provided on the basis of actuarial valuations, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method.

#### **Research & Development credit**

The Research and Development (R&D) expenditure credit is a government-sponsored incentive that rewards companies for conducting R&D in the United Kingdom. It is not recognised until there is reasonable assurance that the entity will comply with the conditions attaching to it, and that the grant will be received. This credit claimed by the Company are in relation to Income i.e refund against expenditure and hence United Kingdom accounting standard prescribes below options of presentation:

Grants related to income should be presented either as:

- a credit in the income statement, either separately or under a general heading such as 'other income'; or
- a deduction in reporting the related expense (net-off approach)

#### **Pensions**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged to the statement of comprehensive income.

#### **Non-derivative financial instruments**

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.



## **Mastek (UK) Limited**

### **Notes to the financial statements for the year ended 31 March 2024**

#### **Trade and other debtors**

The company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

#### **Derivative financial instruments**

The company does not use any derivative financial instruments and hence its financial assets and financial liabilities are accounted for at cost as described above. The company's principal assets are trade debtors. The company monitors credit risk closely by setting payment milestones agreed in the contract and invoicing regularly to receive payments. Historically, the credit risk of the company has remained low.

#### **Consolidated financial statements**

The accounts contain information about the company as an individual company and do not contain consolidated financial information as parent of a Company. The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated accounts as it and its subsidiary undertakings are included by full consolidation in the consolidated accounts of Mastek Limited, a company registered in India. The accounts of Mastek Limited are publicly available.

#### **Investments**

The investments are recognized at fair value on initial recognition and subsequently they are measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the Company has made an irrevocable election based on its business model, for its investment, which are classified as equity instruments, the subsequent changes in fair value are recognised in OCI.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits and current account with banks.

#### **Impairment**

##### **Non Financial Instrument**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Comprehensive Income is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of Comprehensive Income if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

#### **Capital Management**

The Company policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The company monitors the return on capital as well as the level of dividends on its equity shares. The company objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

#### **Reserves**

Share premium: Amount received (on issue of shares) in excess of the par value has been classified as share premium.

Retained earnings: Retained earnings is the amount of net income left over for the business after it has paid out dividends to its shareholders.

Reserve on IBCL merger - This represents the reserve created at the time of IBCL merger.

Other comprehensive income: Net change in fair value of financial instruments through OCI.

Excess tax benefits from share-based options: Future tax benefits expected to arise from difference in tax base and accounting base as per tax laws of the respective countries where the company operates.

**Mastek (UK) Limited**

**Notes to the financial statements for the year ended 31 March 2024**

Capital contribution: Represents the credit for research & development received in the fiscal year 2015 & 2016, post that there is no movement in this reserve.

Mastek (UK) Limited  
Notes to the Financial Statements for the year ended 31 March 2024

2. Analysis of turnover

	Year ended 31 March 2024	Year ended 31 March 2023
	£	£
Rendering of services	13,28,68,728	12,41,89,546
By geographical market:		
UK	13,13,21,073	12,30,32,722
US	15,47,654	11,56,825
	<u>13,28,68,728</u>	<u>12,41,89,546</u>

3. Staff costs

	Year ended 31 March 2024	Year ended 31 March 2023
	£	£
Wages and salaries	3,24,94,622	3,05,03,933
Social security costs	41,89,880	31,93,638
Other pension costs	9,32,833	8,18,408
	<u>3,76,17,335</u>	<u>3,45,15,980</u>

The average monthly number of employees during the year was as follows:

	2024 Number	2023 Number
Administrative and consultants	509	509
Directors	5	3
	<u>514</u>	<u>512</u>

4. Operating Profit

	Year ended 31 March 2024	Year ended 31 March 2023
	£	£
The operating profit is stated after charging:		
Other operating leases	2,46,558	2,97,485
Depreciation	4,39,196	4,33,728
Amortisation	81,983	49,970
Services provided by the Company's auditor	-	-
- fees payable for the audit	54,330	49,390
- fees payable for other non audit service	-	-

5. Director's emoluments

	Year ended 31 March 2024	Year ended 31 March 2023
	£	£
Aggregate emoluments	4,52,870	3,17,559
Pension contributions to money purchase scheme	12,198	9,833
	<u>4,65,069</u>	<u>3,27,392</u>

The number of directors to whom retirement benefits were accruing was as follows:

	Number	Number
Money purchase schemes	1	1

Within the year, one of directors has exercised 6,236 share option of shares(2023 - 9,750).

Information regarding the highest paid director is as follows:

	£	£
Aggregate emoluments	4,02,870	2,75,892
Pension contributions to money purchase schemes	12,198	9,833
	<u>4,15,069</u>	<u>2,85,725</u>

During current period the highest paid director exercised 9,750 share options (previous years -Nil).

6. Interest receivable and similar income

	Year ended 31 March 2024	Year ended 31 March 2023
	£	£
Bank interest	1,70,184	51,266
Exchange gain/(loss)	(94,737)	20,58,754
	<u>75,447</u>	<u>21,07,020</u>

7. Taxation

a) Analysis of tax charge in the year

	Year ended 31 March 2024	Year ended 31 March 2023
	£	£
<b>Current tax:</b>		
UK corporation tax on profit for the year	43,26,443	50,32,098
	<u>43,26,443</u>	<u>50,32,098</u>

**Mastek (UK) Limited**  
**Notes to the Financial Statements for the year ended 31 March 2024**

**Deferred tax**

Origination and reversal of timing differences	4,56,254	(19,670)
Share based payments	-	-
Tax on profit on ordinary activities	<u>47,82,697</u>	<u>50,12,428</u>

**b) Factors affecting the tax charge for the year**

The tax assessed for the year is different to the standard rate of UK Corporation tax of 25% (2023: 19%) and the differences are explained below:

	Year ended 31 March 2024	Year ended 31 March 2023
		£
Profit on ordinary activities before tax	2,67,43,009	2,63,02,074
Tax charge on profit at 25% (2023: 19%)	66,85,752	49,97,394
Effects of:		
Expenses not deductible for tax purposes	(4,23,205)	22,742
Capital allowances for period in excess of depreciation	-	(10,788)
Others	-	3,080
Adjustments to tax charge in respect of share options outstanding	(1,23,900)	
Adjustment in respect of prior year	(13,55,949)	
Total current tax charge for the year	<u>47,82,698</u>	<u>50,12,428</u>

**c) Factors that may affect future charges:**

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 on 26 October 2015 and Finance Bill 2017 on 7 September 2017. These include reductions to the main rate to reduce the rate to 19% from 1 April 2018. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

**8(a). Tangible fixed assets**

2023-24	Right to use Assets £	Fixtures and fitting £	Computer equipment £	Total £
<b>Cost</b>				
At 1 April 2023	16,23,765	4,24,638	9,42,409	29,90,812
Additions	-	2,94,241	5,96,077	8,90,318
Disposals	-	(2,683)	(4,82,585)	(4,85,267)
<b>At 31 March 2024</b>	<b>16,23,765</b>	<b>7,16,197</b>	<b>10,55,901</b>	<b>33,95,863</b>
<b>Depreciation</b>				
At 1 April 2023	7,43,278	3,56,286	7,57,551	18,57,116
Charge for the year	2,45,310	84,338	1,00,262	4,29,910
Disposals	-	-	-	-
<b>At 31 March 2024</b>	<b>9,88,588</b>	<b>4,40,625</b>	<b>8,57,813</b>	<b>22,87,026</b>
<b>Net book value</b>				
At 31 March 2024	6,35,177	2,75,572	1,98,088	11,08,838
At 31 March 2023	8,80,487	68,352	1,84,858	11,33,697

**8(b). Intangible fixed assets**

2022-2023	Design and Software £	Total £
<b>Cost</b>		
At 1 April 2023	2,08,839	2,08,839
Additions	1,60,980	1,60,980
Deletions	-	-
<b>At 31 March 2024</b>	<b>3,69,819</b>	<b>3,69,819</b>
<b>Depreciation</b>		
At 1 April 2023	2,02,444	2,02,444
Charge for the year	81,983	81,983
Reversal	-	-
<b>At 31 March 2024</b>	<b>2,84,426</b>	<b>2,84,426</b>
<b>Net book value</b>		
At 31 March 2024	85,393	85,393
At 31 March 2023	6,395	6,395

**Mastek (UK) Limited**  
**Notes to the Financial Statements for the year ended 31 March 2024**

**9. Investments**

Cost:	<b>Non-current (£)</b>
At 1 April 2023	11,19,72,482
Additions	-
At 31 March 2024	<u>11,19,72,482</u>

		<u>At 31 March 2024</u>	
<b>Directly held investments</b>	Country of incorporation	Holding %	NBV £
Mastek Inc. (formally known as Digility Inc.)	USA	100%	5,74,19,603
Mastek Arabia FZ LLC	UAE	100%	5,45,32,092
IndigoBlue Consulting Limited	UK	100%	20,788

		<u>At 31 March 2024</u>	
<b>Indirectly held investments</b>	Country of incorporation	Holding %	NBV £
Trans American Information Systems Inc.**	USA	100%	

**10. Debtors: amounts falling due within one year**

	As at 31 March 2024	As at 31 March 2023
	£	£
Trade debtors	1,70,15,348	1,15,97,711
Advance to suppliers	2,52,492	8,87,453
Prepayments	1,72,029	1,75,210
Employee advances	68,662	15,284
Deferred Taxation (refer note 13)	5,12,306	5,18,382
Contract Assets	1,28,94,266	1,39,92,963
Amount due from group undertaking	49,63,025	18,77,606
	<u>3,58,78,127</u>	<u>2,90,64,609</u>

**11. Other current assets**

	As at 31 March 2024	As at 31 March 2023
	£	£
Investment in FD	47,03,762	-
	<u>47,03,762</u>	<u>-</u>

**12(a). Borrowings**

	As at 31 March 2024	As at 31 March 2023
	£	£
Term loan from Citi bank (refer note below)	50,00,000	50,00,000
	<u>50,00,000</u>	<u>50,00,000</u>

**Citi Bank**

**Nature of security**

- (i) First pari passu charges on present and future receivables of Mastek Limited.
- (ii) Secured by mortgage of Tamil Nadu (India) property of Mastek Limited (Holding Company).
- (iii) Secured by minimum collateral value of INR 1000 MM excluding the charge on receivable mentioned above.
- (iv) First pari passu charges on present and future receivables of Mastek UK.

**Mastek (UK) Limited**  
**Notes to the Financial Statements for the year ended 31 March 2024**

**Terms of repayment**

Half yearly repayment with 1 year moratorium-first drawdown at the beginning of 19 months was due on 10th Oct, 2021 along with interest as mentioned Loan wise below:

Loan 1 - £ 20 Million along with the interest at 1 month SONIA + 190 basis points  
 Loan 2 - £ 6.5 Million along with the interest at 1 month SONIA + 190 basis points  
 Loan 3 - £ 1.5 Million along with the interest at 1 month SONIA + 190 basis points

**12(b). Creditors: amounts falling due within one year**

	As at 31 March 2024	As at 31 March 2023
	£	£
Trade creditors	8,29,778	83,619
Capital creditors	-	23,648
Amounts due to group undertakings	40,24,987	28,90,866
Social security and other taxes	49,00,921	43,32,499
Corporation taxation	22,87,578	41,62,238
Term loan from Standard chartered bank	-	18,75,000
Term loan from Citi bank	-	50,00,000
Inter-company loan	52,50,395	20,94,942
Interest accrued on term loan	13,277	68,809
Accruals and contract liabilities	97,25,055	88,71,794
Unearned revenue	5,41,869	5,77,879
	<u>2,75,73,861</u>	<u>2,99,81,293</u>

**13. Deferred taxation**

The full assets for deferred tax has been recognised in the accounts as follows:

	£
At 1 April 2023	5,18,382
Credited to the profit and loss account	(4,56,254)
Tax benefit from share based payments (including transfer from IBCL)	4,50,090
At 31 March 2024	<u>5,12,218</u>

	As at 31 March 2024	As at 31 March 2023
	£	£
The deferred taxation assets comprises:		
Accelerated capital allowances	(1,32,436)	(42,359)
Tax benefit from share based payments	6,13,670	5,60,741
Provision for Doubtful Debts	13,487	-
Provision for Pension Cost	17,497	-
Tax benefit from share based payments (including transfer from IBCL)	<u>5,12,218</u>	<u>5,18,382</u>

**14. Obligations under leasing agreements**

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

i) Below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Buildings	Total
	£	£
As at 1 April 2023	8,80,487	8,80,487
Depreciation expenses	2,45,310	2,45,310
As at 31 March 2024	<u>6,35,177</u>	<u>6,35,177</u>

ii) Below are the carrying amounts of lease liabilities under IFRS 16 (included under financial liabilities) and the movements during the period:

Particulars	£
As at 1 April 2023	9,55,525
Additions	-
Accretion of interest	44,596
Payments	2,46,237
As at 31 March 2024	<u>7,53,884</u>
Current	2,00,548
Non-current	5,53,336

**Maturity analysis of lease liability :**

The contractual maturity analysis of lease liabilities are disclosed herein on an undiscounted basis-

Particulars	As at 31 March 2024 £	As at 31 March 2023 £
	Less than one year	2,30,737
More than 1 Year but less than 5 years	5,94,627	7,51,420
More than 5 years	-	-
ity 116	<u>8,25,364</u>	<u>9,55,525</u>

iii) The following are the amounts recognised in statement of profit or loss:

Particulars	As at 31 March 2024 £	Year ended 31 March 2023 £
Depreciation expense for right-of-use assets	2,45,310	1,66,666
Finance expense on lease liabilities	44,596	8,34,111
Expense relating to short-term, low value and variable leases	-	-
<b>Total amount recognised in profit or loss</b>	<u>2,89,906</u>	<u>10,00,777</u>

**15. Called up share capital**

Authorized			As at 31 March 2024 £	As at 31 March 2023 £
Number	Class	Nominal value		
10,00,000	Ordinary	£ 1	<u>10,00,000</u>	<u>10,00,000</u>
<b>Allotted, issued and fully paid:</b>			2024	2023
Number	Class		£	£
2,00,000	Ordinary	£ 1	<u>2,00,000</u>	<u>2,00,000</u>