

Registration number: 08989957

Cigniti Technologies (UK) Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2024

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

Directors Mr Venkata Subramanyam Chakkilam
Mr Srikanth Chakkilam

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

Auditors KNAV
Statutory Auditors
Hygeia Building
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Cigniti Technologies (UK) Limited

Strategic Report for the Year Ended 31 March 2024

The directors present their strategic report for the year ended 31 March 2024.

Principal activity

Cigniti Technologies provides AI-driven, IP-led strategic digital assurance, software quality engineering, software testing, automation and consulting services. The AI-led digital engineering services of Cigniti covers Data engineering services, Digital platform engineering, AI&ML engineering services and Blockchain development.

Fair review of the business

Cigniti Technologies is committed to achieving its ambitions of scaling up and achieving multi-fold growth. While we are cautious about Retail and Hi-tech sectors, we continue to focus on other sectors like HCLS, travel, hospitality, energy & utilities and other industries. Our revenue is growing at a steady pace and we are targeting a 25% increase in revenue from Digital Engineering Services in the coming year. Additionally, we are investing in upskilling our workforce to stay ahead of the rapidly evolving technology landscape and be better equipped to deliver cutting-edge solutions to our clients.

	YE March 2024	YE March 2024	Change
Turnover	14,429,854	12,419,855	2,009,999
Profit before tax	379,806	441,198	(61,392)
Profit after tax	292,411	441,198	(148,787)
Headcount	77	86	(9)

Key financial and non-financial performance indicators used to assess performance are turnover, profit and headcount. These are reported in the management accounts and reviewed by the Board and key stakeholders. Turnover increased by 16%, rising from £12.42 million in FY23 to £14.43 million in FY24. This growth was primarily driven by increased revenue from Managed Services. Concurrently, there was an increase in cost of sales and administrative expenses during the year, which impacted the profit before taxes, resulting in a decline compared to FY23. The headcount decreased by 7 during the year, aligning with normal operational adjustments.

Principal risks and uncertainties

The company, in conjunction with the ultimate parent company, has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company. The policies set out by the board and agreed with the ultimate parent company are implemented by the company's directors.

The directors monitor performance through the production of management accounts on a monthly basis. Additionally, the directors monitor key performance indicators on a monthly basis to ensure they are within acceptable parameters. These include revenue, operating profits, working capital, customer service, cash flows from operating activities and headcount.

Risks considered by management include the following:

Credit risk

The company has implemented policies that require appropriate credit checks on customers before sales are made to minimise the risk of financial loss.

Cigniti Technologies (UK) Limited

Strategic Report for the Year Ended 31 March 2024 (continued)

Liquidity risk

The company maintains sufficient funds and generates cash from operations to meet working capital requirements. The company has access to both short term and long-term financing options with the bank and if required, finance facilities from fellow group undertakings. The company undertakes regular cash flow forecasting in order to ensure working capital requirements are met.

Foreign exchange risk

The company has the risk of foreign currency fluctuations associated with U.S. Dollar and Euro dominated transactions both from the sale and purchases of services. This is monitored closely by management.

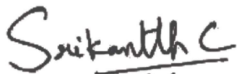
Conflict in Ukraine and Israel

As the conflict in Ukraine and Israel continues to evolve, we are closely monitoring the current and potential impact on our business, our people, and our clients. Given the levying of sanctions, regional instability, geopolitical shifts, and other potential adverse effects on macroeconomics conditions, security conditions, currency exchange, and financial markets, the short and long-term implications of Russia's invasion of Ukraine and the conflict in Israel are not possible to predict. We do not expect any direct impacts to our business to be material, but we are not currently able to predict any indirect impacts on the global economy and how those could negatively affect our business in the future. We continue to monitor any evolving impacts of this conflict and its effects on the global economy and geopolitical landscape.

Changes in technology

Given the rapidly evolving nature of the technology sector, the company faces significant risks related to technological advancements. The company proactively embraces the dynamic nature of the technology sector, continually enhancing its IT solutions and offerings. This commitment ensures it remains competitive and well-positioned to meet evolving customer needs.

This report was approved by the Board on 30 April 2024 and signed on its behalf by:



.....
Mr Srikanth Chakkilam
Director

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Cigniti Technologies (UK) Limited

Directors' Report for the Year Ended 31 March 2024

The directors present their report and the financial statements for the year ended 31 March 2024.

Directors of the company

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

Mr Venkata Subramanyam Chakkilam

Mr Srikanth Chakkilam

Results and dividends

The Company's financial results have been discussed in the Strategic Report. During the year no dividends have been paid or declared (2023: No dividends had been paid or declared).

Financial risk management

The directors make use of the ultimate parent company's risk management team to monitor and where possible mitigate the risks faced by the business. The Directors' have identified and included the Company's key risks and associated management policies in the Strategic Report on pages 2.

Going concern

At the date of approving the financial statements, the Directors have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future, being a period of no less than 12 months from the date these financial statements were approved. 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 Company therefore continues to adopt the going concern basis in preparing the financial statements.

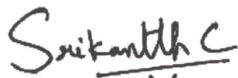
Disclosure of information to the auditors

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.

Reappointment of auditors

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

This report was approved by the Board on 30 April 2024 and signed on its behalf by:



.....
Mr Srikanth 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;
- state whether applicable United Kingdom Accounting Standards 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.

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 2024, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, 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 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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 directors are responsible for the 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 (continued)

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

Matters on which we are required to report by exception

In the light of 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 Strategic Report and the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 5], 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 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 (continued)

Extent to which the audit is capable of detecting irregularities, including fraud

Irregularities, including fraud are instances of non-compliance with laws and regulations. We designed 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 irregularity including fraud is detailed below.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience; through verbal and written communications with those charged with governance and other management, and via inspection of the company's regulatory and legal correspondence.

We discussed with those charged with governance and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations to our team and remained alert to any indicators of non-compliance throughout the audit, we also specifically considered where and how fraud may occur within the company.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements, including the company's constitution, relevant financial reporting standards; company law and tax legislation and we assess the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for instance through the imposition of fines and penalties, or through losses arising from litigations. We identified the regulation around, health and safety and employment legislations as those most likely to have such an affect.

International Auditing Standards (UK) limit the required procedures to identify non-compliance with these laws and regulations to the procedures, and no procedures over and above those already noted are required. These limited procedures did not identify any actual or suspected non-compliance which laws and regulations that could have a material impact on the financial statements.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 (continued)

These procedures did not identify any actual or suspected fraudulent irregularity that could have a material impact on the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with International Auditing Standards UK). For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the procedures that we are required to undertake would identify it. In addition, as with any audit, there remains a high risk of non-detection of irregularities, as these might involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls. We are not responsible for preventing non-compliance with laws and regulations or fraud, and cannot be expected to detect non-compliance with all laws and regulations or every incidence of fraud.

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

30 April 2024

Cigniti Technologies (UK) Limited

Profit and Loss Account for the Year Ended 31 March 2024

	Note	2024 £	2023 £
Turnover	4	14,429,854	12,419,855
Cost of sales		<u>(12,180,816)</u>	<u>(10,589,007)</u>
Gross profit		2,249,038	1,830,848
Administrative expenses		(1,869,527)	(1,394,551)
Other operating income	5	<u>295</u>	<u>4,901</u>
Operating profit	6	<u>379,806</u>	<u>441,198</u>
Profit before tax		379,806	441,198
Tax on profit	9	<u>(87,276)</u>	<u>-</u>
Profit for the financial year		<u><u>292,530</u></u>	<u><u>441,198</u></u>

The notes on pages 14 to 22 form an integral part of these financial statements.

Cigniti Technologies (UK) Limited

Statement of Comprehensive Income for the Year Ended 31 March 2024

	2024	2023
	£	£
Profit for the year	<u>292,530</u>	<u>441,198</u>
Total comprehensive income for the year	<u><u>292,530</u></u>	<u><u>441,198</u></u>

The notes on pages 14 to 22 form an integral part of these financial statements.

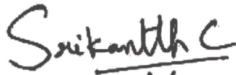
Cigniti Technologies (UK) Limited

(Registration number: 08989957)

Balance Sheet as at 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	10	12,003	16,234
Current assets			
Debtors	11	2,650,447	2,775,706
Cash at bank and in hand		<u>3,947,821</u>	<u>1,037,885</u>
		6,598,268	3,813,591
Creditors: Amounts falling due within one year	13	<u>(5,570,453)</u>	<u>(3,082,537)</u>
Net current assets		<u>1,027,815</u>	<u>731,054</u>
Net assets		<u>1,039,818</u>	<u>747,288</u>
Capital and reserves			
Called up share capital		855,001	855,001
Retained earnings		<u>184,817</u>	<u>(107,713)</u>
Shareholders' funds		<u>1,039,818</u>	<u>747,288</u>

These financial statements were approved and authorised for issue by the Board on 30 April 2024 and signed on its behalf by:



Mr Srikanth Chakkilam
Director

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Cigniti Technologies (UK) Limited

Statement of Changes in Equity for the Year Ended 31 March 2024

	Share capital £	Retained earnings £	Total £
At 1 April 2022	855,001	(548,911)	306,090
Profit for the year	-	441,198	441,198
At 31 March 2023	855,001	(107,713)	747,288
	Share capital £	Retained earnings £	Total £
At 1 April 2023	855,001	(107,713)	747,288
Profit for the year	-	292,530	292,530
At 31 March 2024	855,001	184,817	1,039,818

The notes on pages 14 to 22 form an integral part of these financial statements.

Cigniti Technologies (UK) Limited

Notes to the Financial Statements for the Year Ended 31 March 2024

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

These financial statements were authorised for issue by the Board on 30 April 2024.

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 were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

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

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 paragraph 1.12(b), on the basis that it is a qualifying entity and its ultimate parent company, Piramal Pharma Limited, includes these in its own consolidated financial statements:

- the requirement to prepare a statement of cash flows;
- certain financial instrument disclosures;
- from disclosing the company key management personnel compensation.

The functional and presentational currency is Pound Sterling (£), being the currency of the primary economic environment in which the company operates in.

Going concern

At the date of approving the financial statements, the Directors have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future, being a period of no less than 12 months from the date these financial statements were approved. 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 Company therefore continues to adopt the going concern basis in preparing the financial statements.

Cigniti Technologies (UK) Limited

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

2 Accounting policies (continued)

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.

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.

Tax

Taxation expense for the period comprises current recognised in the reporting period. Tax is recognised in the profit or loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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.

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 and office equipment	20% and 33% Straight line

Leases

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

Cigniti Technologies (UK) Limited

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

2 Accounting policies (continued)

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

i. Financial assets

Basic financial assets, including trade and other debtors, and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method, unless they are receivable within one year. In these instances, assets are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be received.

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 profit or loss.

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.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii. Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, and amounts due from fellow group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method, unless they are payable within one year. In these instances, assets are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid.

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 obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Cigniti Technologies (UK) Limited

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

3 Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS102 requires management to make estimates and assumptions that affect the reported amounts of liabilities and expenses that are reported and disclosed in the financial statements and accompanying notes. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant estimates and assumptions are used as follows:

Accruals:

Accruals represent liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced, or formally agreed with the supplier, including amounts due to employees (e.g., amounts relating to accrued vacation pay). These are estimated based on historical experience, contractual terms, and other evidence, such as communication with suppliers and service providers. The actual amounts may differ from the estimated amounts depending on the final terms agreed upon or any disputes that may arise. Management reviews the accruals on a periodic basis to ensure they are reflective of the best estimate of the amounts that will be paid based on the most recent information available.

Accrued income:

Accrued income represents income earned for services performed but not yet invoiced at the reporting date. These are estimated based on the best available evidence, which may include contractual terms, historical billing patterns, and direct communications with clients. The actual amounts invoiced may differ from these estimates due to subsequent negotiations, changes in scope, or other factors affecting the final billing. Management periodically reviews the accrued revenue estimates to ensure they accurately reflect the revenue expected to be invoiced based on the services performed to date.

4 Turnover

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

	2024	2023
	£	£
Rendering of services	14,429,854	12,419,855

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

	2024	2023
	£	£
UK	12,817,877	11,174,635
Europe	1,604,901	1,245,220
Rest of world	7,076	-
	14,429,854	12,419,855

Cigniti Technologies (UK) Limited

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

5 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2024	2023
	£	£
Miscellaneous other operating income	295	4,901

6 Operating profit

Arrived at after charging/(crediting)

	2024	2023
	£	£
Depreciation expense	14,820	13,184
Foreign exchange losses/(gains)	102,601	(8,885)

7 Staff costs

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

	2024	2023
	£	£
Wages and salaries	4,907,803	4,970,414
Social security costs	520,398	506,919
Pension costs, defined contribution scheme	267,972	255,287
Other employee expense	7,350	1,911
	5,703,523	5,734,531

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

	2024	2023
	No.	No.
Delivery	70	79
Administration and support	7	7
	77	86

8 Auditors' remuneration

	2024	2023
	£	£
Audit of the financial statements	14,500	12,500

Cigniti Technologies (UK) Limited

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

9 Taxation

Tax charged/(credited) in the profit and loss account

	2024 £	2023 £
Current taxation		
UK corporation tax	<u>87,276</u>	<u>-</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2023 - lower than the standard rate of corporation tax in the UK) of 25% (2023 - 19%).

The differences are reconciled below:

	2024 £	2023 £
Profit before tax	<u>379,806</u>	<u>441,198</u>
Corporation tax at standard rate	94,952	83,828
Effect of expense not deductible in determining taxable profit (tax loss)	1,320	1,112
Effect of tax losses	(10,052)	(87,405)
Tax increase from effect of capital allowances and depreciation	<u>1,056</u>	<u>2,465</u>
Total tax charge	<u>87,276</u>	<u>-</u>

10 Tangible assets

	Computer equipment £
Cost or valuation	
At 1 April 2023	86,368
Additions	<u>10,589</u>
At 31 March 2024	<u>96,957</u>
Depreciation	
At 1 April 2023	70,134
Charge for the year	<u>14,820</u>
At 31 March 2024	<u>84,954</u>
Carrying amount	
At 31 March 2024	<u>12,003</u>
At 31 March 2023	<u>16,234</u>

Cigniti Technologies (UK) Limited

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

11 Debtors

	Note	2024 £	2023 £
Trade debtors		1,899,818	1,724,482
Amounts owed by fellow group undertakings	17	557,047	512,084
Other debtors		-	4,682
Prepayments		6,333	124,193
Accrued income		187,249	410,265
Total current trade and other debtors		<u>2,650,447</u>	<u>2,775,706</u>

Amounts owed by fellow group undertakings are unsecured, interest free and repayable on demand.

12 Cash and cash equivalents

	2024 £	2023 £
Cash at bank	<u>3,947,821</u>	<u>1,037,885</u>

13 Creditors

	Note	2024 £	2023 £
Due within one year			
Trade creditors		8,228	86,795
Amounts due to fellow group undertakings	17	4,329,972	2,101,783
Social security and other taxes		845,150	644,293
Other creditors		96,859	115,444
Accrued expenses		202,968	134,222
Corporation tax payable	9	87,276	-
		<u>5,570,453</u>	<u>3,082,537</u>

Amounts due to fellow group undertakings are unsecured, interest free and repayable on demand.

Cigniti Technologies (UK) Limited

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

14 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £267,972 (2023 - £255,287).

Contributions totalling £22,136 (2023: £21,658) were payable to the scheme at the end of the year and are included in creditors.

15 Share capital

Allotted, called up and fully paid shares

	2024		2023	
	No.	£	No.	£
Ordinary shares of £1 each	<u>855,001</u>	<u>855,001</u>	<u>855,001</u>	<u>855,001</u>

16 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2024	2023
	£	£
Not later than one year	43,945	39,235

17 Related party transactions

Summary of transactions with other related parties

The company has taken advantage of the exemption available in accordance with FRS 102 section 33 'Related Party Disclosures' not to disclose transactions entered into between two or more members of the group, as the company is a wholly owned subsidiary undertaking of the group with which it is party to the transactions.

Cigniti Technologies (UK) Limited

Notes to the Financial Statements for the Year Ended 31 March 2024 (continued)

18 Parent and ultimate parent undertaking

The company's immediate and ultimate 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.

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Cigniti Technologies (UK) Limited

Detailed Profit and Loss Account for the Year Ended 31 March 2024

	2024 £	2023 £
Turnover (analysed below)	14,429,854	12,419,855
Cost of sales (analysed below)	<u>(12,180,816)</u>	<u>(10,589,007)</u>
Gross profit	<u>2,249,038</u>	<u>1,830,848</u>
Gross profit (%)	15.59%	14.74%
Administrative expenses		
Employment costs (analysed below)	(1,166,657)	(1,046,944)
Establishment costs (analysed below)	(73,607)	(70,746)
General administrative expenses (analysed below)	(602,072)	(237,731)
Finance charges (analysed below)	(12,371)	(25,946)
Depreciation costs (analysed below)	<u>(14,820)</u>	<u>(13,184)</u>
	(1,869,527)	(1,394,551)
Other operating income (analysed below)	<u>295</u>	<u>4,901</u>
Operating profit	<u>379,806</u>	<u>441,198</u>
Profit before tax	<u><u>379,806</u></u>	<u><u>441,198</u></u>

Cigniti Technologies (UK) Limited

Detailed Profit and Loss Account for the Year Ended 31 March 2024 (continued)

	2024 £	2023 £
Turnover		
Rendering of services, UK	12,817,877	11,174,635
Rendering of services, Europe	1,604,901	1,245,220
Rendering of services, rest of world	7,076	-
	<u>14,429,854</u>	<u>12,419,855</u>
Cost of sales		
Software & Licenses	(2,540)	(175,484)
Direct costs	(7,641,410)	(5,725,936)
Wages and salaries (excluding directors)	(3,941,107)	(4,103,089)
Staff NIC (Employers)	(402,588)	(399,426)
Staff pensions (Defined contribution)	(193,171)	(185,072)
	<u>(12,180,816)</u>	<u>(10,589,007)</u>
Employment costs		
Wages and salaries	(706,183)	(624,699)
Staff NIC (Employers)	(117,810)	(107,493)
Staff pensions (Defined contribution)	(74,801)	(70,215)
Sales commissions	(260,513)	(242,626)
Staff welfare	(7,350)	(1,911)
	<u>(1,166,657)</u>	<u>(1,046,944)</u>
Establishment costs		
Rent	(54,477)	(53,618)
Light, heat and power	-	(898)
Insurance	(19,018)	(16,085)
Repairs and maintenance	(112)	(145)
	<u>(73,607)</u>	<u>(70,746)</u>
General administrative expenses		
Telephone and fax	(2,282)	(2,667)
Computer software and maintenance costs	(5,775)	(202)
Printing, postage and stationery	(283)	(2,307)
Charitable donations	(1,355)	-
Sundry expenses	-	(536)
Travel and subsistence	(183,171)	(148,856)
Advertising	(137,650)	(43,171)
Customer entertaining (disallowable for tax)	(5,751)	(5,852)
Accountancy fees	-	(2,500)
Auditor's remuneration - The audit of the company's annual accounts	(14,500)	(12,500)
Legal and professional fees	(148,704)	(43,801)
Bad debts written off	-	15,776

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 2024 (continued)

	2024 £	2023 £
Foreign currency (gains)/losses - operating expense	(102,601)	8,885
	<u>(602,072)</u>	<u>(237,731)</u>
Finance charges		
Bank charges	<u>(12,371)</u>	<u>(25,946)</u>
Depreciation costs		
Depreciation of office equipment (owned)	<u>(14,820)</u>	<u>(13,184)</u>
Other operating income		
Other operating income	<u>295</u>	<u>4,901</u>