

Company Registration No. 03574904 (England and Wales)

INTELLECT DESIGN ARENA LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

INTELLECT DESIGN ARENA LIMITED

COMPANY INFORMATION

Directors	Mr Manish Maakan Mr Andrew Ralph England Mr Govind Singhal Mr Thakur Vikas Sinha
Secretary	Mr Kothandraman Sanjay Iyer
Company number	03574904
Registered office	Level 35, 25 Canada Square London E14 5LQ
Auditor	Morgan Berkeley Limited Westgate Chambers 8a Elm Park Road Pinner Middlesex HA5 3LA
Business address	Level 35, 25 Canada Square London E14 5LQ
Bankers	Barclays Bank Plc P.O. Box 544 54 Lombard Street London EC3V 9EX

INTELLECT DESIGN ARENA LIMITED

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INTELLECT DESIGN ARENA LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present the strategic report and financial statements for the year ended 31 March 2017.

General Overview of the business

Intellect Design Arena Limited ("Intellect") continues to be a global leader in Financial Technology for Banking, Insurance and other Financial Services. A uniquely focused Products business, Intellect addresses the needs of financial institutions in varying stages of technology adoption. Intellect has the soul of an agile start up, with the maturity of an established specialist in designing advanced technology products for global financial platforms.

Intellect is positioned at the forefront of the digital transformation that global banks are looking for in a connected world. All our products are built on the iDigital Platform that makes them scalable, extendable, secure and able to facilitate digital transformation of banking operations and customer experience. Intellect's robust iDigital platform enables products across four distinct lines of businesses: Global Consumer Banking (iGCB), Risk & Treasury Management (iRTM), Global Transaction Banking (iGTB), Central Banking and Insurance (Intellect SEEC) with 14 comprehensive product suite covering the entire gamut of financial services that complement the growth and de-risk the business from dependence on any one line of business or product. Deep banking domain expertise, coupled with significant investments in developing the world's first full spectrum of banking products has made Intellect the company with the most advanced technologies for financial institutions with global businesses. Intellect globally provides a full spectrum of fully integrated products that run in 200 Marquee Banks and financial institutions, across 24 countries. Our investments into digital transformative technologies at our FT design centres in Chennai, Mumbai and soon-to-open in New Jersey, USA is making the digital transformation a reality.

In July 2016, Oxford Business School and iGTB jointly set up iGTB Oxford School of Transaction Banking and offered their first programme to senior bankers.

Award

Our group Chairman and Managing Director, Mr Arun Jain was conferred with Life Time achievement in September 2016 by the Confederation of Indian Industry, one of the premier Industry associations in India. This award recognizes distinguished industry captains who have contributed to the growth and advancement of their domains and made a significant difference during their journey.

Intellect iGTB, the organisation behind the comprehensive global transaction banking solution, was awarded Fintech Finance's Best in Digital Transaction Banking award, Gold class, in December 2016. The award recognises iGTB's commitment to providing fully integrated digital transaction banking services to its clients across the world - with a comprehensive suite of tools that answers to the full range of transaction banking requirements.

Principal risks and uncertainties

Intellect has adopted an integrated risk management framework approach in various aspects of its business to prevent and minimise any potential risks. The current challenging economic situation, affecting the financial industry continues to be a risk. The nature of our business is such that it involves a long sales cycle to close a deal. Reluctance amongst some banks to move away from legacy systems, the fear of change, also affects our business.

The Company's principal foreign currency exposure arises from trading in various currencies other than sterling. Trade debtors are monitored on an ongoing basis and provisions are made for doubtful debts where required. Management also monitors and reviews the documentation process for contracts ensuring compliance and adherence to deliverables and service level agreements.

INTELLECT DESIGN ARENA LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Development and performance

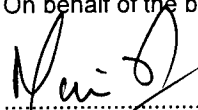
The company's principal focus during the year is to continue to increase sales, concentrating its efforts on achieving maximum growth in its existing market operations and to develop relationship with new clients.

Key performance indicators

The company achieved sales of £33.7 million during the financial year ending 31st March 2017 as against £19 million in the previous financial year ending 31st March 2016, a growth of 77%. The profit after tax also grew significantly from £329,000 in the year ended 31st March 2016 to £5.8 million in the year ending 31 March 2017.

During the financial year, the company opened a new branch in Germany and Austria to support the business.

On behalf of the board



.....
Mr Manish Maakan

Director

2 MAY 2017

INTELLECT DESIGN ARENA LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present their annual report and financial statements for the year ended 31 March 2017.

Principal activities

The principal activity of the company continued to be that of computer software development, software engineering and I.T. consultancy.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr Manish Maakan
Mr Andrew Ralph England
Mr Govind Singhal
Mr Thakur Vikas Sinha

Results and dividends

The results for the year are set out on page 7.

The directors do not propose payment of an ordinary dividend.

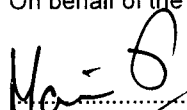
Auditor

The auditor, Morgan Berkeley Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board


.....
Mr Manish Maakan
Director
2 MAY 2017

INTELLECT DESIGN ARENA LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2017

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

INTELLECT DESIGN ARENA LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTELLECT DESIGN ARENA LIMITED

We have audited the financial statements of Intellect Design Arena Limited for the year ended 31 March 2017 set out on pages 7 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

INTELLECT DESIGN ARENA LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

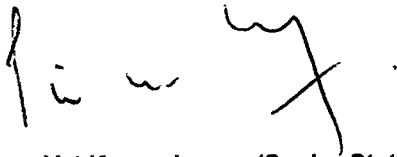
TO THE MEMBERS OF INTELLECT DESIGN ARENA LIMITED

Matters on which we are required to report by exception

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



Pierre Yat Keung Leong (Senior Statutory Auditor)
for and on behalf of Morgan Berkeley Limited

2 MAY 2017
.....

Chartered Certified Accountants
Statutory Auditor

Westgate Chambers
8a Elm Park Road
Pinner
Middlesex
HA5 3LA

INTELLECT DESIGN ARENA LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
Turnover	3	33,677,941	19,032,492
Cost of sales		(26,035,768)	(17,425,195)
Gross profit		<u>7,642,173</u>	<u>1,607,297</u>
Administrative expenses		(1,802,796)	(1,309,576)
Operating profit	4	<u>5,839,377</u>	<u>297,721</u>
Interest receivable and similar income	7	200,318	87,312
Profit before taxation		<u>6,039,695</u>	<u>385,033</u>
Taxation	8	(213,833)	(55,656)
Profit for the financial year	21	<u><u>5,825,862</u></u>	<u><u>329,377</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

INTELLECT DESIGN ARENA LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	2017 £	2016 £
Profit for the year	5,825,862	329,377
Other comprehensive income	-	-
Total comprehensive income for the year	<u>5,825,862</u>	<u>329,377</u>

INTELLECT DESIGN ARENA LIMITED

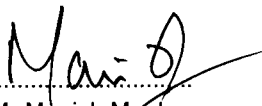
BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	9		38,909		41,853
Investments in subsidiaries	10		666,088		271,727
			<u>704,997</u>		<u>313,580</u>
Current assets					
Software work in progress	13	1,263,270		1,263,270	
Debtors	14	7,722,953		3,245,632	
Investments	15	6,775,207		6,620,057	
Cash at bank and in hand		3,833,760		1,386,505	
		<u>19,595,190</u>		<u>12,515,464</u>	
Creditors: amounts falling due within one year	16	<u>(9,339,872)</u>		<u>(7,693,997)</u>	
Net current assets			<u>10,255,318</u>		<u>4,821,467</u>
Total assets less current liabilities			<u>10,960,315</u>		<u>5,135,047</u>
Provisions for liabilities	17		<u>(7,782)</u>		<u>(8,376)</u>
Net assets			<u><u>10,952,533</u></u>		<u><u>5,126,671</u></u>
Capital and reserves					
Called up share capital	20		889,000		889,000
Profit and loss reserves	21		10,063,533		4,237,671
Total equity			<u><u>10,952,533</u></u>		<u><u>5,126,671</u></u>

The financial statements were approved by the board of directors and authorised for issue on and are signed on its behalf by:

2nd May, 2017



 Mr Manish Maakan
 Director

Company Registration No. 03574904

INTELLECT DESIGN ARENA LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2015	889,000	3,908,294	4,797,294
Year ended 31 March 2016:			
Profit and total comprehensive income for the year	-	329,377	329,377
Balance at 31 March 2016	889,000	4,237,671	5,126,671
Year ended 31 March 2017:			
Profit and total comprehensive income for the year	-	5,825,862	5,825,862
Balance at 31 March 2017	889,000	10,063,533	10,952,533

INTELLECT DESIGN ARENA LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017		2016	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	25	2,128,969		4,483,287	
Income taxes refunded		569,129		39,375	
Net cash inflow from operating activities		2,698,098		4,522,662	
Investing activities					
Purchase of tangible fixed assets		(8,441)		(13,713)	
Purchase of subsidiaries		(394,361)		(266,427)	
Loans to subsidiaries				(6,620,057)	
Increase in loans to subsidiaries		(155,150)		-	
Other loans repaid/(given)		106,791		(6,500)	
Interest received		200,318		87,312	
Net cash used in investing activities		(250,843)		(6,819,385)	
Net cash used in financing activities		-		-	
Net increase/(decrease) in cash and cash equivalents		2,447,255		(2,296,723)	
Cash and cash equivalents at beginning of year		1,386,505		3,683,228	
Cash and cash equivalents at end of year		3,833,760		1,386,505	

INTELLECT DESIGN ARENA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

Intellect Design Arena Limited is a private company limited by shares incorporated in England and Wales. The registered office is Level 35, 25 Canada Square, London, E14 5LQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Intellect Design Arena Limited is a wholly owned subsidiary of Intellect Design Arena Limited, a company incorporated in India, and the results of Intellect Design Arena Limited are included in the consolidated financial statements of Intellect Design Arena Limited which can be obtained from Intellect Design Arena Limited, Polaris House, 244, Anna Salai, Chennai 600006, India.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for software engineering products and services net of VAT and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	25% reducing balance per annum
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INTELLECT DESIGN ARENA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.7 Software work in progress

Software work in progress is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises the price paid for the acquisition of the work in progress.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

INTELLECT DESIGN ARENA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

INTELLECT DESIGN ARENA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

INTELLECT DESIGN ARENA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies (Continued)

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017 £	2016 £
Turnover		
Sale of software products licences and services	33,677,941	19,032,492
	<u> </u>	<u> </u>
Other significant revenue		
Interest income	200,318	87,312
	<u> </u>	<u> </u>

INTELLECT DESIGN ARENA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

3 Turnover and other revenue (Continued)

Turnover analysed by geographical market

	2017 £	2016 £
United Kingdom and Europe	33,677,941	19,032,492

The turnover of the company during the year, derived from its principal activity, attributable to the various geographies are 81% (2016 - 90%) from the UK, 15% (2016 - 7%) from Europe and the remaining 4% (2016 - 3%) predominantly from the African and American subcontinent.

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(658,257)	(281,940)
Fees payable to the company's auditor for the audit of the company's financial statements	23,000	23,000
Depreciation of owned tangible fixed assets	11,385	12,159
Operating lease charges	330,613	332,089

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Software engineers, I T Consultants and Management	90	75

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	14,809,626	7,098,257
Pension costs	47,767	46,564
	14,857,393	7,144,821

INTELLECT DESIGN ARENA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

6 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	301,346	345,319
	<u>301,346</u>	<u>345,319</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2016 - 1).

The number of directors who exercised share options during the year was 1 (2016 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	301,346	345,319
Company pension contributions to defined contribution schemes	3,010	-
	<u>304,356</u>	<u>345,319</u>

7 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	315	1,702
Other interest income	200,003	85,610
	<u>200,318</u>	<u>87,312</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	315	1,702
	<u>315</u>	<u>1,702</u>

8 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	1,007,264	55,743
Adjustments in respect of prior periods	(792,837)	-
	<u>214,427</u>	<u>55,743</u>
Deferred tax		
Origination and reversal of timing differences	(594)	(87)
	<u>(594)</u>	<u>(87)</u>
Total tax charge	<u>213,833</u>	<u>55,656</u>

INTELLECT DESIGN ARENA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

8 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	6,039,695	385,033
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	1,207,939	77,007
Tax effect of expenses that are not deductible in determining taxable profit	5,030	5,420
Adjustments in respect of prior years	(792,837)	-
Permanent capital allowances in excess of depreciation	(589)	(314)
Research and development tax credit	(198,060)	-
Tax relief on share options	(7,056)	(26,370)
Deferred tax - reversal of timing differences	(594)	(87)
Taxation charge for the year	213,833	55,656

9 Tangible fixed assets

Fixtures, fittings & equipment
£

Cost	
At 1 April 2016	70,374
Additions	8,441
At 31 March 2017	78,815
Depreciation and impairment	
At 1 April 2016	28,521
Depreciation charged in the year	11,385
At 31 March 2017	39,906
Carrying amount	
At 31 March 2017	38,909
At 31 March 2016	41,853

INTELLECT DESIGN ARENA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

10 Fixed asset investments

	Notes	2017 £	2016 £
Investments in subsidiaries	11	666,088	271,727

Fixed asset investments not carried at market value

The investments in the subsidiaries are stated at cost.

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2016	271,727
Additions	394,361
At 31 March 2017	666,088
Carrying amount	
At 31 March 2017	666,088
At 31 March 2016	271,727

11 Subsidiaries

Details of the company's subsidiaries at 31 March 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Intellect Design Arena Chile Limitada	Chile	Software Engineering	Ordinary	90.00	-
Intellect Design Arena Inc	Canada	Software Engineering	Ordinary	100.00	-

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Intellect Design Arena Chile Limitada	51,728	329,114
Intellect Design Arena Inc	(1,095,837)	(1,593,785)

INTELLECT DESIGN ARENA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

12	Financial instruments		2017	2016
			£	£
	Carrying amount of financial assets			
	Debt instruments measured at amortised cost		14,275,068	9,808,616
			<u> </u>	<u> </u>
	Carrying amount of financial liabilities			
	Measured at amortised cost		7,367,435	7,206,735
			<u> </u>	<u> </u>
13	Software work in progress		2017	2016
			£	£
	Software work in progress		1,263,270	1,263,270
			<u> </u>	<u> </u>
14	Debtors		2017	2016
			£	£
	Amounts falling due within one year:			
	Trade debtors		6,854,871	2,864,103
	Amounts due from group undertakings		273,817	-
	Other debtors		371,173	324,456
	Prepayments and accrued income		223,092	57,073
			<u> </u>	<u> </u>
			7,722,953	3,245,632
			<u> </u>	<u> </u>
15	Current asset investments		2017	2016
			£	£
		Notes		
	Loans to subsidiaries	11	6,775,207	6,620,057
			<u> </u>	<u> </u>
16	Creditors: amounts falling due within one year		2017	2016
			£	£
	Trade creditors		156,682	234,161
	Amounts due to group undertakings		1,850,209	3,944,256
	Corporation tax		824,536	40,980
	Other taxation and social security		1,147,901	446,282
	Other creditors		88,609	170,686
	Accruals and deferred income		5,271,935	2,857,632
			<u> </u>	<u> </u>
			9,339,872	7,693,997
			<u> </u>	<u> </u>

INTELLECT DESIGN ARENA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

17 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	18	7,782	8,376
		<u>7,782</u>	<u>8,376</u>

18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2017 £	Liabilities 2016 £
Balances:		
Accelerated Capital Allowances	7,782	8,376
		<u>8,376</u>
Movements in the year:		£
Liability at 1 April 2016		8,376
Credit to profit or loss		(594)
		<u>7,782</u>

19 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	47,767	46,564
		<u>46,564</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

20 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
889,000 Ordinary shares of £1 each	889,000	889,000
		<u>889,000</u>

INTELLECT DESIGN ARENA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

21 Profit and loss reserves

	2017 £	2016 £
At the beginning of the year	4,237,671	3,908,294
Profit for the year	5,825,862	329,377
At the end of the year	<u>10,063,533</u>	<u>4,237,671</u>

22 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for one of its properties. The lease has been negotiated for a term of two years and rentals are fixed for the same term.

At the reporting end date the company had commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	160,000	160,000
Between two and five years	-	160,000
	<u>160,000</u>	<u>320,000</u>

23 Directors' transactions

Advances or credits have been granted by the company to its directors as follows:

During the year, consultancy fees amounting to £170,225 (2016: £182,350) were payable to ONYX Global Consulting Limited, a company in which Mr Andrew Ralph England is a director.

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
Mr Manish Maakan - Loan to a director	3.00	208,958	-	3,250	(110,041)	102,167
		<u>208,958</u>	<u>-</u>	<u>3,250</u>	<u>(110,041)</u>	<u>102,167</u>

24 Ultimate parent company

The ultimate parent company is Intellect Design Arena Limited, a company registered in India and listed in Mumbai Stock Exchange. Intellect Design Arena Limited is the largest group preparing group accounts, and copies of the group accounts can be obtained from Intellect Design Arena Limited, Polaris House, 244 Anna Salai, Chennai 600006, India.

INTELLECT DESIGN ARENA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

25 Cash generated from operations	2017	2016
	£	£
Profit for the year after tax	5,825,862	329,377
Adjustments for:		
Taxation charged	213,833	55,656
Investment income	(200,318)	(87,312)
Depreciation and impairment of tangible fixed assets	11,385	12,159
Movements in working capital:		
(Increase) in stocks	-	(1,263,270)
(Increase)/decrease in debtors	(4,584,112)	2,895,448
Increase in creditors	862,319	2,541,229
Cash generated from operations	<u>2,128,969</u>	<u>4,483,287</u>

INTELLECT DESIGN ARENA LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 MARCH 2017

INTELLECT DESIGN ARENA LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2017

		2017		2016
	£	£	£	£
Turnover				
Sales		33,677,941		19,032,492
Cost of sales				
Wages and salaries	6,886,101		6,275,916	
Software service and outsourcing charges	10,742,022		10,084,530	
Consultancy charges	7,196,229		102,762	
Directors' remuneration	300,951		345,319	
Commissions payable	395,283		-	
Travel, fares and mileage	515,182		616,668	
		<u>(26,035,768)</u>		<u>(17,425,195)</u>
Gross profit	22.69%	7,642,173	8.45%	1,607,297
Administrative expenses		<u>(1,802,796)</u>		<u>(1,309,576)</u>
Operating profit		5,839,377		297,721
Investment revenues				
Bank interest received	315		1,702	
Other interest received	200,003		85,610	
		<u>200,318</u>		<u>87,312</u>
Profit before taxation	17.93%	<u>6,039,695</u>	2.02%	<u>385,033</u>

INTELLECT DESIGN ARENA LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
	£	£
Administrative expenses		
Sales consultancy and business leads	426,345	374,260
Staff recruitment and work permits	187,762	95,992
Staff pension costs defined contribution	47,767	46,564
Rent, rates service charges and utilities	330,613	332,089
Guest house rent and services	23,162	56,039
Repairs, office maintenance and cleaning	42,649	15,074
Computer and internet link	34,328	6,827
Subscriptions and memberships	68,676	35,933
Legal and professional fees	205,940	121,870
Accountancy,VAT and payroll services	40,847	39,546
Non audit remuneration paid to auditors	2,750	8,500
Audit fees	23,000	23,000
Bank charges	2,693	3,584
Bad and doubtful debts	29,868	-
Insurance	16,111	10,223
Health Insurance	6,265	12,439
Printing and stationery	34,060	36,342
Business promotion and marketing events	802,300	235,395
Telephone	54,353	58,932
Entertaining	66,711	45,426
Sundry expenses	3,468	21,322
Depreciation	11,385	12,159
Profit on foreign exchange	(658,257)	(281,940)
	<hr/>	<hr/>
	1,802,796	1,309,576
	<hr/> <hr/>	<hr/> <hr/>