Company registration number 03574904 (England and Wales)

INTELLECT DESIGN ARENA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

INTELLECT DESIGN ARENA LIMITED

COMPANY INFORMATION

Directors	Mr Manish Maakan Mr Andrew Ralph England Mr Govind Singhal Mr Thakur Vikas Sinha Mr Arun Shekar Aran
Company number	03574904
Registered office	Level 21, 25 Canada Square London E14 5LQ
Auditor	Ernst & Young LLP Bedford House 16 Bedford Street Belfast BT2 7DT
Business address	Level 21, 25 Canada Square London E14 5LQ
Bankers	Barclays Bank Plc P.O. Box 544 54 Lombard Street London EC3V 9EX

INTELLECT DESIGN ARENA LIMITED

CONTENTS

The directors present the strategic report and financial statements for the year ended 31 March 2022.

General Overview of the business

Intellect Design Arena Ltd, a cloud-native, future ready multi-product fintech platform for the world's leading financial & insurance clients caters to the full spectrum of banking and insurance technology products company, across Global Consumer Banking, Central Banking, Global Transaction Banking (iGTB), Risk, Treasury and Markets, and Insurance. With over 25 years of deep domain expertise, Intellect is the brand that progressive financial institutions rely on for digital transformation initiatives.

Intellect pioneered Design Thinking to create cutting-edge products and solutions for banking and insurance, with design being the company's key differentiator in enabling digital transformation. FinTech 8012, the world's first design center for Financial Technology, reflects Intellect's commitment to continuous and impactful innovation to address the growing need for digital transformation. Intellect serves over 260+ customers through offices in 97+ countries and with a diverse workforce of solution architects, domain and technology experts in major global financial hubs around the world.

Oxford Business School and iGTB jointly set up the iGTB Oxford School of Transaction Banking and offered their first program to senior bankers in July 2016. The iGTB Oxford School of Transaction Banking held in Oxford & culminating at the Oxford & Cambridge Club in London is a two and a half day immersive learning experience that is designed to help transaction banking executives develop a winning strategy & thrive in the complex and fast-moving world of Transaction Banking. The programme looks to empower participants to manage the challenges they face better, improve their decision making skills, & help them anticipate & address change.

Global transaction banking has long been described as a bank's crown jewels because of its steady profit contribution even in the worst of economic times, its reputation as a "sticky" core banking service, and its long history of strong growth. Transaction bankers have a complex set of issues to contend with in order to optimise their management of this changing and challenging business. An important key to success is ensuring that Transaction Banking executive teams are equipped with the appropriate competencies through the development phases towards maturity.

Intellect Design Arena Ltd, UK continues to invest on Technology, Product design and execution competence and capacity. During the year substantial investments have been made in this regard for building and scaling up the Revenue. We are confident that we should get benefits of the investments in the years to come.

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.

Development and performance

The company's principal focus during the forthcoming 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 £45 million during the financial year ending 31st March 2022 as against £44 million in the previous financial year ending 31 March 2021. The company posted a pre tax operating profit of £4.6 million in the year ended 31 March 2022, an increase in pre tax profit by £2.5 million from the previous financial year ended 31 March 2021.

Employee Engagement

Our employees and non-employee workers around the world are treated with dignity and fairness. Intellect Design Arena Limited (Intellect) is also committed to adhering to all labor standards, including without limitation nondiscrimination in hiring and the workplace, voluntary labor and no child labor, and compliance with fair working hours and applicable wage laws and regulations.

In addition, Intellect is committed to providing its employees with a safe and healthy work environment in compliance with all applicable laws and regulations and appropriate training and information to prevent workplace hazards.

We are committed to driving a sustainable business that is both commercially successful and socially and environmentally responsible. This includes providing our employees in the UK and overseas with a safe and healthy working environment and having an organisational culture which promotes diversity, inclusivity, personal development and respect.

We know it's our people who make Intellect successful. We want people to enjoy coming to work and for the workplace to be free from discrimination, harassment and victimisation. In order to achieve this we adhere to set policies and principles which ensure outcomes of responsible operations and supportive environments for our colleagues. We promote an environment where employees feel that there are open communication channels in which to ask questions and raise concerns.

Engagement with customers and suppliers

Building relationships and partnerships with both supplier and customers is critical to our success. Our suppliers are fundamental to the quality of our products and services, ensuring we meet the high-quality standards we set for ourselves. We provide open communication lines for suppliers and are in regular communication with them. As a result of the COVID-19 pandemic we have been closely aligned to ensure supply chain and products are unaffected and are working closely with our suppliers at this time.

We have a strong, recurring customer base and are continuing to build on this, delivering high quality products and services to our customers when needed.

S172 (1) Statement

The Directors fulfil their S172 duties through effective governance, open discussion and decisions made at Board meetings. The directors of the company must act in a way that they consider is in good faith and would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequence of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct;
- the need to act fairly as between members of the company.

As a wholly owned subsidiary the only other relevant stakeholders are the parent entity. The directors have complied with their duties under S172 of the Companies Act 2006 through the employee, supplier and customer engagement described above.

Other information and explanations

Award

On 23 September 2021, Intellect Global Transaction Banking (iGTB) achieved SWIFT Certified 2021 status for its market-leading intelligent Trade Finance product. This marked the 3rd consecutive year that iGTB's fully digital Trade Finance product has been awarded this label. It demonstrates the solution's exceptionally strong capabilities to align to complex and evolving SWIFT Standards while embracing both digital transformation (including the much-sought-after goal of paperless) and sustainability (including the universal need now for product track'n'trace).

iGTB in 2021 also retained its position in the IBSI Leadership Club with its #1 Ranking in Retail Banking for the third consecutive year, #1 ranking in Transaction Banking for the second consecutive year, and #1 in InsurTech in the inaugural edition. IBS Intelligence's Annual Sales League Table is a widely accepted industry benchmark for the performance of global banking technology solutions. The SLT has been running for over 20 years and recognized as a barometer for financial technology supplier sales performance across the banking industry. COVID-19 and its aftermath, has made this year's SLT more significant. The IBSI SLT 2021 includes systems purchases made by over 1000+ banks across 180+ products from 60 suppliers across the Americas, Europe, Middle East, Africa, APAC, and ASEAN. The number of deals evaluated this year was 2000+, reported across 150 countries globally.

iGTB Powered Vietcombank won the IDC Financial Insights Innovation Award 2021 as Best Bank in Vietnam for their Payments and Cash Management system initiative. The well-known IDC Financial Insights Innovation Awards aims to recognize outstanding achievements in the financial sector for the use of technology. The awards program honours Asian financial services institutions who have realized business outcomes well through the novel application of IT innovation. Vietcombank received this award for many notable achievements, among which included improving customer stickiness, acquisition of new customers, faster time-to market and product readiness.

iGTB is proud to congratulate Santander on the remarkable and successful rollout of this new corporate payments platform to 15 countries across three continents from a single installation, powering a basket of quantified, impressive results. iGTB is honoured to have played a part in this remarkable transformation, recognised by Aité-Novarica, the leading independent financial services insights and advisory firm. Implementation of this platform led to an enviable 70% average improvement of key performance indicators around client implementation time, transaction processing, and connectivity.

On behalf of the board

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Mr Manish Maakan
Director
23.07.22

INTELLECT DESIGN ARENA LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their annual report and audited financial statements for the year ended 31 March 2022.

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
Mr Arun Shekar Aran

Results and dividends
The results for the year are set out on page 10.

The directors do not propose payment of an ordinary dividend (2021: £Nil).

Auditor
The auditor, Ernst & Young LLP is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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; 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.

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.

SECR disclosure

The directors are aware about SECR disclosure requirements introduced in 2019. The directors have performed their procedures to assess the energy consumption by the Company in the reporting period and concluded that it is below the limit of 40 MWh, hence, Intellect Design Arena Limited can be considered as low energy user. Due to nature of the business, directors believe no reporting in this regard is required for the period ending 31 March 2022.

Going Concern

The financial statements of Intellect Design Arena Limited (the Company) have been prepared on a going concern basis as the Directors have concluded that the Company will continue in operational existence and meet its liabilities as they fall due for the period of their assessment which is to 31 July 2023. The Company has net current liabilities of £3.7m as at 31 March 2022. The Company does not have any bank debt or other external borrowings or facilities. The Directors have received written confirmation from the ultimate parent entity, Intellect Design Arena Limited, India, that the Company will be provided financial support for the period until 31 July 2023. The Directors have made suitable enquiries to satisfy themselves that the ultimate parent company is capable of providing the stated support.

In view of the assessment performed, the Directors are satisfied that sufficient financial resources will be generated by the Company or received from its ultimate parent entity to enable the Company to continue in operation and meet its liabilities as they fall due for the period to 31 July 2023. Accordingly, the Directors of the Company believe that it is appropriate to adopt the going concern basis in preparing the financial statements.

Branches outside the United Kingdom

The company's principal activities during the year continued to be that of computer software development, software engineering and I.T. consultancy in UK and through branches in Germany, Spain, Sweden, Austria and France.

On behalf of the board

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Mr Manish Maakan
Director

Date: 22.07.22

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTELLECT DESIGN ARENA LIMITED

Opinion

We have audited the financial statements of Intellect Design Arena Limited for the year ended 31 March 2022 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 25, 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 FRS 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 2022 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's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period to 31 July 2023.
Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- he 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 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 or directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4 , the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"(United Kingdom Generally Accepted Accounting Practice), Company Act 2006, The UK bribery Act 2010, Money laundering regulations, General Data Protection Regulations and UK tax legislation.

- We understood how Intellect Design Arena Limited is complying with those frameworks by making enquires of management and those responsible for legal and compliance procedures, including the Board of Directors. We corroborated our enquires through our review of board minutes. We noted no contradictory evidence.

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by having a discussion with management within various parts of the business to understand where they considered there was susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage results.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. We considered the risk of fraud through management override of controls and designed testing over manual journals entries as part of our audit approach. We used data analysis to select manual journals with specific risk criteria and obtained supporting evidence for the journals selected. We also assessed that revenue was a judgmental area of the audit which is more susceptible to fraud. We obtained an understanding of the controls over the process for the recognition of revenue and performed testing of these controls. We tested, the occurrence of the revenue recorded in the financial statements and any manual adjustments to revenue that met specific risk criteria. These procedures included tracing transactions and manual adjustments back to source documentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INTELLECT DESIGN ARENA LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF INTELLECT DESIGN ARENA LIMITED

Use of our report

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

Ernst & Young LLP

Neil Corry (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast
Date: 28 July 2022

INTELLECT DESIGN ARENA LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Turnover	3	45,799,908	44,144,131
Cost of sales		(37,388,392)	(38,596,625)
Gross profit		8,411,516	5,547,506
Administrative expenses		(3,731,408)	(3,376,974)
Operating profit	4	4,680,108	2,170,532
Interest receivable and similar income	7	5,393	3,706
Interest payable and similar expenses	8	(93,983)	(163,923)
Profit before taxation		4,591,518	2,010,315
Tax on profit	9	(177,163)	(65,275)
Profit for the financial year		4,414,355	1,945,040

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

The notes on pages 14 to 27 are an integral part of these financial statements.

INTELLECT DESIGN ARENA LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Profit for the financial year	4,414,355	1,945,040
Other comprehensive income	-	-
Total comprehensive income for the year	4,414,355	1,945,040

The notes on pages 14 to 27 are an Integral part of these financial statements.

INTELLECT DESIGN ARENA LIMITED

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Intangible assets	10		6,496,925		3,841,444
Intangible assets -CWIP	12		13,707,390		15,181,389
Tangible assets	11		141,352		215,888
Investments	13		666,088		666,088
			21,011,755		19,904,809
Current assets					
Debtors					
- Amounts falling due within one year	15	13,932,750		12,786,150	
- Amounts falling due after one year		62,006		69,733	
Investments	16	690,909		127,516	
Cash at bank and in hand		1,349,771		2,049,422	
		16,035,436		15,032,821	
Creditors: amounts falling due within one year	17	(19,741,031)		(22,037,260)	
Net current liabilities			(3,705,595)		(7,004,439)
Total assets less current liabilities			17,306,160		12,900,370
Provisions for liabilities					
Deferred tax liability	19	15,303		23,868	
			(15,303)		(23,868)
Net assets			17,290,857		12,876,502
Capital and reserves					
Called up share capital	21		889,000		889,000
Profit and loss reserves	22		16,401,857		11,987,502
Total equity			17,290,857		12,876,502

The financial statements were approved by the board of directors and authorised for issue on 28.07.22 and are signed on its behalf by:

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Mr Manish Maakan

Director

Company Registration No. 03574904

INTELLECT DESIGN ARENA LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £	Profit and loss reserves £	Total equity £
Balance at 1 April 2020	889,000	10,042,462	10,931,462
Year ended 31 March 2021:			
Profit and total comprehensive income for the year	-	1,945,040	1,945,040
Balance at 31 March 2021	889,000	11,987,502	12,876,502
Year ended 31 March 2022:			
Profit and total comprehensive income for the year	-	4,414,355	4,414,355
Balance at 31 March 2022	889,000	16,401,857	17,290,857

1 Accounting policies

Company information

Intellect Design Arena Limited is a private company limited by shares incorporated and domiciled in England and Wales. The registered office is Level 21, 25 Canada Square, London, E14 5LQ.

1.1 Accounting convention

These financial statements have been prepared in compliance with United Kingdom Accounting Standard including 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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The company has taken advantage of the exemption under section 401 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 Accounting policies (Continued)

1.2 Going concern

The financial statements of Intellect Design Arena Limited (the Company) have been prepared on a going concern basis as the Directors have concluded that the Company will continue in operational existence and meet its liabilities as they fall due for the period of their assessment which is to 31 July 2023. The Company has net current liabilities of £3.7m as at 31 March 2022. The Company does not have any bank debt or other external borrowings or facilities. The Directors have received written confirmation from the ultimate parent entity, Intellect Design Arena Limited, India, that the Company will be provided financial support for the period until 31 July 2023. The Directors have made suitable enquiries to satisfy themselves that the ultimate parent company is capable of providing the stated support.

In view of the assessment performed, the Directors are satisfied that sufficient financial resources will be generated by the Company or received from its ultimate parent entity to enable the Company to continue in operation and meet its liabilities as they fall due for the period to 31 July 2023. Accordingly, the Directors of the Company believe that it is appropriate to adopt the going concern basis 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 it is probable will be recovered.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Software licence	20% straight line basis per annum

1.5 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.

1 Accounting policies **(Continued)**

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:

Leasehold improvements	Over the period of the lease
Fixtures, fittings & equipment	25% reducing balance per annum

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.

1.6 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.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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.

1.8 Software work in progress

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised evenly over the period of expected future benefit. During the period of development the asset is tested for impairment annually.

1 Accounting policies **(Continued)**

1.9 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.

1.10 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.

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.

1 Accounting policies **(Continued)**

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.

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.

1.11 Equity instruments

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.12 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.

1 Accounting policies **(Continued)**

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.

1.13 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.

1.14 Retirement benefits

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

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

1.16 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 in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Development expenditure is capitalised in accordance with the accounting policy given above. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

3 Turnover and other revenue

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

	2022	2021
	£	£
Turnover analysed by class of business		
Sale of software products licences and services	45,799,908	44,144,131

	2022	2021
	£	£
Turnover analysed by geographical market		
United Kingdom and Europe and African, Indaian and Amercian Sub-continent	45,799,908	44,144,131

The turnover of the company during the year, derived from its principal activity, attributable to the various geographies are 75% (2021: 74%) from the UK, 16% (2021: 21%) from Europe and the remaining 9% (2021: 5%) predominantly from the African, Indian and American subcontinent.

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4 Operating profit

	2022	2021
Operating profit for the year is stated after charging/(crediting):	£	£
Exchange gains	(128,836)	(87,049)
Fees payable to the company's auditor for the audit of the company's financial statements	40,000	35,000
Depreciation of owned tangible fixed assets	87,254	76,849
Amortisation of intangible assets	1,479,066	1,292,494
Operating lease charges	495,438	248,120

5 Employees

	2022 Number	2021 Number
Software engineers, IT Consultants and Management	121	114

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	10,214,338	9,337,178
Social security costs	1,243,013	1,054,106
Pension costs	185,668	145,824
	11,643,019	10,537,108

6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	525,018	460,176

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021: 1).

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

	2022 £	2021 £
Remuneration for qualifying services	525,018	460,176
Company pension contributions to defined contribution schemes	15,751	13,721

7 Interest receivable and similar income

	2022 £	2021 £
Other interest income	5,393	3,706

8 Interest payable and similar expenses

	2022	2021
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest payable to group undertakings	93,983	163,923

9 Tax on profit

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	533,261	312,463
Adjustments in respect of prior periods	(347,533)	(247,188)
Total current tax	185,728	65,275
Deferred tax		
Origination and reversal of timing differences	(8,565)	-
Total tax charge	177,163	65,275

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:

	2022	2021
	£	£
Profit before taxation	4,591,518	2,010,315
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	872,388	381,960
Tax effect of expenses that are not deductible in determining taxable profit	4,718	43
Tax effect of utilisation of tax losses not previously recognised	-	(7,907)
Adjustments in respect of prior years	(347,533)	(247,188)
Permanent capital allowances in excess of depreciation	14,093	14,056
Depreciation on assets not qualifying for tax allowances	-	(1,655)
Research and development tax credit	(346,443)	(74,034)
Under/(over) provision	(11,495)	-
Deferred tax - timing differences re.fixed assets	(8,565)	-
Taxation charge for the year	177,163	65,275

Factors that may affect future tax charges.

As a step to rebuild its finance after Covid 19 Pandemic, the Government increased the main Corporation Tax rate to 25% from 1 April 2023 on profits over £250,000

The company has tax losses arising in the UK of £Nil (2021: £Nil) that are available indefinitely for offset against future taxable profits of those companies in which the losses arose.

10 Intangible fixed assets

	Software licence
	£
Cost	
At 1 April 2021	6,462,422
Additions	4,134,547
At 31 March 2022	10,596,969
Amortisation and impairment	
At 1 April 2021	2,620,978
Amortisation charged for the year	1,479,066
At 31 March 2022	4,100,044
Carrying amount	
At 31 March 2022	6,496,925
At 31 March 2021	3,841,444

11 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2021	249,625	235,317	484,942
Additions	-	12,718	12,718
At 31 March 2022	249,625	248,035	497,660
Depreciation and impairment			
At 1 April 2021	117,519	151,535	269,054
Depreciation charged in the year	49,924	37,330	87,254
At 31 March 2022	167,443	188,865	356,308
Carrying amount			
At 31 March 2022	82,182	59,170	141,352
At 31 March 2021	132,106	83,782	215,888

12 Intangible assets - CWIP

	2022	2021
	£	£
Software work in porgress	13,707,390	15,181,389

13 Investments

	Notes	2022 £	2021 £
Investments in subsidiaries	14	666,088	666,088

Fixed asset investments not carried at market value
The investments in the subsidiaries are stated at cost.

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:
Nature of Business: Computer Software Development, Software Engineering and I.T. Consultancy

Name of undertaking	Registered office	Class of shares held	% Held Direct
Intellect Design Arena Chile Limitada	Chile	Ordinary	90.00
Intellect Design Arena Inc	Canada	Ordinary	100.00

Chile Registered Office Address : Monsefior Sotero Sanz N° 161, Piso 8,Providencia, Santiago, Chile
Canada Registered Office Address : Suite 400, 181 University Avenue, Toronto, ON M5H 3M7, Canada

15 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	12,477,463	11,233,960
Corporation tax recoverable	-	160,392
Amounts owed by group undertakings	856,890	738,529
Other debtors	170,367	184,657
Prepayments and accrued income	428,030	468,612
Amounts falling due after one year:		
Trade debtors - External	62,006	69,733
	13,994,756	12,855,883

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

16 Current asset investments

	2022 £	2021 £
Loans to group companies	690,909	127,516

Group Company Loan bear interest rate of 3.25% p.a. and repayable on demand.

17 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	56,733	52,362
Amounts owed to group undertakings	9,892,375	11,120,341
Corporation tax	277,042	-
Other taxation and social security	1,569,423	3,896,130
Other creditors	837,366	616,391
Accruals and deferred income	7,108,092	6,352,036
	19,741,031	22,037,260

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

18 Provisions for liabilities

		2022 £	2021 £
Deferred tax liabilities	19	15,303	23,868
		15,303	23,868

19 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:

Balances:	Liabilities 2022 £	Liabilities 2021 £
Accelerated Capital Allowances	15,303	23,868

Movements in the year:	2022 £
Liability at 1 April 2021	23,868
Credit to profit or loss	(8,565)
Liability at 31 March 2022	15,303

20 Retirement benefit schemes

Defined contribution schemes	2022 £	2021 £
Charge to profit or loss in respect of defined contribution schemes	185,668	145,824

21 Share capital

	2022 No of shares	2021 No of shares	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	889,000	889,000	889,000	889,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company

22 Profit and loss reserves

	2022 £	2021 £
At the beginning of the year	11,987,502	10,042,462
Profit for the year	4,414,355	1,945,040
At the end of the year	16,401,857	11,987,502

23 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:

	2022 £	2021 £
Within one year	248,120	248,120
Between two and five years	-	248,120
	248,120	496,240

24 Directors' transactions

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

During the year, consultancy fees amounting to £198,846 (2021: £97,505) were payable to ONYX Global Consulting Limited, a company in which Mr Andrew Ralph England is a director.

Description	% Rate	Opening balance £	Interest charged £	Amounts repaid £	Closing balance £
Mr Manish Maakan -	3.00	89,153	654	(89,807)	-
		89,153	654	(89,807)	-

25 Ultimate parent company

The ultimate parent company is Intellect Design Arena Limited, a company registered in India and listed in BSE Limited (Bombay Stock Exchange) and National Stock Exchange of India Limited (NSE). This is the only consolidated financial statements, that Intellect Design Arena Limited, UK is included in. The Consolidated financial statements can be obtained from Polaris House, 244, Anna Salai, Chennai - 600 006, India