
NIIT (IRELAND) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

NIIT (IRELAND) LIMITED

COMPANY INFORMATION

| | |
|-----------------------------|--|
| Directors | Sapnesh Lalla Abhas Kumar Dinesh Magadi Vijay Kumar Thadani Perunkolam Ramakrishnan Subramanian |
| Company secretary | Wilton Secretarial Limited |
| Registered number | 564067 |
| Registered office | NIIT (Ireland) Limited 6th Floor 2 Grand Canal Square Dublin 2 |
| Independent auditors | Donald Reid Limited Chartered Accountants & Statutory Auditors Prince Albert House 20 King Street Maidenhead Berkshire SL6 1DT United Kingdom |

NIIT (IRELAND) LIMITED

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NIIT (IRELAND) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and the audited financial statements for the year ended 31 March 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare the financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law, the directors must not approve the financial statements unless they are satisfied they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date, of the profit or loss for that financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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 ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement on Relevant Audit Information

In accordance with Section 330 of the Companies Act 2014:

- so far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware; and
- each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the auditor is aware of that information.

NIIT (IRELAND) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Principal activities

The principal activity is that of Knowledge Solutions through Information Technology.

Results and dividends

The loss for the year, after taxation, amounted to €440,813 (2019 - profit €367,898).

Directors

The directors who served during the year were:

Sapnesh Lalla
Abhas Kumar
Dinesh Magadi
Vijay Kumar Thadani
Perunkolam Ramakrishnan Subramanian

Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the business are considered to relate to competition from both national, offshore and multinational vendors as well as employee retention and the unstable position of the European economy.

Financial risk management

The group's operations expose it to financial risks that include price risk, credit risk, liquidity risk, foreign currency exchange rate risk, and interest rate cashflow risk. Given the size of the group, the directors have not delegated the responsibility of monitoring risk to a sub-committee of the board. The group's finance department implements policies set by the board of directors.

Price risk

Due to the nature of the business, the group is not exposed to any major price risks. Due consideration is given for annual salary increases in line with the growth in business in terms of both price and volumes.

Credit risk

The majority of the group's customer base is comprised of blue chip companies. the group has implemented policies that require appropriate credit checks on potential customers before sales are made.

Liquidity risk

Proactive receivables management results in a favourable working capital position where acquisition costs are excluded. The management continues its focus in this area.

Foreign exchange risk

The group is dealing in more stable currencies and has not implemented any specific policies to control this risk.

NIIT (IRELAND) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Post balance sheet events

The COVID 19 pandemic has severely impacted businesses around the world and is causing a slowdown of economic activity. Requirements of social distancing and various restrictions imposed by government across geographies, have caused unprecedented disruptions to normal business operations. The Company has carried out detailed assessment of its liquidity position and possible effects that may result from COVID 19 on the carrying value of its assets including Investment, Property plant & equipment, Intangible assets, Trade receivables, Unbilled revenue and Deferred tax assets etc. as at the date of financial statement. In developing the assumption relating to possible future uncertainties due to the pandemic, the Company, as on the date of approval of these financial statements has relied on the available information. The Company has performed sensitivity analysis on the assumptions used and based on the detailed evaluation of the current estimates expect that there is no significant impact on the carrying value of these assets as on March 31, 2020. The actual impact of COVID 19 may differ from that, estimated as at the date of approval of these financial statements.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at NIIT (Ireland) Limited, 6th Floor, 2 Grand Canal Square, Dublin 2.

Auditors

The auditors, Donald Reid Limited, continue in office in accordance with section 383(2) of the Companies Act 2014.

This report was approved by the board on 1 June 2020 and signed on its behalf.

.....
Perunkolam Ramakrishnan Subramanian
Director

.....
Sapnesh Lalla
Director

NIIT (IRELAND) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NIIT (IRELAND) LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of NIIT (Ireland) Limited (the 'Company') for the year ended 31 March 2020, which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish law and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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

We have nothing to report in respect of the following matters in relation to which ISA (Ireland) 570 requires us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

NIIT (IRELAND) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NIIT (IRELAND) LIMITED (CONTINUED)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the Directors' Report is consistent with the financial statements; and
- in our opinion, the Directors' Report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Group were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 1, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

NIIT (IRELAND) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NIIT (IRELAND) LIMITED (CONTINUED)

Auditors' 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 Auditors' 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 (Ireland) 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.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [https://www.iaasa.ie/Publications/ISA-700-\(Ireland\)](https://www.iaasa.ie/Publications/ISA-700-(Ireland)). This description forms part of our Auditors' Report.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Group's shareholders in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Group's shareholders those matters we are required to state to them in an Auditors' 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 Group and the Group's shareholders for our audit work, for this report, or for the opinions we have formed.

Daniel Reid FCA

for and on behalf of

Donald Reid Limited

Chartered Accountants

Statutory Auditors

Prince Albert House

20 King Street

Maidenhead

Berkshire

SL6 1DT

United Kingdom

1 June 2020

NIIT (IRELAND) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2020**

| | Note | 2020 | 2019 |
|--|------|--------------------|-------------|
| Turnover | 4 | 9,227,907 | 9,084,022 |
| Cost of sales | 7,8 | (8,271,206) | (7,068,149) |
| Gross profit | | 956,701 | 2,015,873 |
| Administrative expenses | 7 | (1,665,604) | (1,864,298) |
| Other operating income | 5 | 298,761 | 275,226 |
| Operating (loss)/profit | 6 | (410,142) | 426,801 |
| Other interest receivable and similar income | | 40 | - |
| Interest payable and similar expenses | 9 | (36,782) | (12,884) |
| (Loss)/profit before taxation | | (446,884) | 413,917 |
| Tax on (loss)/profit | 10 | 6,071 | (46,019) |
| (Loss)/profit for the financial year | | (440,813) | 367,898 |

The notes on pages 15 to 31 form part of these financial statements.

NIIT (IRELAND) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

| | Note | 2020 | 2019 |
|--|------|------------------|----------------|
| (Loss)/profit for the financial year | | (440,813) | 367,898 |
| Other comprehensive income | | | |
| Total comprehensive income for the financial year | | (440,813) | 367,898 |

Signed on behalf of the board:

.....
Perunkolam Ramakrishnan Subramanian

Director

.....
Sapnesh Lalla

Director

Date: 1 June 2020

NIIT (IRELAND) LIMITED

**BALANCE SHEET
AS AT 31 MARCH 2020**

| | Note | 2020 | 2019 |
|---|------|--------------------|-------------|
| Fixed assets | | | |
| Tangible assets | 12 | 29,961 | 21,675 |
| Financial assets | 13 | 1,995,208 | 1,995,208 |
| | | 2,025,169 | 2,016,883 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 14 | 3,401,743 | 4,382,806 |
| Cash at bank and in hand | 15 | 461,812 | 438,071 |
| | | 3,863,555 | 4,820,877 |
| Creditors: amounts falling due within one year | 16 | (5,334,566) | (5,992,789) |
| Net current liabilities | | (1,471,011) | (1,171,912) |
| Total assets less current liabilities | | 554,158 | 844,971 |
| Creditors: amounts falling due after more than one year | 17 | (650,000) | (500,000) |
| Net (liabilities)/assets | | (95,842) | 344,971 |
| Capital and reserves | | | |
| Called up share capital presented as equity | 21 | 150,000 | 150,000 |
| Profit and loss account | 22 | (245,842) | 194,971 |
| Shareholders' funds | | (95,842) | 344,971 |

NIIT (IRELAND) LIMITED

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2020

These financial statements have been prepared in accordance with the small companies regime.

The financial statements were approved and authorised for issue by the board:

.....
Perunkolam Ramakrishnan Subramanian
Director

.....
Sapnesh Lalla
Director

Date: 1 June 2020

The notes on pages 15 to 31 form part of these financial statements.

NIIT (IRELAND) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

| | Called up share capital | Profit and loss account | Total equity |
|---|----------------------------|----------------------------|-----------------|
| At 1 April 2019 | 150,000 | 194,971 | 344,971 |
| Comprehensive expenditure for the period | | | |
| Loss for the year | - | (440,813) | (440,813) |
| | <hr/> | <hr/> | <hr/> |
| Total comprehensive income for the year | - | (440,813) | (440,813) |
| | <hr/> | <hr/> | <hr/> |
| Total transactions with owners | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| At 31 March 2020 | 150,000 | (245,842) | (95,842) |
| | <hr/> | <hr/> | <hr/> |

The notes on pages 15 to 31 form part of these financial statements.

NIIT (IRELAND) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

| | Called up share capital | Profit and loss account | Total equity |
|--|----------------------------|----------------------------|----------------|
| At 1 April 2018 | 150,000 | 627,073 | 777,073 |
| Comprehensive income for the year | | | |
| Profit for the year | - | 367,898 | 367,898 |
| Total comprehensive income for the year | - | 367,898 | 367,898 |
| Dividends: Equity capital | - | (800,000) | (800,000) |
| Total transactions with owners | - | (800,000) | (800,000) |
| At 31 March 2019 | 150,000 | 194,971 | 344,971 |

The notes on pages 15 to 31 form part of these financial statements.

NIIT (IRELAND) LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

| | 2020 | 2019 |
|---|-----------------|--------------------|
| Cash flows from operating activities | | |
| (Loss)/profit for the financial year | (440,813) | 367,898 |
| Adjustments for: | | |
| Depreciation of tangible assets | 11,346 | 35,121 |
| Interest paid | 36,782 | 12,883 |
| Interest received | (40) | - |
| Taxation charge | (4,241) | 46,019 |
| Decrease in debtors | 172,812 | 447,492 |
| Decrease/(increase) in amounts owed by groups | 909,537 | (18,476) |
| (Decrease) in creditors | (4,327) | (1,281,299) |
| (Decrease)/increase in amounts owed to groups | (716,788) | 1,759,643 |
| Corporation tax (paid) | (39,099) | (29,428) |
| Foreign exchange | 44,799 | (30,340) |
| Net cash generated from operating activities | (30,032) | 1,309,513 |
| Cash flows from investing activities | | |
| Purchase of tangible fixed assets | (19,632) | - |
| Investment in equity shares of subsidiary | - | (1,995,136) |
| Interest received | 40 | - |
| Net cash from investing activities | (19,592) | (1,995,136) |
| Cash flows from financing activities | | |
| Loan from NIIT (Malaysia) Sdn Bhd | 150,000 | 500,000 |
| Dividends paid | - | (800,000) |
| Interest paid | (36,782) | (12,885) |
| Net cash used in financing activities | 113,218 | (312,885) |
| Net increase/(decrease) in cash and cash equivalents | 63,594 | (998,508) |
| Cash and cash equivalents at beginning of year | 438,071 | 1,406,239 |
| Foreign exchange gains and losses | (44,799) | 30,340 |
| Cash and cash equivalents at the end of year | 456,866 | 438,071 |

NIIT (IRELAND) LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

| | 2020 | 2019 |
|---|----------------|----------------|
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 461,812 | 438,071 |
| Bank overdrafts | (4,946) | - |
| | <u>456,866</u> | <u>438,071</u> |

NIIT (IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General information

The entity is a private limited company limited by shares. The company is registered in the Republic of Ireland. The registration number is 564067 and the registered office address is NIIT (Ireland) Limited, 6th Floor, 2 Grand Canal Square, Dublin 2.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and Irish statute comprising of the Companies Act 2014.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The company has net liabilities of €95,842 (2019: *net assets of €344,971*) and made a loss during the year of €440,813 (2019: *profit of €367,898*). Despite this the parent company has confirmed their intention to continue to support the company for at least 12 months from the balance sheet sign-off date, therefore the use of the going concern basis is considered appropriate.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 300 of the Companies Act 2014.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NIIT acts as agent in strategic sourcing contracts. Subsequently only the transaction fee from these contracts is recognised within revenue, with the liability to vendors and the recoverable amount from customers being held on the balance sheet.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | |
|-----------------------|--------------|
| Plant and machinery | - 3-10 years |
| Fixtures and fittings | - 7-10 years |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.11 Creditors

Short term creditors are measured at the transaction price.

2.12 Foreign currency translation

The company's functional and presentational currency is Euros.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the fixed exchange rates for the month in which the transactions occur.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account.

2.13 Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.16 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.17 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

2.18 Borrowing costs

All borrowing costs are recognised in the Profit and Loss Account in the year in which they are incurred.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NIIT (IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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

The main area of judgement and estimation in applying accounting policies relates to the recognition of income on contracts. Income is recognised on contracts based on the level of completion and the achievement of certain targets within projects. An element of judgment may be required in respect of the level of completion, although estimation uncertainty is minimised by the setting out of clear stage targets within contracts with clients.

4. Turnover

An analysis of turnover by class of business is as follows:

| | 2020 | 2019 |
|-------|------------------|------------------|
| Sales | 9,227,907 | 9,084,022 |
| | <u>9,227,907</u> | <u>9,084,022</u> |

Analysis of turnover by country of destination:

| | 2020 | 2019 |
|---------------------|------------------|------------------|
| Republic of Ireland | 1,377,343 | 637,252 |
| Rest of Europe | 7,151,343 | 7,669,854 |
| Rest of the World | 699,221 | 776,916 |
| | <u>9,227,907</u> | <u>9,084,022</u> |

5. Other operating income

| | 2020 | 2019 |
|---------------|----------------|----------------|
| Sundry income | 298,761 | 275,226 |
| | <u>298,761</u> | <u>275,226</u> |

NIIT (IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

6. (Loss)/profit on ordinary activities before taxation

The operating (loss)/profit is stated after charging:

| | 2020 | 2019 |
|---------------------------------------|-------------------|-------------------|
| Hotels, travel and subsistence | 461,316 | 611,236 |
| Management charges | 232,560 | 268,730 |
| Depreciation of tangible fixed assets | 11,346 | 35,120 |
| Exchange differences | 172,719 | 338,392 |
| Defined contribution pension cost | 36,577 | 35,008 |
| | <u> </u> | <u> </u> |

7. Employees

Staff costs, including directors' remuneration, were as follows:

| | 2020 | 2019 |
|-------------------------------------|-------------------|-------------------|
| Wages and salaries | 1,401,325 | 1,331,888 |
| Social insurance costs | 177,982 | 119,955 |
| Cost of defined contribution scheme | 36,577 | 35,008 |
| | <u> </u> | <u> </u> |
| | <u>1,615,884</u> | <u>1,486,851</u> |

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

| | 2020 No. | 2019 No. |
|----------------|-------------------|-------------------|
| Direct staff | 22 | 23 |
| Administration | 2 | 2 |
| | <u> </u> | <u> </u> |
| | <u>24</u> | <u>25</u> |

8. Directors' remuneration

| | 2020 | 2019 |
|---|-------------------|-------------------|
| Directors' emoluments | 248,519 | 238,872 |
| Company contributions to defined contribution pension schemes | 14,045 | 11,958 |
| | <u> </u> | <u> </u> |
| | <u>262,564</u> | <u>250,830</u> |

NIIT (IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

9. Interest payable and similar expenses

| | 2020 | 2019 |
|-----------------------------|---------------|---------------|
| Other loan interest payable | 36,782 | 12,884 |
| | <u>36,782</u> | <u>12,884</u> |

10. Taxation

| | 2020 | 2019 |
|---|----------------|----------------|
| Corporation tax | | |
| Current tax on profits for the year | - | 48,124 |
| Adjustments in respect of previous periods | (6,675) | - |
| | <u>(6,675)</u> | <u>48,124</u> |
| Total current tax | <u>(6,675)</u> | <u>48,124</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | 604 | (2,105) |
| Total deferred tax | <u>604</u> | <u>(2,105)</u> |
| Taxation on (loss)/profit on ordinary activities | <u>(6,071)</u> | <u>46,019</u> |

NIIT (IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - *lower than*) the standard rate of corporation tax in Ireland of 12.5% (2019 - 12.5%). The differences are explained below:

| | 2020 | 2019 |
|---|------------------|----------|
| Profit / (loss) on ordinary activities before tax | (446,884) | 413,917 |
| Profit/ (loss) on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2019 - 12.5%) | (55,861) | 51,740 |
| Effects of: | | |
| Tax on foreign branches | - | 41,424 |
| Other tax charge (relief) | - | (40,000) |
| Other differences leading to an increase (decrease) in the tax charge | 49,790 | (7,145) |
| Total tax charge for the year | (6,071) | 46,019 |

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Dividends

| | 2020 | 2019 |
|-----------|------|---------|
| Dividends | - | 800,000 |
| | - | 800,000 |

NIIT (IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

12. Tangible fixed assets

| | Plant and machinery | Fixtures and fittings | Total |
|-------------------------------------|------------------------|--------------------------|---------|
| Cost or valuation | | | |
| At 1 April 2019 | 68,825 | 77,405 | 146,230 |
| Additions | 7,321 | 12,311 | 19,632 |
| At 31 March 2020 | 76,146 | 89,716 | 165,862 |
| Depreciation | | | |
| At 1 April 2019 | 52,436 | 72,119 | 124,555 |
| Charge for the year on owned assets | 9,692 | 1,654 | 11,346 |
| At 31 March 2020 | 62,128 | 73,773 | 135,901 |
| Net book value | | | |
| At 31 March 2020 | 14,018 | 15,943 | 29,961 |
| At 31 March 2019 | 16,389 | 5,286 | 21,675 |

NIIT (IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

13. Financial assets

| | Investments in subsidiary companies |
|--------------------------|--|
| Cost or valuation | |
| At 1 April 2019 | 1,995,208 |
| At 31 March 2020 | <u>1,995,208</u> |

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

| Name | Class of shares | Holding |
|--|--------------------|---------|
| NIIT Learning Solutions (Canada) Limited | Ordinary Shares | 100% |

The aggregate of the share capital and reserves as at 31 March 2020 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

| Name | Aggregate of share capital and reserves | Profit/(Loss) |
|--|--|---------------|
| NIIT Learning Solutions (Canada) Limited | 1,237,357 | 248,190 |

NIIT (IRELAND) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

14. Debtors

| | 2020 | 2019 |
|------------------------------------|-------------------------|-------------------------|
| Trade debtors | 1,211,654 | 1,323,126 |
| Amounts owed by group undertakings | 1,307,043 | 2,216,580 |
| Other debtors | 500,197 | 452,766 |
| Prepayments and accrued income | 375,833 | 382,714 |
| Deferred taxation | 7,016 | 7,620 |
| | <u>3,401,743</u> | <u>4,382,806</u> |

15. Cash and cash equivalents

| | 2020 | 2019 |
|--------------------------|-----------------------|-----------------------|
| Cash at bank and in hand | 461,812 | 438,071 |
| Less: bank overdrafts | (4,946) | - |
| | <u>456,866</u> | <u>438,071</u> |

16. Creditors: Amounts falling due within one year

| | 2020 | 2019 |
|------------------------------------|-------------------------|-------------------------|
| Bank overdrafts | 4,946 | - |
| Trade creditors | 44,302 | 38,668 |
| Amounts owed to group undertakings | 4,554,892 | 5,271,679 |
| Corporation tax | 57,945 | - |
| Taxation and social insurance | 62,342 | 52,194 |
| Other creditors | 296,023 | 388,041 |
| Accruals | 305,047 | 242,207 |
| Deferred income | 9,069 | - |
| | <u>5,334,566</u> | <u>5,992,789</u> |

17. Creditors: Amounts falling due after more than one year

| | 2020 | 2019 |
|-------------|-----------------------|-----------------------|
| Other loans | 650,000 | 500,000 |
| | <u>650,000</u> | <u>500,000</u> |

NIIT (IRELAND) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

18. Loans

Analysis of the maturity of loans is given below:

| | 2020 | 2019 |
|--------------------------------------|----------------|----------------|
| Amounts falling due 2-5 years | | |
| Other loans | 650,000 | 500,000 |
| | <u>650,000</u> | <u>500,000</u> |
| | <u>650,000</u> | <u>500,000</u> |

The unsecured loan amounting to €650,000 (2019: €500,000) is owed to NIIT (Malaysia) Sdn Bhd, a subsidiary of the ultimate parent undertaking, NIIT Limited (India). Interest at a rate of 5.5% per annum is charged and will be payable on the 31st March of each year. The principal amount of the loan is to be re-paid within 3 years from the effective date (9 July 2018) of the agreement.

19. Financial instruments

| | 2020 | 2019 |
|---|--------------------|--------------------|
| Financial assets | | |
| Financial assets that are debt instruments measured at amortised cost | <u>3,436,515</u> | <u>4,352,580</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | <u>(5,833,240)</u> | <u>(6,433,573)</u> |

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed from group companies, other debtors and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group companies, accruals, other creditors and long term loans.

20. Deferred taxation

| | 2020 | 2019 |
|---------------------------|--------------|--------------|
| At beginning of year | 7,620 | 5,515 |
| Charged to profit or loss | (604) | 2,105 |
| At end of year | <u>7,016</u> | <u>7,620</u> |

NIIT (IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

20. Deferred taxation (continued)

The deferred tax asset is made up as follows:

| | 2020 | 2019 |
|--------------------------------|--------------|--------------|
| Decelerated capital allowances | 7,016 | 7,620 |
| | <u>7,016</u> | <u>7,620</u> |

NIIT (IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

21. Authorised Share capital

| | 2020 | 2019 |
|--|------------------|------------------|
| Authorised | | |
| 1,000,000 (2019 - 1,000,000) Ordinary shares of €1.00 each | <u>1,000,000</u> | <u>1,000,000</u> |
| Allotted, called up and fully paid | | |
| 150,000 (2019 - 150,000) Ordinary shares of €1.00 each | <u>150,000</u> | <u>150,000</u> |

22. Reserves

Profit and loss account

The profit and loss account includes all retained profit and losses.

NIIT (IRELAND) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

23. Share based payments

The Company has a share option scheme for certain employees of the Company. Options are exercisable at a price equal to the market price of the shares in NIIT Limited (India), the parent company, on the date of the grant. The vesting conditions are detailed below. If the options remain unexercised after a period of five years from the date of grant, the options expire. Options are forfeited if the employee leaves the company before the options vest. The fair value determined at the grant date of the share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. Fair value is measured by use of the Black Scholes model and the inputs outlined below.

| | Weighted average exercise price (pence) 2020 | Number 2020 | <i>Weighted average exercise price (pence) 2019</i> | <i>Number 2019</i> |
|---|---|------------------------|---|------------------------|
| Outstanding at the beginning of the year | 90.83 | 40,000 | 65.06 | 20,000 |
| Granted during the year | | - | 114.85 | 20,000 |
| Outstanding at the end of the year | 90.83 | 40,000 | 90.83 | 40,000 |

| | | |
|---|---------------|-------------|
| | 2020 | <i>2019</i> |
| Weighted average fair value price (cent) | 49.96 | 49.96 |
| Exercise price (cent) | 114.85 | 114.85 |
| Weighted average contractual life (years) | 3.5 | 4.5 |
| Expected volatility | 46.33% | 46.33% |
| Expected dividend growth rate | 1.43% | 1.43% |
| Risk-free interest rate | 7.7% | 7.7% |

The cost of the options is amortised over the period of grant for which expenses are debited by the parent company. Included in the profit and loss is an amount of €3,729 (2019: €4,434) in relation to the scheme.

24. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to €36,577 (2019: €35,008). There were no contributions payable to the fund at the balance sheet date.

NIIT (IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

25. Commitments under operating leases

At 31 March 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | 2020 | 2019 |
|--|----------------|---------------|
| Not later than 1 year | 56,560 | 56,000 |
| Later than 1 year and not later than 5 years | 101,920 | 42,000 |
| | <u>158,480</u> | <u>98,000</u> |

26. Related party transactions

The group has taken advantage of the exemption in FRS 102 from the requirement to disclose transactions with group companies on the grounds that all subsidiary undertakings that have been party to the transactions are wholly owned members of the group.

27. Controlling party

The immediate and ultimate parent undertaking is NIIT Limited (India), a company registered in India. NIIT Limited (India) has no ultimate controlling party. NIIT Limited (India) prepare group financial statements, which can be obtained from 8 Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Dehli - 110-019, India.

28. Approval of financial statements

The board of directors approved these financial statements for issue on 01 June 2020