
NIIT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

NIIT LIMITED

COMPANY INFORMATION

Directors	Sapnesh Kumar Lalla Abhas Kumar Dinesh Magadi Perunkolam Ramakrishnan Subramanian Vijay Kumar Thadani
Company secretary	Abogado Nominees Limited
Registered number	05555036
Registered office	100 New Bridge Street London EC4V 6JA
Trading Address	200 Aldersgate Street Suite 129 London UK EC1A 4HD
Independent auditor	Donald Reid Limited Chartered Accountants & Statutory Auditors Prince Albert House 20 King Street Maidenhead Berkshire SL6 1DT

NIIT LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Business review

The business from the training market in the UK and Europe has remained stable despite the reduction in classroom training events.

The future outlook of the traditional training market, for classroom training/events, is unclear given Covid-19. The company expects business to move towards greater digital provision of training, which may help in the long run through improved margins.

Principal risks and uncertainties

The management of the business and the execution of the company'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, including the potential impact of Brexit.

Financial risk management

The company'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. The company's senior management oversees the management of these risks at the group level. The company's senior management is supported by a financial risk committee at group level that advises on financial risks and the appropriate financial risk governance framework for the company. The financial risk committee provides assurance to the company's senior management that the company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives.

Price risk

Due to the nature of the business, the company 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 company's customer base is comprised of blue chip companies. The company 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 company is dealing in more stable currencies and has not implemented any specific policies to control this risk.

Financial key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using revenue, gross margin and profitability are reasonable key performance indicators for an understanding of the development, performance or position of the business.

NIIT LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

This report was approved by the board on 24 May 2021 and signed on its behalf.

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Perunkolam Ramakrishnan Subramanian
Director

NIIT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including 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 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

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

Principal activity

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

Results and dividends

The loss for the year, after taxation, amounted to £2,425 (2020 - loss £28,073).

Directors

The directors who served during the year were:

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

NIIT LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Future developments

The directors do not consider there to be any material future developments of which the users of the financial statements need to be aware.

Engagement with employees

The company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status.

The company is committed to providing employees with information on matters of concern to them on a regular basis, so that the views of the employees can be taken into account when making decisions that are likely to affect their interest. In addition the company encourages the involvement of the employees by means of employee satisfaction surveys, focus group discussions and a 360 degree feed back mechanism.

Disabled employees

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retaining employees who become disabled, to enable them to undertake work identified as appropriate to their aptitudes and abilities.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

The COVID-19 pandemic has severely impacted businesses around the world and is causing a slowdown of economic activity. In preparation of these financial results, the Company has performed sensitivity analysis on the assumptions used and considered all the possible impacts of COVID-19 on the carrying value of its assets. Based on the current estimates, the Company expects that the carrying value of these assets will be recovered. The Company has carried out this assessment based on internal and external sources of information up to the date of approval of these financial statements.

The Company will continue to monitor any material changes to the operations based on future economic conditions owing to the nature and duration of COVID-19. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

Auditor

The auditor, Donald Reid Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

NIIT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

This report was approved by the board on 24 May 2021 and signed on its behalf.

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Perunkolam Ramakrishnan Subramanian
Director

NIIT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NIIT LIMITED

Opinion

We have audited the financial statements of NIIT Limited (the 'Company') for the year ended 31 March 2021, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 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 United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require 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 Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

NIIT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NIIT LIMITED (CONTINUED)

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 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
- the Strategic report and the 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 the 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 on page 3, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NIIT LIMITED (CONTINUED)

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.

Irregularities including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual results that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings;
- assessing any management override of controls by testing journal entries and other adjustments and reviewing accounting estimates for indications of potential bias;
- evaluating any transactions that are unusual or outside the normal course of business; and
- maintaining alert to any fraud risks throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.

NIIT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NIIT LIMITED (CONTINUED)

Daniel Reid (FCA) (Senior statutory auditor)

for and on behalf of
Donald Reid Limited

Chartered Accountants
Statutory Auditors

Prince Albert House
20 King Street
Maidenhead
Berkshire
SL6 1DT

24 May 2021

NIIT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Turnover	4	13,621,371	13,993,088
Cost of sales		(6,860,232)	(6,954,671)
Gross profit		6,761,139	7,038,417
Administration Expenses		(7,083,335)	(7,312,429)
Exceptional administrative expenses	11	(65,000)	(36,000)
Other non-operating income	5	440,310	322,668
Interest and similar expenses	9	(2,416)	-
Profit before tax	6	50,698	12,656
Tax on profit	10	(53,123)	(40,729)
Loss for the financial year		(2,425)	(28,073)

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 14 to 26 form part of these financial statements.

NIIT LIMITED
REGISTERED NUMBER: 05555036

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	As restated 2020 £
Fixed assets			
Tangible assets	12	77,084	101,905
		<u>77,084</u>	<u>101,905</u>
Current assets			
Debtors: amounts falling due within one year	13	10,011,470	9,426,478
Cash at bank and in hand	14	2,094,748	1,872,037
		<u>12,106,218</u>	<u>11,298,515</u>
Creditors: amounts falling due within one year	15	(11,656,476)	(10,886,313)
Net current assets		<u>449,742</u>	<u>412,202</u>
Total assets less current liabilities		<u>526,826</u>	<u>514,107</u>
Creditors: amounts falling due after more than one year	16	(30,000)	(10,000)
Provisions for liabilities			
Deferred tax	17	(11,740)	(16,596)
		<u>(11,740)</u>	<u>(16,596)</u>
Net assets		<u><u>485,086</u></u>	<u><u>487,511</u></u>
Capital and reserves			
Called up share capital	18	155,000	155,000
Profit and loss account	19	330,086	332,511
		<u><u>485,086</u></u>	<u><u>487,511</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 May 2021.

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Perunkolam Ramakrishnan Subramanian
 Director

The notes on pages 14 to 26 form part of these financial statements.

NIIT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2019	155,000	360,584	515,584
Comprehensive income for the year			
Loss for the year	-	(28,073)	(28,073)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(28,073)	(28,073)
Total transactions with owners	-	-	-
At 1 April 2020	155,000	332,511	487,511
Comprehensive income for the year			
Loss for the year	-	(2,425)	(2,425)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(2,425)	(2,425)
Total transactions with owners	-	-	-
At 31 March 2021	155,000	330,086	485,086

The notes on pages 14 to 26 form part of these financial statements.

NIIT LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	As restated 2020 £
Cash flows from operating activities		
Profit for the financial year	(2,425)	(28,073)
Adjustments for:		
Depreciation of tangible assets	52,723	59,701
Loss on disposal of tangible assets	28	-
Interest paid	2,416	-
Taxation charge	53,123	40,729
(Increase)/decrease in debtors	(1,345,851)	1,201,785
Decrease in amounts owed by groups	783,365	606,251
Increase/(decrease) in creditors	1,803,345	(2,156,769)
Increase/(decrease) in amounts owed to groups	(1,060,275)	146,198
Taxation paid	(98,392)	(16,914)
Foreign exchange	(22,997)	22,968
Increase in provision for leave pay	65,000	36,000
Net cash generated from operating activities	230,060	(88,124)
Cash flows from investing activities		
Purchase of tangible fixed assets	(27,930)	(77,613)
Net cash from investing activities	(27,930)	(77,613)
Cash flows from financing activities		
Interest paid	(2,416)	-
Foreign exchange	22,997	(22,968)
Net cash used in financing activities	20,581	(22,968)
Net increase/(decrease) in cash and cash equivalents	222,711	(188,705)
Cash and cash equivalents at beginning of year	1,872,037	2,060,742
Cash and cash equivalents at the end of year	2,094,748	1,872,037
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,094,748	1,872,037
	2,094,748	1,872,037

The notes on pages 14 to 26 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. General information

The entity is a private limited company limited by shares. The company is registered in England and Wales. The registration number is 05555036 and the registered office address is NIIT Limited, 100 New Bridge Street, London, EC4V 6JA, and the company's principal trading address is 200, Aldersgate Street Suite 129, London, UK, EC1A 4HD.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 directors are satisfied that the going concern assessment is passed in light of Covid-19. Due to the strong cash reserves and the financial strength of the parent company, the company is considered a going concern.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates fixed for the month in which transaction 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 Statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowing are presented in the Statement of comprehensive income, within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income, within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised, at the fair value of the consideration, 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:

Sales of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- 1) the Company has transferred the significant risks and rewards of ownership to the buyer;
- 2) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- 3) the amount of revenue can be measured reliably;
- 4) it is probable that the Company will receive the consideration due under the transaction; and
- 5) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Services are provided under time and material contracts and fixed price contracts. Revenue from providing services is recognised over a period of time in the accounting period in which services are rendered. The revenue from time and material contracts is recognised at the amount to which the Company has right to invoice. Revenue for services is recognised when all of the following conditions are satisfied:

- 1) the amount of revenue can be measured reliably;
- 2) it is probable that the Company will receive the consideration due under the contract;
- 3) the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- 4) 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 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income 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.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard on 1 April, 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.6 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

2.7 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 Statement of comprehensive income 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.

2.8 Current and deferred taxation

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

2.9 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.10 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	- Computer, printers and related accessories - 3 years straight line
	Servers and Networks - 5 years straight line
Fixtures and fittings	- 7-10 years straight line
Other fixed assets	- 3 years straight line

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 Statement of comprehensive income.

2.11 Debtors

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

2.12 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.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.13 Creditors

Short term creditors are measured at the transaction price.

2.14 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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.14 Financial instruments (continued)

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.

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

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	5,288,739	4,154,144
Rest of Europe	4,877,961	7,972,503
Rest of the world	3,454,671	1,866,441
	<u>13,621,371</u>	<u>13,993,088</u>

5. Other non-operating income

	2021 £	2020 £
Other non-operating income	440,310	322,668
	<u>440,310</u>	<u>322,668</u>

NIIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

6. Profit before taxation

The profit before taxation is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	52,723	59,701
Fees to the Company's auditor and its associates for the audit of the Company's annual financial statements	16,000	16,000
Defined contribution pension cost	18,683	11,737
Total	87,406	87,438

7. Auditor's remuneration

	2021 £	2020 £
Fees to the Company's auditor and its associates for the audit of the Company's annual accounts	16,000	16,000

8. Employees

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	4,928,243	4,168,610
Social security costs	724,505	692,120
Cost of defined contribution scheme	18,683	11,737
	5,671,431	4,872,467

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

	2021 No.	2020 No.
Sales & Marketing	5	4
Direct staff	84	82
Key management personnel	5	5
	94	91

NIIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Interest and similar expenses

	2021 £	2020 £
Other borrowing costs	2,416	-
	<u>2,416</u>	<u>-</u>

Other borrowing costs include expenses relating to the corporate guarantee detailed within note 25.

10. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	21,847	-
Adjustments in respect of previous periods	(49,301)	-
	<u>(27,454)</u>	<u>-</u>
Foreign tax		
Foreign tax on income for the year	85,433	40,093
	<u>85,433</u>	<u>40,093</u>
Total current tax	<u>57,979</u>	<u>40,093</u>
Deferred tax		
Origination and reversal of timing differences	(4,856)	636
Total deferred tax	<u>(4,856)</u>	<u>636</u>
Taxation on profit on ordinary activities	<u>53,123</u>	<u>40,729</u>

NIIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	50,698	12,656
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	9,633	2,405
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,652	1,293
Adjustments to tax charge in respect of prior periods	(49,301)	-
Tax on foreign branches	85,433	40,093
Other differences leading to an increase (decrease) in the tax charge	4,706	(3,062)
Total tax charge for the year	53,123	40,729

Factors that may affect future tax charges

There were no factors that may affect future tax charges with the exception of the tax losses detailed below.

At 31 March 2021, the company had tax losses of £258,724 (2020: £233,253) to be carried forward against future trading profits.

11. Exceptional items

	2021 £	2020 £
Exceptional admin cost	65,000	36,000
	65,000	36,000

These represent provisions for holiday leave accruals to be carried forward for two years as a result of legislation in response to the COVID 19 pandemic.

NIIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Other fixed assets £	Total £
Cost or valuation				
At 1 April 2020	283,375	22,563	4,222	310,160
Additions	27,930	-	-	27,930
Disposals	(65,105)	-	-	(65,105)
At 31 March 2021	246,200	22,563	4,222	272,985
Depreciation				
At 1 April 2020	194,171	9,862	4,222	208,255
Charge for the year on owned assets	49,048	3,675	-	52,723
Disposals	(65,077)	-	-	(65,077)
At 31 March 2021	178,142	13,537	4,222	195,901
Net book value				
At 31 March 2021	68,058	9,026	-	77,084
At 31 March 2020	89,204	12,701	-	101,905

13. Debtors

	2021 £	As restated 2020 £
Trade debtors	6,380,719	4,470,699
Amounts owed by group undertakings	3,040,526	3,823,891
Other debtors	190,107	859,440
Prepayments and accrued income	400,118	272,448
	10,011,470	9,426,478

NIIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

14. Cash and cash equivalents

	2021	2020
	£	£
Cash at bank and in hand	2,094,748	1,872,037
	<u>2,094,748</u>	<u>1,872,037</u>

15. Creditors: Amounts falling due within one year

	2021	<i>As restated</i> 2020
	£	£
Trade creditors	16,745	590,291
Amounts owed to group undertakings	1,303,626	2,363,901
Corporation tax	92,829	110,735
Other taxation and social security	692,734	468,345
Other creditors	7,790,330	6,414,408
Accruals and deferred income	1,760,212	938,633
	<u>11,656,476</u>	<u>10,886,313</u>

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

	2021	2020
	£	£
Provision of leave pay	30,000	10,000
	<u>30,000</u>	<u>10,000</u>

17. Deferred taxation

	2021	2020
	£	£
At beginning of year	(16,596)	(15,960)
Charged to profit or loss	4,856	(636)
At end of year	<u>(11,740)</u>	<u>(16,596)</u>

NIIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(11,740)	(16,596)
	<u>(11,740)</u>	<u>(16,596)</u>

18. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
155,000 (2020 - 155,000) Ordinary shares of £1.00 each	<u>155,000</u>	<u>155,000</u>

19. Reserves

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

NIIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

20. Share based payments

The parent 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. If the options remain unexercised after a period of five years from the date of vesting, 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) 2021	Number 2021	<i>Weighted average exercise price (pence) 2020</i>	<i>Number 2020</i>
Outstanding at the beginning of the year		80,000		<i>80,000</i>
Granted during the year		-		-
Transferred during the year		-		-
Exercised during the year		(33,332)		-
Outstanding at the end of the year	78.67	46,668	<i>78.67</i>	<i>80,000</i>
			2021	<i>2020</i>
Weighted average share price (pence)			33.41	<i>31.71</i>
Exercise price (pence)			81.75	<i>78.67</i>
Weighted average contractual life (days)			4.5	<i>4.5</i>
Expected volatility			44.47	<i>44.16</i>
Expected dividend growth rate			2.32	<i>2.47</i>
Risk-free interest rate			7.80	<i>7.81</i>

The cost of the options is amortized over the period of grant for which expenses are debited by the parent company. Included in the profit and loss is the amount of £2,624 (2020: £6,415) in relation to the scheme.

21. Pension commitments

The Company operates a defined contributions 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 £18,683 (2020 - £11,737).

NIIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

22. Commitments under operating leases

At 31 March 2021 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	229,797	337,903
Later than 1 year and not later than 5 years	215,777	718,580
	<u>445,574</u>	<u>1,056,483</u>

23. Related party transactions

The company 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.

24. Parent undertaking and 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) prepares group financial statements, which can be obtained from 8 Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Delhi - 110 019, India.

25. Corporate guarantee

During the year, there has been a Corporate Guarantee issued to ICICI Bank, UK for availing working capital limits by NIIT Limited (India) on behalf of NIIT Limited of £4,200,000 (2020: £Nil) and the balance outstanding at 31 March 2021 in respect of this facility was £Nil (2020: £Nil).

26. Prior year adjustment

During the year, the company changed the treatment of fixed bid projects, in order to recognise deferred and accrued elements of these projects separately, as the directors believe that this better presents a true and fair view of the financial statements. In order to maintain consistency between the current year and prior year figures, the prior year figures have been restated to present deferred and unbilled revenue in line with the current year policy. This restatement has resulted in an increase to both accruals and deferred revenue within note 15 and prepayments and accrued revenue within note 13 of £25,351. There has been no change to operating profits or retained earnings as a result of this restatement.