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**NIIT LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2018**



(Contd.)

Page No.

Page No.

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**NIIT LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Sapnesh Kumar Lalla Abhas Kumar Rahul Keshav Patwardhan (resigned 16 June 2017) Dinesh Magadi (appointed 16 June 2017) Perunkulam Ramakrishnan Subramanian (appointed 16 June 2017) Vijay Kumar Thadani (appointed 16 June 2017)
<b>Company secretary</b>	Abogado Nominees Limited
<b>Registered number</b>	05555036
<b>Registered office</b>	100 New Bridge Street London EC4V 6JA
<b>Trading Address</b>	2nd Floor 47 Mark Lane London EC3R 7QQ
<b>Independent auditor</b>	Donald Reid Limited Chartered Accountants & Statutory Auditors Prince Albert House 20 King Street Maidenhead Berkshire SL6 1DT

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**NIIT LIMITED**

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**CONTENTS**

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	Page
<b>Directors' report</b>	1 - 2
<b>Strategic report</b>	3
<b>Independent auditor's report</b>	4 - 6
<b>Statement of comprehensive income</b>	7
<b>Balance sheet</b>	8
<b>Statement of changes in equity</b>	9
<b>Statement of cash flows</b>	10
<b>Notes to the financial statements</b>	11 - 23

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## NIIT LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

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The directors present their report and the financial statements for the year ended 31 March 2018.

#### Principal activity

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

#### Directors

The directors who served during the year were:

Sapnesh Kumar Lalla  
Abhas Kumar  
Rahul Keshav Patwardhan (resigned 16 June 2017)  
Dinesh Magadi (appointed 16 June 2017)  
Perunkulam Ramakrishnan Subramanian (appointed 16 June 2017)  
Vijay Kumar Thadani (appointed 16 June 2017)

#### 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.

#### Results and dividends

The profit for the year, after taxation, amounted to £33,124 (2017 - loss £172,345).

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**NIIT LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2018**

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**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.

**Employee involvement**

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.

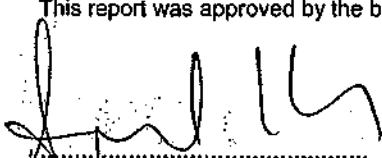
**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditor**

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

This report was approved by the board on 14 May 2018 and signed on its behalf.



Sapnesh Kumar Lalla  
Director

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NIIT LIMITED

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2018**

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**Business review**

The business from the training market in the UK and Europe has continued to grow this year. This is as a result of the growth of existing customers and the addition of some new accounts.

The future outlook of the business continues to look positive as the company continues its expansion into Europe whilst developing preferred partnership relationships.

**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.

*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. Given the size of the company, the directors have not delegated the responsibility of monitoring risk to a sub-committee of the board. The company's finance department implements policies set by the board of directors.

*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.

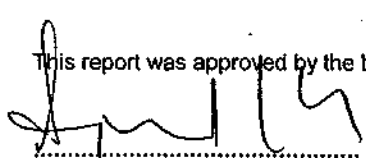
*Foreign exchange risk*

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.

This report was approved by the board on 14 May 2018 and signed on its behalf.

  
Sapnesh Kumar Lalla  
Director

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## NIIT LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NIIT LIMITED

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#### Opinion

We have audited the financial statements of NIIT Limited (the 'Company') for the year ended 31 March 2018, 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 2018 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

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**NIIT LIMITED**

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

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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 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



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**NIIT LIMITED**

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

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**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 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.

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



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

14 May 2018

OF  
NIIT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	As restated 2017 £
Turnover	4	15,399,712	11,056,875
Cost of sales		(9,604,912)	(7,442,207)
<b>Gross profit</b>		<b>5,794,800</b>	<b>3,614,668</b>
Administration Expenses		(5,864,465)	(4,039,964)
Other non-operating income	5	157,560	350,334
Interest receivable and similar income	9	-	23
<b>Profit/(loss) before tax</b>		<b>87,895</b>	<b>(74,939)</b>
Tax on profit/(loss)	10	(54,771)	(97,406)
<b>Profit/(loss) for the financial year</b>		<b>33,124</b>	<b>(172,345)</b>

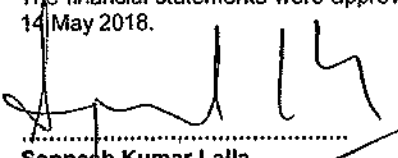
There was no other comprehensive income for 2018 (2017: £NIL).

**NIIT LIMITED**  
**REGISTERED NUMBER: 05555036**

**BALANCE SHEET**  
**AS AT 31 MARCH 2018**

	Note	2018 £	As restated 2017 £
<b>Fixed assets</b>			
Tangible assets	11	110,801	55,149
		<u>110,801</u>	<u>55,149</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	11,215,052	14,660,072
Cash at bank and in hand	13	2,631,854	2,380,334
		<u>13,846,906</u>	<u>17,040,406</u>
Creditors: amounts falling due within one year	14	(13,782,679)	(16,953,651)
<b>Net current assets</b>		<u>64,227</u>	<u>86,755</u>
<b>Total assets less current liabilities</b>		<u>175,028</u>	<u>141,904</u>
<b>Net assets</b>		<u>175,028</u>	<u>141,904</u>
<b>Capital and reserves</b>			
Called up share capital	16	155,000	155,000
Profit and loss account	17	20,028	(13,096)
		<u>175,028</u>	<u>141,904</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 May 2018.

  
Sapnesh Kumar Lalla  
Director

The notes on pages 11 to 23 form part of these financial statements.

**NIIT LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 April 2016 (as restated)</b>	155,000	159,249	314,249
<b>Comprehensive income for the year</b>			
Loss for the year	-	(172,345)	(172,345)
<b>Total comprehensive income for the year</b>	-	(172,345)	(172,345)
<b>At 1 April 2017</b>	155,000	(13,096)	141,904
<b>Comprehensive income for the year</b>			
Profit for the year	-	33,124	33,124
<b>Total comprehensive income for the year</b>	-	33,124	33,124
<b>Total transactions with owners</b>	-	-	-
<b>At 31 March 2018</b>	155,000	20,028	175,028

**NIIT LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2018**

	2018 £	As restated 2017 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	33,124	(172,345)
<b>Adjustments for:</b>		
Depreciation of tangible assets	44,389	28,006
Loss on disposal of tangible assets	913	-
Interest received	-	(23)
Taxation charge	54,771	97,406
Decrease/(increase) in debtors	4,676,302	(6,710,012)
(Increase)/decrease in amounts owed by groups	(984,988)	347,011
(Decrease)/increase in creditors	(4,051,203)	9,126,250
Increase/(decrease) in amounts owed to groups	836,778	(1,426,724)
Net fair value losses recognised in P&L	3,816	6,385
Foreign exchange	191,919	(220,638)
Taxation paid	(261,428)	(257,748)
<b>Net cash generated from operating activities</b>	<b>544,393</b>	<b>817,568</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(100,954)	(29,406)
Interest received	-	23
<b>Net cash from investing activities</b>	<b>(100,954)</b>	<b>(29,383)</b>
<b>Net increase in cash and cash equivalents</b>	<b>443,439</b>	<b>788,185</b>
Cash and cash equivalents at beginning of year	2,380,334	1,371,511
Foreign exchange gains and losses	(191,919)	220,638
<b>Cash and cash equivalents at the end of year</b>	<b>2,631,854</b>	<b>2,380,334</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	2,631,854	2,380,334
	<b>2,631,854</b>	<b>2,380,334</b>

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## NIIT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 1. Accounting policies

##### 1.1 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. General information

The entity is a private limited company limited by shares. The company is registered in the 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 2nd Floor, 47 Mark Lane, London, EC3R 7QQ.

##### 2.1 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:

##### Sale of goods

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

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

##### 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**1. Accounting policies (continued)**

**2.2 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.

**2.3 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 01 April 2013 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**2.4 Debtors**

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

**2.5 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.

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**NIIT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**1. Accounting policies (continued)**

**2.6 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.

**2.7 Creditors**

Short term creditors are measured at the transaction price.

**2.8 Foreign currency translation**

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 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 Statement of comprehensive income.



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## NIIT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 1. Accounting policies (continued)

##### 2.9 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.

##### 2.10 Interest income

Interest income is recognised in the Statement of comprehensive income on an accrual basis.

##### 2.11 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.

#### 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.

**NIT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**4. Turnover**

Analysis of turnover by country of destination:

	2018 £	As restated 2017 £
United Kingdom	3,584,445	1,910,103
Rest of Europe	9,945,835	9,042,894
Rest of the world	1,869,432	103,878
	<u>15,399,712</u>	<u>11,056,875</u>

**5. Other non-operating income**

	2018 £	2017 £
Other non-operating income	157,560	350,334
	<u>157,560</u>	<u>350,334</u>

**6. Operating profit/(loss)**

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

	2018 £	2017 £
Depreciation of tangible fixed assets	44,389	28,006
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	16,250	16,250
Defined contribution pension cost	12,576	11,708
	<u>73,215</u>	<u>55,964</u>

**7. Auditor's remuneration**

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	16,250	16,250

**NIIT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**8. Employees**

Staff costs were as follows:

	2018	<i>As restated</i> 2017
	£	£
Wages and salaries	2,942,056	1,921,191
Social security costs	522,742	346,018
Cost of defined contribution scheme	12,576	11,708
	<u>3,477,374</u>	<u>2,278,917</u>

During the 2018 and 2017 no directors received remuneration.

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

	2018	2017
	No.	No.
Sales & Marketing	3	3
Direct staff	58	46
Key management personnel	4	3
	<u>65</u>	<u>52</u>

**9. Interest receivable**

	2018	2017
	£	£
Other interest receivable	-	23
	<u>-</u>	<u>23</u>

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**NIIT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**10. Taxation**

	2018 £	2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	5,762	-
	<u>5,762</u>	<u>-</u>
<b>Foreign tax</b>		
Foreign tax on income for the year	39,324	127,478
	<u>39,324</u>	<u>127,478</u>
<b>Total current tax</b>	<u>45,086</u>	<u>127,478</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	9,685	(30,072)
<b>Total deferred tax</b>	<u>9,685</u>	<u>(30,072)</u>
<b>Taxation on profit on ordinary activities</b>	<u>54,771</u>	<u>97,406</u>

NIIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	As restated 2017 £
Profit/(loss) on ordinary activities before tax	87,895	(74,939)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	16,700	(14,988)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	455	-
Utilisation of tax losses	(7,472)	(16,361)
Adjustments to tax charge in respect of prior periods	1,006	-
Tax on foreign branches	39,324	127,478
Other differences leading to an increase (decrease) in the tax charge	4,758	1,277
Total tax charge for the year	54,771	97,406

Factors that may affect future tax charges

At 31 March 2018 the company had tax losses of £300,806 (2017: £295,206) to be carried forward against future trading profits.

**NIIT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**11. Tangible fixed assets**

	Plant and machinery £	Fixtures and fittings £	Other fixed assets £	Total £
<b>Cost or valuation</b>				
At 1 April 2017	112,521	12,384	4,222	129,127
Additions	100,125	829	-	100,954
Disposals	(21,868)	-	-	(21,868)
At 31 March 2018	190,778	13,213	4,222	208,213
<b>Depreciation</b>				
At 1 April 2017	69,459	2,608	1,911	73,978
Charge for the year on owned assets	41,225	1,756	1,408	44,389
Disposals	(20,955)	-	-	(20,955)
At 31 March 2018	89,729	4,364	3,319	97,412
<b>Net book value</b>				
At 31 March 2018	101,049	8,849	903	110,801
At 31 March 2017	43,062	9,776	2,311	55,149

**12. Debtors**

	2018 £	As restated 2017 £
Trade debtors	7,176,595	10,495,727
Amounts owed by group undertakings	2,437,818	1,452,830
Other debtors	764,485	1,786,828
Prepayments and accrued income	800,228	879,076
Deferred taxation	35,926	45,611
	<u>11,215,052</u>	<u>14,660,072</u>

**NIIT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**13. Cash and cash equivalents**

	2018 £	2017 £
Cash at bank and in hand	2,631,854	2,380,334
	<u>2,631,854</u>	<u>2,380,334</u>

**14. Creditors: Amounts falling due within one year**

	2018 £	<i>As restated</i> 2017 £
Trade creditors	245,116	896,222
Amounts owed to group undertakings	3,676,590	2,835,997
Corporation tax	166,296	126,658
Other taxation and social security	755,876	190,053
Other creditors	7,510,536	12,552,180
Accruals and deferred income	1,428,265	352,541
	<u>13,782,679</u>	<u>16,953,651</u>

**15. Deferred taxation**

	2018 £	2017 £
At beginning of year	45,611	15,539
Charged to the profit or loss	(9,685)	30,072
At end of year	<u>35,926</u>	<u>45,611</u>

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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15. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2018 £	As restated 2017 £
Accelerated capital allowances	(21,226)	(10,478)
Tax losses carried forward	57,152	56,089
	<u>35,926</u>	<u>45,611</u>

16. Share capital

	2018 £	2017 £
Allotted, called up and fully paid 155,000 Ordinary shares of £1 each	<u>155,000</u>	<u>155,000</u>

17. 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 2018**

**18. 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. 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) 2018	Number 2018	Weighted average exercise price (pence) 2017	Number 2017
Outstanding at the beginning of the year	68.48	60,000	68.48	60,000
Outstanding at the end of the year	68.48	60,000	68.48	60,000
			2018	2017
Weighted average fair value price (pence)			26.03	24.93
Exercise price (pence)			68.48	68.48
Weighted average contractual life (years)			5.17	4.17
Expected volatility (%)			42.36	44.22
Expected dividend growth rate (%)			3.34	3.34
Risk-free interest rate (%)			7.77	7.75

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 an amount of £3,816 (2017: £6,385) in relation to the scheme.

**19. Comparatives**

The comparatives have been restated to recognise revenue from certain contracts on a net basis rather than gross. The directors believe this better reflects the substance of the transactions as the company is acting as agent rather than principal. This has reduced both turnover and cost of sales by £27,362,348 in the prior period.

The comparatives have also been restated to reflect the fair value movement of share based payments. A charge of £9,781 has been recognised in 2017 and 2016 with a corresponding credit to amounts owed to the group. The restatement has led to a reduction in retained earnings brought forward of £6,385. Reserves as at 1 April 2016 were also restated for £3,396 in relation to the charge in the 2016 Statement of comprehensive income.

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**NIIT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**20. 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 £12,576 (2017: £11,708).

**21. Commitments under operating leases**

At 31 March 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018	As restated 2017
	£	£
Not later than 1 year	59,986	49,568
Later than 1 year and not later than 5 years	49,624	98,623
	<u>109,610</u>	<u>148,191</u>

Included within the statement of comprehensive income was £63,890 (2017: £49,660) in relation to lease payments.

**22. 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.

NIIT Limited (UK) also had transactions with NIIT Technologies Limited, a company in which NIIT Limited, the ultimate holding company also has an interest. During the year NIIT Limited (UK) was billed £127,386 (2017: £107,342) for the recovery of expenses by NIIT Technologies Limited.

At the year end date, included within trade creditors, was an amount of £24,299 (2017: £24,941) owed to NIIT Technologies Limited.

**23. 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.