# Target Group Limited

Annual report and consolidated financial statements
for the year ended 31 March 2023
Registered number 01208137

# Contents

## Strategic Report

This strategic report has been prepared for the Group as a whole ("Target"), so includes matters which are significant to Target Group Limited and its subsidiary undertakings.

**Review of the business**

***Principal activities***

The principal activities of Target are the provision of transformational outsourcing, business process management, managed services and software to the financial services sector. We enable clients to transform performance by delivering a world class combination of customer experience, regulatory compliance and productivity through our digital technology and process improvement capabilities. Our services are delivered in highly regulated mission critical environments, and our platform supports over £27bn of business. We have over 40 years' experience and are trusted by over 40 financial institutions, including some of the top 20 global banks.

Through Elderbridge Limited we act as Lender of Record on a number of lending portfolios, providing management services for portfolio owners in the FCA regulated environment.

***Financial review***

Under a new leadership team, Target Group Limited has embarked on a complete overhaul of its strategy and operations. This has initiated a review into various historical issues requiring potential remediation and has demanded the attention of colleague across the Company with many newly identified challenges and a significant amount of hard work.

Even so, the Company has managed to develop an exciting new product which could be transformational for mortgage providers, Mortgage Hub. Revolutionising the Mortgage Process | Target (targetgroup.com). Our objective is to revolutionise the Mortgage process and drive enhanced customer experience utilising cutting edge technologies and UX design.

The Company has reviewed its own financial position rigorously and taking all the foregoing into account, the Company has reported a loss before taxation of £12,834k. Recapitalisation has been undertaken after the year end in order to return the Company to a shareholder funds surplus position, with Tech Mahindra Fintech Holdings Limited injecting further equity into the Company, evidencing our parent company's continued commitment to the success of the Company. This allows the Company to be a good position to achieve its ambitious plans. The directors are grateful to the company's parent for expressing confidence in its future, and for providing the fresh capital needed.

Turnover for the year ended 31 March 2023 of £66,268k (31 March 2022 of £76,689k) represents a decrease of 14% (2022: increase of 8%). The gross margin for the year was 16% (2022: 23%).

Operating loss increased from £4,860k for the year ended 31 March 2022 to an operating loss of £12,644k for the year ended 31 March 2023. The macro-economic climate has impacted our financial performance for the year ended 31 March 2023, with reduced transaction volumes and growth in originating portfolios we service, inflationary uplifts in our cost base and a challenging year for winning and delivering new business. We have continued to invest in our platforms and operating model during the year which will deliver future cost savings, but not all of our investment meets the capitalisation thresholds available. This has resulted in additional costs in the year, but it is important investment to ensure we continuously improve our services to clients and customers, whilst driving efficiencies into our operations.

The impact of macroeconomic challenges on our customers will be an area we closely monitor. Our proven track record in successfully supporting our customers through challenging times provides confidence that we will continue to meet the changing needs of our customers and colleagues as we move forward

# Strategic Report (continued)

The following data illustrate the annualised comparison:

| | 2023 | 2022 |
|---|---|---|
| | £000 | £000 |
| Revenue | 66,268 | 76,689 |
| Loss before taxation | (12,834) | (5,001) |

***Our markets***

Our clients are predominantly providers of lending, payment and investment products, across both the public and private sectors. We service these markets through four key offerings; transformational outsourcing, business process outsourcing, managed services and software, all of which are supported by our professional services and consultancy teams.

***Business performance***

Significant changes were made to the operational structure of the business, in year, that will begin to crystalise in 2023/24, driving improved performance. In addition, Target continue to work closely with Tech Mahindra, of which Target is a 100%-owned subsidiary, in bringing new technology to bear in helping our clients succeed. This combined Target/Tech Mahindra approach creates a compelling proposition for future growth.

Within our existing client portfolio, several high profile clients took the decision to renew their contracts with Target during the year. These are relationships that we value deeply. We expect that our continued focus on operational excellence will see us secure additional contract extensions as we move forward.

***People***

In May 2023, Peter O'Connor was appointed to the Board as CEO. Peter had previously held the position as Chief Operating Officer at Target since August 2022.

The average number of colleagues has reduced in the year from 1,129 to 1,003.

Our culture programme continues to thrive. Built around a clear set of values and behaviours, our employee recognition scheme ensures we recognise individuals and teams that make an outstanding contribution across the business. We also have a localised reward scheme, "MyRecognition" which provides small rewards to swiftly recognise great examples of our Target values and behaviours.

We continue to place a significant focus on colleague well-being through a range of initiatives and events, which has resulted in us being well placed to support colleagues through the current macro-economic issues

Our Diversity & Inclusion working group continues to drive initiatives at the heart of our values. At Target we are delighted to have a diverse workforce and we have continued to support and encourage engagement through a number of activities involving our employees. It has been a difficult year to deliver some of the activities that were planned but we have been able to provide these virtually and online where possible.

***Corporate social responsibility***

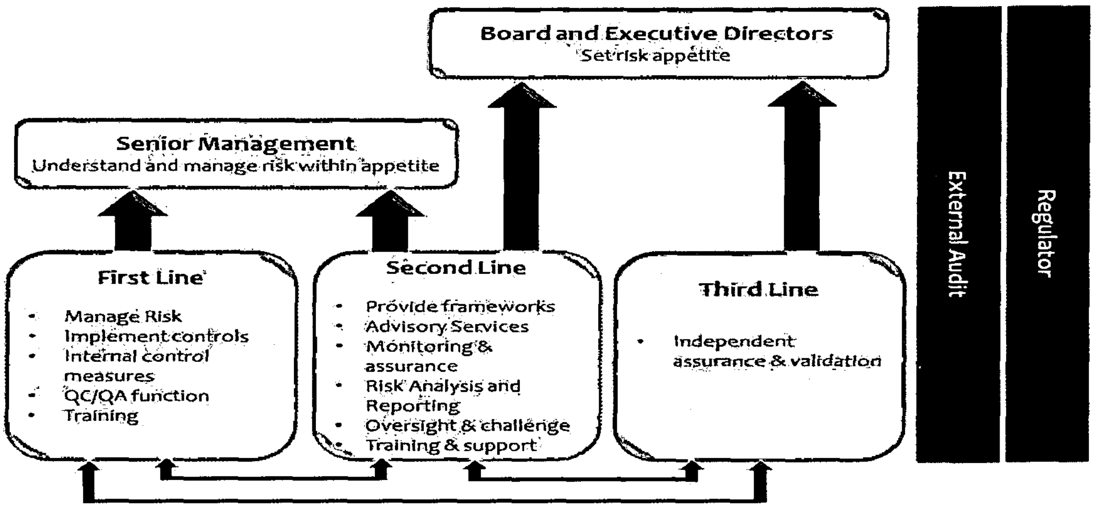
As a Group, we are passionate about engaging with our local community and taking responsibility for the environment around us. In the year end 31 March 2023 there were 80 volunteering days utilised by our colleagues and a total of £11,941 was raised for our charity partners.

# Strategic Report (continued)

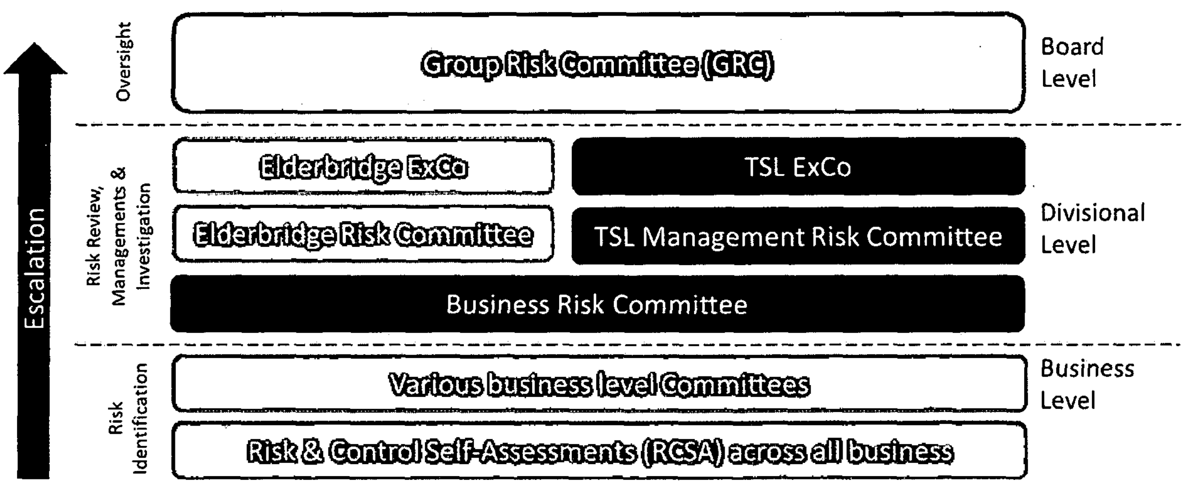
**Principal risks and uncertainties**

***Risk management in Target Group***

Target seeks to embed effective risk management through the application of a 'Three Lines of Defence' model to manage and mitigate risks and provide assurance over the control environment. The Framework is maintained by the Group Risk & Compliance function. Operations form the first line of defence and are responsible for day to day operational risk management. This is overseen by the Risk and Compliance Function operating as the second line of defence. The third line is Internal Audit which operates independently, as a co-sourced arrangement with external providers.




Outputs from risk management activities are reviewed through the Risk Governance Framework, culminating in escalation to the Board's Group Risk Committee or Group Audit Committee which are sub committees of the Target Group Board. We continue to review and evolve our Risk Management Framework, and as a result our Risk Governance Framework was updated during the year. The Framework is set out in the diagram below.



# Strategic Report (continued)

*Principal risk outlook*

Target aims to offer innovative technology-based servicing, software and product propositions, within the constraints of its financial resources and without compromising customer outcomes, its reputation or its brand. It only pursues opportunities that are well understood, that support the vision and strategy of the Group and where risks can be effectively managed.

The Group manages its risk profile across seven principal risk themes which are summarised below:

| Risk Theme | Definition | Key Mitigants |
|---|---|---|
| Conduct | The risk that we don't achieve good outcomes for our customers/clients, or cause market instability through our actions. | - Conduct Forum which reviews customer outcomes and discusses legal and regulatory changes<br>- Monthly 1st Line QA and Outcomes Testing<br>- Compliance Assurance Plan which has been approved by GRC<br>- Key frameworks and policies in place (e.g. Complaints, Arears, Vulnerable Customers)<br>- Dedicated Risk and Compliance Business Partners for departments and client portfolios |
| Operational | The risk of loss resulting from ineffective or failed internal processes, people, systems, or external events that can disrupt the flow of business operations. | - Fully established and resourced incident process<br>- Comprehensive resource management approach<br>- Dedicated Risk and Compliance Business Partners for departments and client portfolios<br>- Dedicated Business Continuity / Operational Resilience expertise |
| People | The risk of not having the sufficient number or sufficiently experienced people within the Group to adequately meet business demand. | - Key frameworks and policies in place (e.g. Recruitment, Remuneration, Absence)<br>- Comprehensive resource management approach |
| Technology & Change | The risk relating to any technology failure, information security incident, cyber-attack, data breach or failure to successfully deploy change that disrupts the business. | - Key frameworks and policies in place (e.g. Cyber Security, Data Protection, Information Security)<br>- Fully established and resourced incident process<br>- Dedicated 1st and 2nd Line data security teams |
| Regulatory | The risk that the Group does not meet its existing or emerging legal and regulatory obligations. | - Fully resourced Compliance Advisory team<br>- Horizon Scanning process in place with monthly bulletin produced and published<br>- Conduct Forum which reviews customer outcomes and discusses legal and regulatory changes<br>- Monthly 1st Line QA and Outcomes Testing<br>- Compliance Assurance Plan which has been approved by GRC<br>- Key frameworks and policies in place (e.g. Complaints, Arears, Vulnerable Customers) |
| Strategic | Strategic risk relates to any internal and external events that may make it difficult, or even impossible, for the Group to achieve its objectives. | - Defined strategy, that has been rolled out company wide, with accompanying measures to monitor progress<br>- BRC, MRC and GRC in place to monitor risks relating to the Group achieving its strategy |

| Risk Theme | Definition | Key Mitigants |
| --- | --- | --- |
| Financial | The risk that the Group is unable to effectively manage its financial commitments. | - Continued Tech Mahindra (parent company) investment and support into the Group, evidenced by the post balance sheet equity injection.<br>- Comprehensive approach to budget approval and sign-off<br>- Financial governance surrounding monthly performance against plan<br>- Maturity in relation to 5-year plans. |

**Section 172 Statement**

Target Group is a trusted provider of outsourced services within the financial services sector and as such the group seeks to put the customers of its clients first, invests in its employees, supports the communities in which it operates and strives to generate sustainable profits for shareholders.

The Directors of the group have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

Section 172 considerations are embedded in decision making at Board level and throughout the Group. Where applicable, any issues, factors and stakeholders which the Directors consider when discharging their duty under section 172(1) are detailed within the strategic report and directors' report within these annual statements.

Our business purposes and the risks facing our organisation are set out in the strategic report, including those relating to our people and our social responsibilities practices, including examples of stakeholder engagement with employees and suppliers.

**Events after the reporting period**

Target Group is a wholly owned subsidiary of Tech Mahindra Fintech Holdings Limited, with the ultimate parent company of Tech Mahindra Limited. Tech Mahindra Fintech Holdings Limited have completed an equity injection into the Group in June 2023 of £13.2m. This evidences Tech Mahindra's investment in Target Group's future and confidence in the strategic direction under the new management team's leadership. This significant injection will return the Group to a shareholder funds surplus, provides a positive cash balance and gives the Directors of the Group confidence in the Group's ability to continue as a going concern. The appropriate level of funds will flow down into the regulated entities in the Group to ensure that they are sufficiently solvent.

# Strategic Report (continued)

**Future developments**

Target Group Limited's new management team is fully committed to a complete overhaul of its strategy and operations. Focusing attention on potential remediation of historical issues and a keen focus on the future growth prospects with the launch our exciting new product which will be transformational for mortgage providers.

Target Group is in an excellent position to take advantage of opportunities arising in the coming year. Significant investment in new proposition aims to open the door into new markets for the Group.

A rapidly changing financial services market will lead to opportunities with both established players and disruptive entrants. The continued strengthening of our senior leadership team and our relationship with Tech Mahindra during the year leaves us well positioned to secure these new client opportunities.

Ultimately the success of Target will be determined by the success of our clients and I would like to take this opportunity to thank our clients for their continued custom.

By order of the Board

**5-19 Target House**
Cowbridge Road East
Cardiff CF11 9AU
Registered number 01208137

**P.A. O'Connor**
*Director*

16 June 2023

# Directors' Report

The directors present their annual report together with the financial statements and auditor's report, for the year ended 31 March 2023.

In accordance with Section 414C (11) of the Companies Act 2006, certain information around the trading activities of the Group are contained within the Strategic Report.

**Results and dividends**

The Group's results are set out in the consolidated profit and loss account on page 14 and the strategic report on page 1. The directors elected not to declare a dividend during the year *(2022: £nil)*.

**Directors**

The directors who held office during the year were as follows:

V.S. Agarwal
A. Wallace
R. Newman (resigned 1 September 2022)
A.J. McIntyre
J.S. Barker (appointed 1 September 2022, resigned 31 May 2023)
P.A. O'Connor (appointed 31 May 2023)

**Directors' indemnities**

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the prior period and remain in force at the date of this report.

**Financial risk management objectives and policies**

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risks.

***Cash flow risk***

All treasury matters are coordinated via the relevant group functions of our parent entity Tech Mahindra Limited.

There is minimal interest rate risk to the Group as we hold no external debt, except our finance leases and overdraft facility.

***Credit risk***

The Group's principal financial assets are bank balances and cash, trade and other receivables and investments.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

The Group has no significant concentration of credit risk, with exposure spread over a large number of clients. Most of our clients are blue chip investment, retail banking, finance and insurance companies, and government bodies which represent a low credit risk.

***Liquidity risk***

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses short-term debt finance, when required. Finance leases are used by the company to facilitate the purchase of long-term assets (note 1).

***Regulatory risk***

Target Servicing Ltd is classified as an Article 3 MiFID exempt firm and also holds the status as ISA Plan Manager with HMRC in respect of the Hartmoor Financial brand. Our compliance function reviews our regulatory requirements on an ongoing basis to ensure compliance with all relevant permissions held.

Elderbridge Limited was established in 2014 as a loan servicing company authorised and regulated by the Financial Conduct Authority (FCA). The entity holds various lending permissions for consumer credit and mortgages.

The group's compliance function reviews the group's regulatory requirements on an ongoing basis to ensure compliance with all relevant permissions held.

# Directors' Report (continued)

**Political contributions**

No political donations were made during the year *(2022: nil)*.

**Disabled employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitude of the applicant concerned. In the event of members of staff becoming disabled, every effort will be made to ensure their employment with the Group continues and that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

**Employee consultation**

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings with the Executive Committee ("ExCo") in the form of all company broadcasts, senior leadership team meetings, 'Ask ExCo' Yammer page, 'MyForum' employee engagement group and group e-mail communications. The communication channels are open forums and are a way of consulting regularly with employees on a wide range of matters affecting their current and future interests.

**Energy and Carbon Reporting**

For the period from 1 April 2022 to 31 March 2023 the consumption of reportable energy for the Group was 1,819,454 kWh and 42,924 miles of travel mileage reimbursements to employees. This equated to:

- 339 tCO2e from the purchase of electricity
- 12 tCO2e from the purchase of gas
- 10 tCO2e from miles travelled by employees

Energy efficiency:

The Group does not own any of its buildings, nor are they occupied under finance leases. We have no authority to improve the energy efficiency of the buildings without agreement and investment from our landlords.

Whilst we encourage energy efficiency best practice with our employees, the health and welfare of our employees always comes first.

Intensity Ratio:

The group used on average 1 $kgCO_2$ for every £183.63 of turnover (2022: 1kg $CO_2$ for every £134.92).

We have calculated our emissions based on the Activity data (kWh or mileage) x Emission Factor.

As our energy usage is invoiced directly from our energy suppliers, and we have taken the usage of electricity and gas directly from the supplier invoices to determine the Activity data. For mileage, we have used employee expense claims to determine the Activity data. We have used data from the Carbon Trust: (https://proddrupal-files.storage.googleapis.com/documents/resource/public/Conversion_factor_introductory_guide.pdf) as the emissions factor source.

**Statement of engagement with suppliers, customers and others in a business relationship with the group**

We value our customer relationships deeply and all clients have a specific Client Account Manager and Director to ensure regular and relevant engagement. Given that we are a business that provides long-term services to clients, the ability to develop and foster our client relationships is key to our success. We use client satisfaction surveys as a key metric to engage with our clients to monitor and continuously improve our services to them.

We proactively engage with our suppliers as we have a number of suppliers that are fundamental to the quality of our services, and therefore to ensuring that we meet the high standards of conduct that we set ourselves. We perform due diligence on our suppliers before entering a relationship to assess whether they meet the standards of conduct we

# Directors' Report (continued)

expect. We conduct frequent supplier meetings, the regularity of which are done on a risk-based approach, with all suppliers tiered in accordance to their size and how business critical their services are to us. In June 2023 we have introduced a new supplier management tool to improve the rigour around third party management.

### Other information

An indication of any likely future developments in the business and particulars of significant events which have occurred since the end of the financial period are included in the Strategic Report.

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the directors have appointed MHA MacIntyre Hudson LLP as auditors of these financial statements.

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting

By order of the Board

Target House
Cowbridge Road East
Cardiff CF11 9AU
Registered number 01208137

**P.A. O'Connor**
*Director*

16 June 2023

# Statement of directors' responsibilities in respect of the annual report and consolidated financial statements

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 they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 group and parent company and of the groups profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

# Independent auditor's report to the members of Target Group Limited

## Opinion

### Independent Auditor's Report to the Members of Target Group Limited

We have audited the financial statements of Target Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the Consolidated Profit and Loss Account and Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and Notes to the Financial Statements, 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 group's and parent company's affairs as at 31 March 2023 and of the group's loss for the year then ended;
- have been properly prepared in accordance 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 group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

# Independent auditor's report to the members of Target Group Limited (Continued)

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial period 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**

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

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

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 10, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

- Obtaining an understanding of the legal and regulatory frameworks that the group and the parent company operates in, focusing on those laws and regulations that had a direct effect on the financial statements.
- Reviewing key correspondence with regulatory authorities such as the Financial Conduct Authority, Irish Auditing and Accounting Supervisory Authority.

## Independent auditor's report to the members of Target Group Limited (Continued)

- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Enquiry of management around actual and potential litigation and claims.
- Enquiry of management to identify any instances of known or suspected instances of fraud.
- Discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing the control systems in place and testing the design and implementation of the controls.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias; and
- Challenging assumptions and judgements made by management in their significant accounting estimates.

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 group and the parent 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 group and the parent 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.

R Shaunak

**Rakesh Shaunak** FCA, (Senior Statutory Auditor)

For and on behalf of MHA, Statutory Auditor

London, United Kingdom

16 June 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

# Consolidated Profit and Loss Account and Other Comprehensive Income

*for the year ended 31 March 2023*

| | Note | Year ended 31 March 2023 £'000 | Year ended 31 March 2022 £'000 |
|---|---|---|---|
| **Turnover** | 3 | **66,268** | **76,689** |
| Cost of sales | | (55,630) | (59,301) |
| **Gross profit** | | **10,638** | **17,388** |
| Administrative expenses | | (23,282) | (22,248) |
| **Operating loss** | | **(12,644)** | **(4,860)** |
| Interest payable and similar expenses | 4 | (190) | (141) |
| **Loss before taxation** | 6 | **(12,834)** | **(5,001)** |
| Tax on profit | 9 | 1,038 | 2,055 |
| **Loss after taxation** | | **(11,796)** | **(2,946)** |
| Other comprehensive income | | - | - |
| **Total comprehensive income** | | **(11,796)** | **(2,946)** |

All results relate to continued operations.

Notes on pages 19 to 40 form an integral part of these financial statements.

# Consolidated Balance Sheet

*at 31 March 2023*

| | Note | 31 March 2023 | | 31 March 2022 | |
|---|---|---|---|---|---|
| | | **£000** | **£000** | £000 | £000 |
| **Fixed assets** | | | | | |
| Other intangibles | *10* | | 2,335 | | - |
| Tangible assets | *11* | | 2,387 | | 3,289 |
| | | | **4,722** | | **3,289** |
| **Current assets** | | | | | |
| Debtors – due within one year | *13* | 22,625 | | 25,146 | |
| Debtors – due after one year | *13* | 4,848 | | 5,724 | |
| | | 27,473 | | 30,870 | |
| Cash at bank and in hand | | - | | 4,339 | |
| | | **27,473** | | **35,209** | |
| **Creditors:** amounts falling due within one year | *14* | (35,431) | | (30,475) | |
| **Net current assets** | | | **(7,958)** | | **4,734** |
| **Total assets less current liabilities** | | | **(3,236)** | | **8,023** |
| **Creditors:** amounts falling due after more than one year | *15* | | (1,598) | | (2,233) |
| **Provisions for other liabilities** | *17* | | (1,617) | | (445) |
| **Net assets / (liabilities)** | | | **(6,451)** | | **5,345** |
| **Capital and reserves** | | | | | |
| Called up share capital | *18* | | 810 | | 810 |
| Share premium account | | | 501 | | 501 |
| Capital redemption reserve | | | 68 | | 68 |
| Profit and loss account | | | (7,830) | | 3,966 |
| **Shareholders' funds surplus / (deficit)** | | | **(6,451)** | | **5,345** |

These financial statements were approved by the Board of Directors on 16 June 2023 and were signed on its behalf by:

**P.A. O'Connor**
*Director*

## Company Balance Sheet

*at 31 March 2023*

| | *Note* | | **31 March 2023** | | 31 March 2022 |
|---|---|---|---|---|---|
| | | **£'000** | **£'000** | £000 | £000 |
| **Fixed assets** | | | | | |
| Intangible assets | *10* | | **2,335** | | **-** |
| Tangible assets | *11* | | **1,651** | | **2,558** |
| Investment in subsidiary undertakings | *12* | | **9,000** | | **9,000** |
| | | | **12,986** | | **11,558** |
| **Current and non-current assets** | | | | | |
| Debtors – due within one year | *13* | 11,378 | | 13,204 | |
| Debtors – due after one year | *13* | 2,290 | | 2,787 | |
| | | **13,668** | | **15,991** | |
| Cash at bank and in hand | | - | | 4,237 | |
| | | **13,668** | | **20,228** | |
| **Creditors:** amounts falling due within one year | *14* | (22,636) | | (31,151) | |
| **Net current (liabilities)** | | | **(8,968)** | | **(10,923)** |
| **Total assets less current liabilities** | | | **4,018** | | **635** |
| **Creditors:** amounts falling due after more than one year | *15* | | **(43)** | | **(438)** |
| **Provisions for other liabilities** | *17* | | **(141)** | | **-** |
| **Net assets** | | | **3,834** | | **197** |
| **Capital and reserves** | | | | | |
| Called up share capital | *18* | | **810** | | **810** |
| Share premium account | | | **501** | | **501** |
| Capital redemption reserve | | | **68** | | **68** |
| Profit and loss account | | | **2,455** | | **(1,182)** |
| **Shareholders' funds** | | | **3,834** | | **197** |

The profit for the financial year dealt with in the financial statements of the parent company was £229k *(2022:* The profit for the financial year dealt with in the financial statements of the parent company was £1,940k).

These financial statements were approved by the Board of Directors on 16 June 2023 and were signed on its behalf by:

**P.A. O'Connor**
*Director*

# Consolidated Statement of Changes in Equity

| | Note | Share capital £000 | Share premium account £000 | Capital redemption reserve £000 | Profit and loss account £000 | Total £000 |
|---|---|---|---|---|---|---|
| | | Equity attributable to equity shareholders of the Group | | | | |
| Balance at 1 April 2021 | | 810 | 501 | 68 | 6,912 | 8,291 |
| **Total comprehensive income for the year** | | | | | | |
| Loss for the year | | - | - | - | (2,946) | (2,946) |
| Balance at 31 March 2022 | | **810** | **501** | **68** | **3,966** | **5,345** |
| **Total comprehensive income for the year** | | | | | | |
| Loss for the year | | - | - | - | (11,796) | (11,796) |
| **Balance at 31 March 2023** | | **810** | **501** | **68** | **(7,830)** | **(6,451)** |

# Company Statement of Changes in Equity

| | Note | Equity attributable to equity shareholders of the Company | | | | |
|---|---|---|---|---|---|---|
| | | Share capital | Share premium account | Capital redemption reserve | Profit and loss account | Total |
| | | £000 | £000 | £000 | £000 | £000 |
| Balance at 1 April 2021 | | 810 | 501 | 68 | (3,122) | (1,743) |
| **Total comprehensive income for the year** | | | | | | |
| Profit for the year | | - | - | - | 1,940 | 1,940 |
| **Balance at 31 March 2022** | | **810** | **501** | **68** | **(1,182)** | **197** |
| **Total comprehensive income for the year** | | | | | | |
| Dividend | | - | - | - | 3,408 | 3,408 |
| Profit for the year | | - | - | - | 229 | 229 |
| **Balance at 31 March 2023** | | **810** | **501** | **68** | **2,455** | **3,834** |

# Notes to the financial statements

For the year ending 31 March 2023

## 1 Significant accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

***General information and basis of accounting***

Target Group Limited is a company incorporated in the United Kingdom under the Companies Act.

The Company is a private Company limited by shares and is registered in England and Wales. The address of the registered office is given on page 5.

The nature of the group's operations and its principal activities are set out in the Directors' report and Strategic report on pages 1 to 9.

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

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The functional currency of Target Group Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling.

Target Group Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside these consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

The consolidated financial statements of Tech Mahindra Limited, within which this Company is included, can be obtained from the National Stock Exchange of India Ltd (NSE), The BSE Limited (BSE) and the company's website (www.techmahindra.com).

***Going concern***

The directors have considered the use of the going concern basis in the preparation of the Group and Company financial statements in light of the current financial position of the Group and Company and their related forecast cash flows. They have concluded that it is appropriate at the date of signing the financial statements.

Tech Mahindra's Investment Committee have approved an equity injection into the Group in June 2023 of £13.2m. Evidencing investment in Target Group's future and confidence in the strategic direction under the new management team's leadership. This significant injection will return the Group to a shareholder funds surplus, provides a positive cash balance and gives the Directors of the Group confidence in the Group's ability to continue as a going concern. The appropriate level of funds will flow down into the regulated entities in the Group to ensure that they are sufficiently solvent.

A new management team have been in place for over 12 months and in that time, they have made significant positive changes to both the cultural and operational structure of the business that will begin to crystalise in 2023/24 driving improved performance. An entire transformation plan has been built to turn the company's financials around. This transformation programme will significantly reduce losses in FY24 from the FY23 position, with the company returning to profitability in the foreseeable future.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these consolidated financial statements in order to assess the Group's ability to continue as a going concern

The company does not have any external debt, other than an overdraft facility, or material financing arrangements, in place currently and as a result, in this case, the forecasts, which have been prepared for a period of at least 12 months from the balance sheet date, indicate that the company will have sufficient funds through funding from its ultimate parent company, Tech Mahindra Limited, to meet its liabilities as they fall due for that period.

# Notes *(continued)*

## 1 Significant accounting policies (continued)

***Going concern (continued)***

Those forecasts are dependent on Tech Mahindra Limited providing additional financial support during that period. Tech Mahindra Limited has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

***Basis of consolidation***

The consolidated financial statements incorporate the financial statements of the company and all its subsidiary undertakings made up to 31 March 2023, and previously to 31 March 2022. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Business combinations are accounted for under the purchase method. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

***Foreign currency***

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at the balance sheet date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign exchange differences arising on translation are recognised in the profit and loss account. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

***Business combinations***

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the company.

***Intangible assets - Goodwill***

Goodwill arising on the acquisition of subsidiary undertakings and businesses representing the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life. Provisions are made for any impairment.

Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses. The directors consider each acquisition separately for the purpose of determining the amortisation period, being the period over which the directors estimate that economic benefit will continue to be derived from the purchase as:

| | |
|---|---|
| Goodwill on consolidation arising on acquisition of subsidiary undertakings | 5 – 10 years |

# Notes *(continued)*

## 1 Significant accounting policies (continued)

***Intangible assets – research and development***

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is deferred and amortised over the period during which the Group is expected to benefit. This period is between 2 and 5 years. Provisions are made for any impairment. See note 2 for further details.

***Other intangible assets***

Intangible assets acquired as part of a business acquisition are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight line basis over their estimated useful economic lives as follows:

| | |
|---|---|
| Customer contracts | 5 years |
| Brand | 5 years |
| Capitalised development costs | 2 to 6 years |

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date. Goodwill and other intangible assets are tested for impairment in accordance with FRS102 Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

***Tangible fixed assets***

Tangible fixed assets are stated at their historic cost, net of depreciation and any provision for impairment. 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 provided on all tangible fixed assets, at rates calculated to write off the cost, less the estimated residual value, of each asset on a straight-line basis over their estimated useful economic lives from the point they are brought into use as follows:

| | | |
|---|---|---|
| Short leasehold property | - | the term of the lease |
| Computer equipment | - | 3-7 years |
| Fixtures and fittings | - | 3-10 years |

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

# Notes *(continued)*

## 1 Significant accounting policies (continued)

***Financial instruments***

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

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

*Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions, are subsequently measured at amortised cost using the effective interest method:

a. Returns to the holder are (i) a fixed amount; or (ii) a positive fixed rate of return over the life of the instrument; or (iii) a positive variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.

b. There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

c. Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.

d. There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

# Notes *(continued)*

## 1 Significant accounting policies (continued)

***Financial instruments (continued)***

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

*Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

*Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

*Investments*

In the Company balance sheet, investments in subsidiaries and associates are measured at cost less impairment.

*Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits.

**Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the profit and loss as described below.

*Non-financial assets*

The carrying amounts of the entity's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

# Notes *(continued)*

## 1 Significant accounting policies (continued)

***Financial instruments (continued)***

*Financial assets*

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

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

***Taxation***

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

The tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Interest receivable and interest payable***

Interest payable and similar charges include interest payable and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

# Notes *(continued)*

## 1 Significant accounting policies (continued)

***Turnover***

Turnover represents the amounts, excluding value added tax, derived from the provisions of solutions to third party customers. Solutions can be provided in four ways: as software licence and related service sales, under managed service contracts, under business transformation contracts and under business process outsourcing contracts.

Turnover for the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors.

***Government grants***

Government grants are accounted under the accruals model as permitted by FRS 102 and are recognised in the Profit and Loss in the same period as the related expenditure. The group has chosen to show the government grants received as other operating income.

***Retirement benefits***

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

***Leases***

Assets held under finance leases and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future obligations are recorded as liabilities, while the interest elements of the rental obligations are charged to the profit and loss account over the periods of the leases and to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged in the profit and loss account on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

***Provisions***

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be estimated reliably. A provision is not made for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

# Notes *(continued)*

## 2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

*Revenue recognition*

Due to the complexity of some of the Group's contracts, there are judgements to be applied, including the measurement and timing of implementation revenue recognition and the recognition of assets and liabilities that result from the performance of the contract.

*Research and development costs*

In line with FRS 102, the Group capitalises expenditure on development activities where that expenditure meets the requirements of the standard i.e. a product or process is technically and commercially feasible, the Group intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and the Group can measure reliably the expenditure attributable to the intangible asset during its development. Projects are assessed on an individual basis to determine which activities meet the eligibility criteria for capitalisation as an intangible asset. The days attributable to eligible activities based on the time recording system, together with management assessment of percentage attributable where required, are multiplied by the relevant day rate for that period and capitalised. Eligible non-staff costs are also capitalised where relevant.

There are also judgements applied to the period over which the costs will be recovered. This determines the amortisation period appropriate for the asset.

*Trade receivables recoverability*

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

*Onerous contract provision*

The group provides for any contract where the unavoidable cost of delivering our contractual obligations exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net costs of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

## 3 Turnover

Turnover by destination was UK £48,363k (*2022:* £60,545k) and rest of the world £17,905k (*2022:* £16,144k).

The table below sets out information for each of the group's industry segments:

| | **Software** | | **Services** | | **Total** | |
|---|---|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 | **2023** | 2022 |
| | **£000** | £000 | **£000** | £000 | **£000** | £000 |
| **Turnover** | **24,205** | 28,468 | **42,063** | 48,221 | **66,268** | 76,689 |

# Notes *(continued)*

## 4 Interest payable and similar expenses

| | **Year Ended 31 March 2023 £000** | Year ended 31 March 2022 £000 |
|---|---|---|
| Bank interest and charges | **133** | 21 |
| Hire purchase and finance interest | **38** | 74 |
| Other finance costs | **19** | 46 |
| | **190** | 141 |

## 5 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year was as follows:

| | **Number of employees** | |
|---|---|---|
| | **Year ended 31 March 2023** | Year ended 31 March 2022 |
| Technical and operational | **874** | 990 |
| Sales, marketing, management and administration | **129** | 138 |
| | **1,003** | 1,129 |

The aggregate payroll costs of these persons were as follows:

| | **Year ended 31 March 2023 £000** | Year ended 31 March 2022 £000 |
|---|---|---|
| Wages and salaries | **33,517** | 36,184 |
| Social security costs | **3,448** | 3,325 |
| Pension costs | **1,529** | 1,585 |
| | **38,494** | 41,093 |

# Notes *(continued)*

## 6 (Loss) / Profit before taxation

| | **Year ended 31 March 2023 £000** | Year ended 31 March 2022 £000 |
|---|---|---|
| Profit before taxation is stated after charging/(crediting): | | |
| Amortisation of goodwill (note 10) | | - |
| Amortisation of other intangible assets (note 10) | **104** | 186 |
| Impairment of intangible assets | **-** | 267 |
| Depreciation (note 11) | | |
| Owned | **1,209** | 1,311 |
| Leased | **499** | 600 |
| Rentals under operating leases - property | **947** | 868 |
| Foreign exchange loss / (gain) | **18** | 47 |

*Auditor's remuneration:*

| | | |
|---|---|---|
| Audit of these financial statements | **60** | 50 |
| Audit of financial statements of other group companies pursuant to legislation | **55** | 30 |

Auditor's remuneration in respect of the company was £60k *(2022: £50k)*. Audit of other group companies relates to the audit fees for the subsidiaries Target Servicing Limited, and Elderbridge Limited.

*Amortisation and impairment charge:*

The amortisation, impairment charge and impairment reversals are recognised in the following line items in the profit and loss account:

| | **2023 £000** | 2022 £000 |
|---|---|---|
| Administrative expenses | **102** | 453 |

## 7 Profit and loss account of parent company

As permitted by Section 408 of the Companies Act 2006, no profit and loss account or statement of other comprehensive income is presented in respect of the parent Company. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet.

# Notes *(continued)*

## 8 Directors' remuneration

Emoluments of the directors were as follows:

| | **Year ended 31 March 2023 £000** | Year ended 31 March 2022 £000 |
|---|---|---|
| Directors' emoluments | **414** | 346 |
| Company contributions to money purchase pension scheme | **5** | 13 |
| | **419** | 359 |

| | | |
|---|---|---|
| The number of directors who: | | |
| Are members of a money purchase pension scheme | **1** | 2 |
| Had awards receivable in the form of shares under a long-term incentive scheme | **0** | 0 |

The aggregate of emoluments of the highest paid director were £167k *(2022: £201k)* and company pension contributions of £nil *(2022: £11k)* were made to a money purchase pension plan on their behalf.

## 9 Taxation

Total tax for the year comprises:

| | **Year ended 31 March 2023 £000** | Year ended 31 March 2022 £000 |
|---|---|---|
| ***Current tax:*** | | |
| UK Corporation tax on (loss)/profit for the year | **(1,914)** | - |
| Adjustments in respect of prior periods | **-** | 470 |
| Total current tax (credit)/charge | **(1,914)** | 470 |
| ***Deferred tax:*** | | |
| Impact of change in tax rate | **(1,151)** | (1,522) |
| Origination and reversal of timing differences | **(2,371)** | (939) |
| Adjustments in respect of prior periods | **4,398** | (64) |
| Total deferred tax (credit)/charge | **876** | (2,525) |
| Total tax (credit)/charge on (loss)/profit | **(1,038)** | (2,055) |

# Notes *(continued)*

## 9 Taxation *(continued)*

The tax (credit)/charge is lower *(2022: lower)* than the standard rate of corporation tax in the UK of 19% *(2022: 19%)* as explained below:

| | **Year ended 31 March 2023** | Year ended 31 March 2022 |
|---|---|---|
| | **£000** | £000 |
| (Loss)/Profit for the year | **(11,796)** | (2,946) |
| Total tax (credit)/charge | **(1,038)** | (2,055) |
| (Loss)/Profit excluding taxation | **(12,834)** | (5,001) |
| Tax at 19% *(2022: 19%)* | **(2,438)** | (950) |
| *Effects of:* | | |
| Expenses not deductible for tax purposes | **(21)** | 10 |
| Group relief surrendered | **(1,914)** | - |
| Unrecognised losses carried forward | **88** | - |
| Impact of change in tax rate | **(1,151)** | (1,522) |
| Adjustments in respect of prior periods | **4,398** | 407 |
| Total charge for the year as above | **(1,038)** | (2,055) |

The Corporation tax has increased to a rate of 25% from 1 April 2023. The deferred tax balance as at 31 March 2023 has been calculated using a rate of 25% on deferred tax losses expected to be utilised in future periods.

## Notes *(continued)*

### 10 Intangible Fixed Assets

| Group | Development costs | Total |
|---|---|---|
| | £000 | £000 |
| *Cost* | | |
| At 1 April 2022 | - | - |
| Additions | 2,439 | 2,439 |
| Disposals | - | - |
| **At 31 March 2023** | **2,439** | **2,439** |
| *Amortisation* | | |
| At 1 April 2022 | - | - |
| Charge for the year | 104 | 104 |
| Impairment charge | - | - |
| **At 31 March 2023** | **104** | **104** |
| ***Net book value*** | | |
| **At 31 March 2023** | **2,335** | **2,335** |
| At 31 March 2022 | - | - |

| Company | Development costs | Total |
|---|---|---|
| | £000 | £000 |
| *Cost* | | |
| At 1 April 2022 | - | - |
| Additions | 2,439 | 2,439 |
| Disposals | - | - |
| **At 31 March 2023** | **2,439** | **2,439** |
| *Amortisation* | | |
| At 1 April 2022 | - | - |
| Charge for the year | 104 | 104 |
| Impairment charge | - | - |
| **At 31 March 2023** | **104** | **104** |
| ***Net book value*** | | |
| **At 31 March 2023** | **2,335** | **2,335** |
| At 31 March 2022 | - | - |

# Notes *(continued)*

## 10 Intangible Fixed Assets *(continued)*

Development costs relating to the design and build of core systems have been capitalised in accordance with the requirements of FRS 102 and are therefore not treated, for dividend purposes, as a realised loss. These costs are being amortised over the life of the project to which they relate on a straight-line basis, which is no more than 6 years.

## 11 Tangible fixed assets

| Group | Short leasehold property £000 | Computer equipment £000 | Fixtures and fittings £000 | Total £000 |
|---|---|---|---|---|
| *Cost* | | | | |
| At 1 April 2022 | 250 | 22,678 | 1,949 | 24,877 |
| Additions | - | 702 | 104 | 806 |
| Disposals | - | - | - | - |
| **At 31 March 2023** | **250** | **23,380** | **2,053** | **25,683** |
| *Depreciation* | | | | |
| At 1 April 2022 | 217 | 19,701 | 1,670 | 21,588 |
| Charge for the year | 7 | 1,594 | 107 | 1,708 |
| Disposals | - | - | - | - |
| **At 31 March 2023** | **224** | **21,295** | **1,777** | **23,296** |
| *Net book value* | | | | |
| **At 31 March 2023** | **26** | **2,085** | **276** | **2,387** |
| At 31 March 2022 | 33 | 2,977 | 279 | 3,289 |

The Group has leased IT equipment and infrastructure which are considered to meet the definition of finance leases and are accounted for accordingly.

Included in tangible fixed assets of the Group are assets held under hire purchase and finance lease agreements with a cost and net book value at 31 March 2023 of £9,250k and £838k respectively *(2022: £8,850k and £931k)*. The associated depreciation for the period on those assets was £492k (*2022:£587k*).

# Notes *(continued)*

## 11 Tangible fixed assets *(continued)*

| Company | Short leasehold property £000 | Computer equipment £000 | Fixtures and fittings £000 | Total £000 |
|---|---|---|---|---|
| *Cost* | | | | |
| At 1 April 2022 | 180 | 16,595 | 972 | 17,747 |
| Additions | - | 400 | 40 | 440 |
| Disposals | - | - | - | - |
| **At 31 March 2023** | **180** | **16,995** | **1,012** | **18,187** |
| *Depreciation* | | | | |
| At 1 April 2022 | 177 | 14,128 | 884 | 15,189 |
| Charge for the year | 1 | 1,295 | 51 | 1,347 |
| Disposals | - | - | - | - |
| **At 31 March 2023** | **178** | **15,423** | **935** | **16,535** |
| *Net book value* | | | | |
| **At 31 March 2023** | **2** | **1,572** | **77** | **1,651** |
| At 31 March 2022 | 3 | 2,467 | 88 | 2,558 |

Included in tangible fixed assets of the Company are assets held under hire purchase and finance lease agreements with a cost and net book value at 31 March 2023 of £7,338k and £833k respectively (*2022:* £6,938k and £925k). The associated depreciation for the period on those assets was £492k (*2022: £586k*).

## 12 Investment in subsidiary undertakings

| Company | 2023 £000 | 2022 £000 |
|---|---|---|
| *Cost* | | |
| At 31 March 2023 and 1 April 2022 | 17,888 | 17,888 |
| Provision for investment in Harlosh Limited | (6,852) | (6,852) |
| Disposal of Target Financial Systems Limited | (2,035) | (2,035) |
| *Net book value* | | |
| At 31 March 2021 and 31 March 2022 | **9,000** | **9,000** |

At 31 March 2021, Harlosh Limited was not considered a going concern and a provision was recognised for the full cost of investment in Harlosh Limited. An application has been submitted to strike off the company in March 2023.

On 8 March 2022, Target Financial Systems Limited was liquidated. The net book value of the investment in Target Financial Systems Limited was eliminated.

# Notes *(continued)*

## 12 Investment in subsidiary undertakings (continued)

The directors assessed the carrying value of the company's investment in other subsidiaries at year-end and are of the opinion that they are not worth less than the carrying value in the financial statements.

The company's wholly owned subsidiaries at 31 March 2023 were:

| | Country of incorporation | Principal activity | Class of shares | Percentage ownership |
|---|---|---|---|---|
| ***Subsidiary undertakings*** | | | | |
| Target Servicing Limited | UK | Provision of business process outsourced services | Ordinary | 100% |
| Harlosh Limited (application to strike off submitted in Mar 23) | UK | Provision of computer applications software and related services | Ordinary | 100% |
| Elderbridge Limited | UK | Lender of record for loan portfolios | Ordinary | 100% |

The registered office of all subsidiary companies is Target House, Cowbridge Road East, Cardiff, CF11 9AU and the individual results of each entity have been included in these consolidated financial statements.

## 13 Debtors

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **£000** | £000 | **£000** | £000 |
| Trade debtors | **7,236** | 7,528 | **1,603** | 3,238 |
| Gross amount due from customers for contract work | **5,942** | 7,666 | **1,113** | 4,994 |
| Other debtors | **681** | 27 | **303** | 5 |
| Prepayments and accrued income | **3,603** | 3,369 | **1,498** | 1,569 |
| Deferred tax asset (note 16) ** | **4,848** | 5,724 | **2.290** | 2,787 |
| Corporation Tax | **-** | 644 | **-** | 958 |
| Amounts due from group undertakings | **5,163** | 5,912 | **6,861** | 2,440 |
| | **27,473** | 30,870 | **13,668** | 15,991 |

** Included in the above figures are the following amounts due after more than one year:

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **£000** | £000 | **£000** | £000 |
| Deferred tax asset (note 16) | **4,848** | 5,724 | **2.290** | 2,787 |
| | **4,848** | 5,724 | **2.290** | 2,787 |

# Notes *(continued)*

## 14 Creditors: amounts falling due within one year

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **£000** | £000 | **£000** | £000 |
| Obligations under finance leases | **886** | 831 | **886** | 831 |
| Trade creditors | **1,058** | 2,826 | **546** | 2,198 |
| Other taxes and social security costs | **5,570** | 1,345 | **936** | (323) |
| Other creditors | **2,082** | 414 | **710** | 385 |
| Accruals and deferred income | **10,556** | 9,403 | **9,125** | 6,077 |
| Corporation Tax | **731** | - | **418** | - |
| Bank overdraft facility | **1,974** | - | **1,979** | - |
| Amounts due to group undertakings | **12,574** | 15,656 | **8,036** | 21,983 |
| | **35,431** | 30,475 | **22,636** | 31,151 |

## 15 Creditors: amounts falling due after more than one year

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **£000** | £000 | **£000** | £000 |
| Obligations under finance leases (amounts payable in the second to fifth years inclusive) | **43** | 438 | **43** | 438 |
| Accruals and deferred income | **1,555** | 1,795 | **-** | - |
| | **1,598** | 2,233 | **43** | 438 |

# Notes *(continued)*

## 16 Deferred taxation

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **£000** | £000 | **£000** | £000 |
| At beginning of year - asset | **5,724** | 3,198 | **2,787** | 1378 |
| (Charge) / credit for the year in the P&L account | **(876)** | 2,526 | **(497)** | 1,409 |
| **At end of year – asset (note 14)** | **4,848** | 5,724 | **2,290** | 2,787 |

| | | Group | | Group |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **£000** | £000 | **£000** | £000 |
| ***The deferred tax asset comprises*** | | | | |
| Tax losses carried forward | **3,853** | 5,054 | **1,665** | 2,300 |
| Other timing differences | **995** | 670 | **625** | 487 |
| | **4,848** | 5,724 | **2,290** | 2,787 |

A further deferred tax asset of £1,684k *(2022: £54k)* for the group and £54k *(2022: £54k)* for the company has not been recognised due to uncertainty over its future utilisation. Management have performed a thorough review of future profits against which future losses can be utilised. A decision has been made to surrender FY22 and element of FY23 losses to the wider tax group. Target have not recognised a DTA related to the remainder of the FY23 losses. It is made up as follows:

| | **2023** | 2022 | **2023** | 2022 |
|---|---|---|---|---|
| | **£000** | £000 | **£000** | £000 |
| ***The unprovided deferred tax asset comprises*** | | | | |
| Tax losses carried forward | **1,684** | 54 | **54** | 54 |
| | **1,684** | 54 | **54** | 54 |

# Notes *(continued)*

## 17 Provision for liabilities

The group had the following provisions during the year:

| | Onerous contract provision £000 | Other £000 | Total £000 |
|---|---|---|---|
| As at 1 April 2022 | (445) | - | (445) |
| (Charge) / credit for the year in the P&L account | (1,031) | (141) | (1,172) |
| **As at 31 March 2023** | **(1,476)** | **(141)** | **(1,617)** |

**Onerous contract provision**
The group provides for any contract where the unavoidable cost of delivering our contractual obligations exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net costs of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

***Contingent liability***
Elderbridge Limited and Target Servicing Limited (subsidiary companies of Target Group Limited) are regulated by the Financial Conduct Authority (FCA) designed to protect the rights of consumers. A review of compliance with FCA regulation requirements, policies and procedures and / or customer loan terms and conditions in underway to identify whether there have been areas of potential non-compliance. At this stage there is a high level of uncertainty involved in the matter and it is not possible to reliably estimate any liability.

**Company**
Other provisions referenced above have been fully recognised in the Target Group Limited accounts.

## 18 Share capital

| | Ordinary shares of 5p each Number | 'A' shares of 5p each Number | 'B' shares of 5p each Number | Total Number |
|---|---|---|---|---|
| *Allotted, called up and fully paid* | | | | |
| At 31 March 2022 and 31 March 2023 | 11,557,417 | 1,476,287 | 3,161,200 | 16,194,904 |

| | Ordinary Shares of 5p each £000 | 'A' Shares of 5p each £000 | 'B' Shares of 5p each £000 | Total £000 |
|---|---|---|---|---|
| *Allotted, called up and fully paid* | | | | |
| At 31 March 2022 and 31 March 2023 | 578 | 74 | 158 | 810 |

Both the 'A' and 'B' shares carry no right to vote at, attend or receive notice of general meetings of the company. They have rights to income or capital only on a sale of the business for a value above specific defined thresholds.

The Group and Company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares.

# Notes *(continued)*

## 18 Share capital (continued)

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

The capital redemption reserve is a statutory, non-distributable reserve into which amounts are transferred following the redemption or purchase of a company's own shares.

## 19 Financial instruments

The carrying values of the Group and Company's financial assets and liabilities are summarised by category below:

| **Financial assets** | **Group** | | **Company** | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **Total** | Total | **Total** | Total |
| | **£000** | £000 | **£000** | £000 |
| *Measured at undiscounted amount receivable* | | | | |
| Amounts due from customers (see note 13) | **13,215** | 18,762 | **2,715** | 8,232 |
| Amounts due from related undertakings (see note 13) | **5,163** | 2,344 | **6,861** | 2,440 |
| Other amounts | **9,095** | 9,764 | **4,092** | 5,319 |
| | **27,473** | 30,870 | **13,668** | 15,991 |

| **Financial liabilities** | **Group** | | **Company** | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **Total** | Total | **Total** | Total |
| | **£000** | £000 | **£000** | £000 |
| *Measured at amortised cost* | | | | |
| Finance lease liabilities (see notes 14 & 15) | **929** | 1,269 | **929** | 1,269 |
| *Measured at undiscounted amount payable* | | | | |
| Trade and other creditors | **23,526** | 15,783 | **13,713** | 8,338 |
| Amounts owed to related undertakings | **12,574** | 15,656 | **8,037** | 21,983 |
| | **37,029** | 32,708 | **22,679** | 31,590 |

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

| | **Group** | |
|---|---|---|
| **Financial assets** | **2023** | 2022 |
| **Interest income and expense** | **Total** | Total |
| | **£000** | £000 |
| Total interest income for financial assets at amortised cost | **-** | - |
| Total interest expense for financial liabilities at amortised cost | **38** | 74 |

The interest expense includes no interest *(2022: none)* that was recognised within cost of sales in Target Group Limited. The remainder relates to bank and other finance costs (note 4).

# Notes *(continued)*

## 20 Dividend

No dividends were declared during the year *(2022: £nil)*. A dividend of £3,408,378 was received from Harlosh Limited to Target Group Limited during the year.

## 21 *Commitments*

Group capital commitments authorised and contracted at 31 March 2023 were £nil *(2022: £nil)*.

Group total future minimum lease payments under non-cancellable operating leases are as follows:

| | **2023 Total £000** | 2022 Total £000 |
|---|---|---|
| **Group:** | | |
| In the first year | **856** | 939 |
| Between one and five years | **2,483** | 2,660 |
| After five years | **1,461** | 2,080 |
| | **4,800** | 5,679 |

Total future minimum lease payments under non-cancellable finance leases are as follows:

| | **2023 £000** | 2022 £000 |
|---|---|---|
| **Company only:** | | |
| In the first year | **412** | 445 |
| Between one and five years | **939** | 1,079 |
| After five years | **584** | - |
| | **1,935** | 1,524 |

Annual commitments at 31 March 2023 relate to property leases. The majority of leases of land and buildings are subject to rent reviews.

The company had no capital commitments or annual commitments at the year-end *(2022: £nil)*.

## 22 Pensions

The assets of the pension schemes to which the group contributes on behalf of its employees are held within independently administered funds. The schemes are all defined contribution schemes thus the group's obligation is solely to make contributions based on a percentage of salary. Employer contributions to the schemes for the year amounted to £1,517k *(2022: £1,585k)*. The pension liability of the group at the year end was £285k *(2022: £266k)*.

# Notes *(continued)*

## 23 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's and parent Company's interest-bearing loans and borrowings, which are measured at amortised cost.

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | 2022 | **2023** | 2022 |
| | **£000** | £000 | **£000** | £000 |
| **Creditors falling due after more than one year** | | | | |
| Finance lease liabilities (see note 15) | **43** | 438 | **43** | 438 |
| **Creditors falling due within less than one year** | | | | |
| Finance lease liabilities (see note 14) | **886** | 831 | **886** | 831 |

**Terms and debt repayment schedule**

| Group | Currency | Nominal interest rate | Year of maturity | Repayment schedule | 2023 | 2022 |
|---|---|---|---|---|---|---|
| | | | | | £000 | £000 |
| Finance lease liabilities | GBP | 6% | 2019 – 2024 | Quarterly | 886 | 831 |

| Company | Currency | Nominal interest rate | Year of maturity | Repayment schedule | 2023 | 2022 |
|---|---|---|---|---|---|---|
| | | | | | £000 | £000 |
| Finance lease liabilities | GBP | 6% | 2019 – 2024 | Quarterly | 886 | 831 |

## 24 Related party transaction

The group has taken advantage of exemptions available in FRS 102 from disclosing related party transactions with other companies that are wholly owned within the Tech Mahindra Limited group.

## 25 Events after the reporting period end

Target Group is a wholly owned subsidiary of Tech Mahindra Fintech Holdings Limited, with the ultimate parent company of Tech Mahindra Limited. Tech Mahindra Fintech Holdings Limited have completed an equity injection into the Group in June 2023 of £13.2m. This evidences Tech Mahindra's investment in Target Group's future and confidence in the strategic direction under the new management team's leadership. This significant injection will return the Group to a shareholder funds surplus, provides a positive cash balance and gives the Directors of the Group confidence in the Group's ability to continue as a going concern. The appropriate level of funds will flow down into the regulated entities in the Group to ensure that they are sufficiently solvent.

## 26 Ultimate controlling party

The immediate parent company is Tech Mahindra Fintech Holdings Limited, a company incorporated in Great Britain and registered in England and Wales, with a registered office at 401 Grafton Gate, Milton Keynes, MK9 1AQ.

The ultimate parent company and largest group in which the results of the company are consolidated is Tech Mahindra Limited. The consolidated financial statements of Tech Mahindra Limited are available to the public on the National Stock Exchange of India Ltd (NSE), The BSE Limited (BSE) and the company's website (www.techmahindra.com). Tech Mahindra Limited is also the ultimate parent company and its registered office is Gateway Building, Apollo Bunder, Mumbai – 400001, India.