

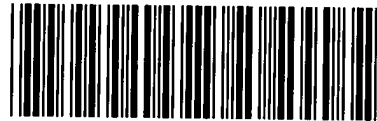
Elderbridge Limited

Directors' report and financial statements

Registered number 08896386

Year ended 31 March 2022

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Directors' report

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

Principal activities

The principal activity of the company is that of the lender of record for loan portfolios.

Business review

Turnover during the year was £843k (2021: £786k) with a profit of £76k (2021: £237k).

COVID-19

During the COVID-19 pandemic we recognised we had a crucial role to play in helping administer financial accounts of our customers, many of whom were concerned about their finances during a difficult time. Our customer service, and the safety and well-being of our staff continue to be our priorities as impact of the COVID-19 diminishes.

Results and dividends

The results for the year are set out on page 8. The directors do not recommend the payment of a dividend for the year (2021: £nil).

Political and charitable contributions

There were no political or charitable contributions made during the year (2021: £nil).

Directors

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

P. M. Byrne	(resigned 31 July 2021)
V.S. Agarwal	
A. Wallace	
R. Newman	
S Anderson	(appointed 21 June 2021)
A.J. McIntyre	(appointed 4 August 2021)

Directors' indemnities

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

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. As part of the exemptions available to small companies, the directors have elected not to prepare a 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.

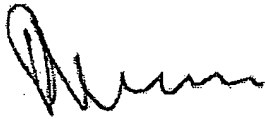
Auditor

As per section 485 of the Companies Act 2006, KNAV Limited was appointed as the auditor of the Company. In accordance with section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KNAV Limited will continue in office.

Events after the reporting period

The Company is investigating the potential impact of a complaint received from a customer. At this stage there is no indication of potential timescales for the investigation to conclude. There is no certainty of liability, or of any resulting outflow of cash or other economic resources.

By order of the board



Roger Newman
Director

Target House
Cowbridge Road East
Cardiff CF11 9AU
Registered number 08896386

27 July 2022

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing 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 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the 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 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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 company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Elderbridge Limited

Opinion

We have audited the financial statements of Elderbridge Limited (the 'company') for the year ended 31 March 2022 which comprise the Statement of Income and retained earnings, Balance Sheet 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 company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditor's report to the members of Elderbridge Limited (continued)

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

We have nothing to report in this regard.

Opinion on other matter 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 Directors Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors Report.

We have nothing to report in respect of the following matters where 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 the directors

As explained more fully in the Statement of Directors' Responsibilities [page 3], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report to the members of Elderbridge Limited (continued)

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit is capable of detecting irregularities, including fraud

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations – this responsibility lies with management with the oversight of the Directors.

Based on our understanding of the Company and industry, discussions with management, we identified Companies Act 2006, Financial Reporting Standard 102, UK taxation legislation and the Financial Conduct Authority's regulations as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the Company's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- enquiry of management about the Company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the Board of directors minutes;
- enquiry of management of legal matters in the year and use of legal firms thereof.;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

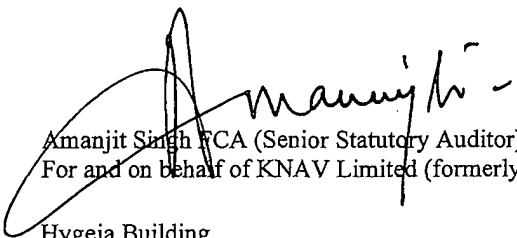
The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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

Independent auditor's report to the members of Elderbridge Limited (continued)

Use of our report

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



Amanjit Singh FCA (Senior Statutory Auditor)
For and on behalf of KNAV Limited (formerly Expomax Ltd), Statutory Auditor

Hygeia Building
Ground Floor
66-68 College Road
Harrow
Middlesex
HA1 1BE

27 July 2022

Statement of Income and Retained Earnings

for the year ended 31 March 2022

	Note	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Turnover	3	843	786
Cost of sales		(426)	(324)
Gross profit		417	462
Administrative expenses		(215)	(250)
Profit before taxation	4	202	212
Tax on profit	6	(126)	25
Profit for the financial year		76	237
Retained profit at beginning of year		2,772	2,535
Retained profit at end of year		2,848	2,772

Turnover and operating results relate entirely to continuing operations. There were no items of other comprehensive income in either period, and no changes to equity during the year other than those arising from profit or loss.

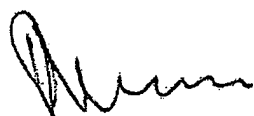
The notes on pages 8 to 13 form part of these financial statements.

Balance sheet

at 31 March 2022

	Note	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Current assets			
Debtors	7	6,106	4,716
Cash		1	3
		<u>6,107</u>	<u>4,719</u>
 Creditors: amounts falling due within one year	8	 <u>(3,259)</u>	 <u>(1,947)</u>
 Net current assets		 <u>2,848</u>	 <u>2,772</u>
 Total assets less current liabilities being net assets		 <u>2,848</u>	 <u>2,772</u>
 Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		<u>2,848</u>	<u>2,772</u>
 Shareholders' funds		 <u>2,848</u>	 <u>2,772</u>

These financial statements, registered number 08896386, were approved by the board of directors on 27 July 2022 and were signed on its behalf by:



Roger Newman
Director

Notes

(forming part of the financial statements)

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

Elderbridge 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 & Wales. The address of the registered office is given on page 2. The nature of the company's operations and its principal activities are set out in the directors' report on pages 1 to 2.

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), and the Companies Act 2006. The functional and presentational currency of these financial statements is Pound sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

Elderbridge Limited meets the definition of a qualifying entity under FRS 102 paragraphs 1.8 to 1.12 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to intra-group transactions, remuneration of key management personnel, and the requirement to prepare a statement of cash flows. The consolidated financial statements of Target Group Limited, within which this Company is included, can be obtained from the address provided in Note 10.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

As at 31 March 2022, the company had net current assets, of £2,848k (2021: £2,772k), and reported a profit for the year then ended of £76k (2021: £237k). The financial statements are prepared on a going concern basis, which the directors consider to be appropriate for the following reasons.

The Directors have considered the impact of the current COVID-19 pandemic on the business. As the lender of record for certain loan portfolios as part of the Target Group, the impact of the pandemic is relevant in the context of the wider group.

The Target Group's products and services remained critical to customers during the pandemic and continue to remain critical as we fully move on. The group has remained open and operational throughout the pandemic to date, continuing to provide customers with our services, some of which have been undertaken remotely with minimal disruption. It is expected that the Group will move to a hybrid working model over the next 12 months. We do not expect significant disruption to the services being delivered, or to the Company's anticipated performance and strategic direction.

Tech Mahindra Limited, as the ultimate parent company, has indicated that they will provide necessary funding to support the company to meet its obligations as they fall due for at least twelve months from the approval of these financial statements.

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

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 company'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.

Notes (continued)

Turnover

Turnover represents the amounts, excluding value added tax, derived from the provisions of Lender of Record services to third party clients.

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.

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.

2. Critical accounting judgements and key sources of information uncertainty

The directors consider that there are no critical accounting judgements or key sources of information uncertainty that require disclosure.

3. Turnover

All turnover during the year and in the prior year was related to Lender of Record services performed in the UK.

4. Profit before taxation

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
<i>Profit before taxation is stated after charging:</i>		
Audit of these financial statements	3	2

5. Directors' remuneration

Emoluments of the directors were as follows:

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Directors' emoluments	3	15
	<u>3</u>	<u>15</u>

The amount represents an allocation of their total remuneration, borne by the immediate parent company, Target Group Limited, for their services to Elderbridge Limited.

Notes (continued)

6. Taxation

The tax charge/(credit) for the year comprises:

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Profit for the year	76	237
Total tax charge	126	(25)
Profit excluding taxation	202	212
Tax using the UK corporation tax rate at 19% (2021: 19%)	38	40
<i>Effects of:</i>		
Adjustments in respect of prior periods	126	(25)
Group Relief	(38)	(40)
Total tax charge as above	126	(25)

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
<i>UK corporation tax:</i>		
Current tax charge/(credit) on profit for the year	-	-
Adjustment in respect of previous years	126	(25)
Total current tax charge	126	(25)
<i>Deferred tax:</i>		
Origination and reversal of timing differences	-	-
Total tax on profit	126	(25)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021: lower than the standard rate of corporation tax in the UK) of 19% (2021: 19%).

7. Debtors

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Amounts owed by group undertakings	6,062	4,712
Other debtors	44	4
	6,106	4,716

Amounts owed by group undertakings have no fixed repayment date and no interest is applied.

Notes (continued)

8. Creditors: amounts falling due within one year

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Amounts owed to group undertakings	2,430	1,947
Accruals	703	-
Taxation	126	-
	<u>3,259</u>	<u>1,947</u>

Amounts owed to group undertakings have no fixed repayment date and no interest is applied.

9. Called up share capital

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
<i>Authorised</i>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid</i>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

10. Related party transactions

There were no related party transactions in the year, other than those with Target Group Limited and its wholly owned subsidiaries which are not disclosed due to the exemption under FRS 102.

11. Events after the period end

The Company is investigating the potential impact of a complaint received from a customer. At this stage there is no indication of potential timescales for the investigation to conclude. There is no certainty of liability, or of any resulting outflow of cash or other economic resources.

12. Immediate and ultimate parent undertaking

The immediate parent company is Target Group Limited. The company is a 100% subsidiary undertaking of Target Group Limited, and its registered office is Target House, Cowbridge Road East, Cardiff, CF11 9AU.

The smallest group in which the results of the company are consolidated is Target Group Limited. The consolidated accounts of Target Group Limited are available to the public and may be obtained from Target House, Cowbridge Road East, Cardiff.

The 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.