IBS Software Europe Limited

Annual report and financial statements

Registered number 04484344

For the year ended 31 March 2022

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Contents **Page:**

Nd

Company Information

Director
Valayil Korath Mathews

Secretary
Vikash Sureka (Resigned 31 January 2021)
Kanchana Chitra Trichy Narayanaswamy (Appointed 01 February 2021)

Registered Office:
No.225, 2 Arlington Square
Venture House, Downshire Way
Bracknell
RG12 1WA,
United Kingdom

Registered number 04484344

Auditor
Deloitte LLP
Union Plaza
1 Union Wynd
Aberdeen
AB10 1SL
United Kingdom

Banker
Standard Chartered Bank
5th Floor, 1 Basinghall Avenue
London
EC2V 5DD
London
United Kingdom

Solicitor
Shoosmiths LLP
1st Floor, Witan Gate House
500-600 Witan Gate West
Milton Keynes
MK9 1SH
United Kingdom

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Strategic report

Principal activities

IBS Software Europe Limited (the "Company") is a software solutions provider to the travel industry globally. Our product portfolio of mission critical and cloud-native platforms include iCargo for air cargo business operations, iFlight for managing flight, crew and aircraft maintenance operations, iFly for airline passenger services system, ancillary product sales and loyalty program management, iTravelCruise for tour and cruise companies, Demand gateway for business-to-business distribution network for hospitality partners, distributing availability, rates and inventory into a large network of digital sales channels globally. The Company's core strength is its highly motivated and empowered staff, their domain knowledge, expertise and experience in state-of-the-art technologies and the process competence to deliver software products and solutions to the travel industry. The director anticipates building on these strengths in future years. IBS Software Europe Limited together with its parent and all its subsidiaries/ fellow subsidiaries is referred to as the "Group".

Principal risks, uncertainties and financial risk management

The Company's operations expose it to a variety of operational and financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance.

The primary market risk to the Company is foreign exchange risk, through the volatility of the US Dollar and the Euro. This risk is managed by matching costs to income earned in the same currency wherever possible.

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The demographics of the customer including the default risk of the industry and country in which the customer operates also has an influence on credit risk assessment. The Company has helped mitigate risk by requesting appropriate credit checks on potential customers before sales are made and chasing debts on a timely basis.

The director minimises liquidity risks by regularly monitoring the working capital funds available to the Company and ensuring that the company has sufficient funds for its day-to-day operations. The Company maintains cash in readily accessible bank accounts, which earn interest at market rate. The Company can also request short-medium term funding from its parent company, as and when required.

The operations of the company may be impacted by the health of the travel industry. There could be declines or disruptions to travel volumes due to several factors like global security, political instability, pandemics, natural disasters, changes in laws and regulations governing the travel industry etc. The company addresses these risks by application of enhanced business standards covering key processes, following an enhanced scenario based approach to determine the appropriate level of action plans in each cases and actively working along with its clients across the globe to ensure the continuity of the contracts and relationships.

The Company follows the group's risk management assessment and policies and processes which are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor such risks and compliance.

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Key performance indicators

Turnover
We measure the growth in Turnover as one of the key performance indicators as the Company constitutes approximately 30-35% of the Group's turnover. The growth in the turnover of the Company gives predictability to the revenue forecast and also entails confidence to continually invest in additional sales and marketing capacity.

Operating profit
Operating profit means profit before taxation and other Income. We believe that operating profit as a financial measure provides a consistent and comparable view of our past operational performance.

The company's key performance indicators are given as below:

	2022	**2021**
	£	**£**
Turnover	36,333,728	35,040,681
Operating Profit	3,202,647	3,183,239
Debtors	12,872,123	7,385,603
Cash at bank and in hand	14,097,002	7,653,990
Trade and other payables	14,653,550	2,586,929

Review of business

The turnover of the company has increased by 4% from £35,040,681 to £36,333,728, mainly on account of increase in the business volumes, increase in the services business which is discretionary in nature from existing customers like Latam Airlines, Virgin Australia and Societe Air France and new go-lives. The operating profit has increased by 0.61% from £3,183,239 to £3,202,647, mainly on account of increase in the turnover. The debtors has increased by 74% from £7,385,603 to £12,872,123 due to increase in inter-company receivable, net of billings. Similarly, cash at bank and in hand has increased by 84% from £7,653,990 to £14,097,002 due to increase in customer collections net of inter-company settlements and operating expenses. The trade and other payables has increased by 466% from £2,586,929 to £14,653,550 due to increase in inter-company payables, net of billings.

The company provides mission critical solutions to the customers in travel, transportation and logistics sector. Even though COVID-19 and subsequent developments has significantly impacted the sector where the company operates, the company is able to sustain and remain profitable due to criticality of its solution and strong business model.

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Strategic Report (Continued)

Review of business (Continued)

Future developments

During year ended 31st March 2022, company experienced overall recovery, positive momentum and improved business outlook as impact and severity of COVID-19 pandemic subsides. Global travel volumes rebounded and are expected to continue further recovery. The company has shifted its focus to further its business expansion, customer engagement and to capture opportunities in addition to continue ensuring the health and wellbeing of the employees and continued services for all our customers.

Approved by the Board and signed on its behalf

Valayil Korath Mathews

Valayil Korath Mathews
Director

Date: 25 April 2023

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Director's report

The director presents his annual report on the affairs of IBS Software Europe Limited (the "Company"), together with the audited financial statements for the year ended 31 March 2022.

Director

The director who held office during the year and up to the date of this report were as follows:

Valayil Korath Mathews

Results and dividends

The profit and loss account is set out on page 11 and shows the profit for the year.

The director does not recommend the payment of a final ordinary dividend (2021 - £Nil).

Going Concern

The Company has a profit of £2,608,380 for the financial year ended 31 March 2022. As at that date, the company also has a healthy cash position of £14,097,002 and its current assets exceeds current liabilities by £15,616,708.

The director has done a detailed review of the business, future plans and overall business environment and is confident that the Company will continue to grow and generate positive cash flows from operations for a minimum of 12 months from date of signing, and the Company will continue in operational existence by meeting their liabilities as they fall due for payment.

After making enquiries, the director has a reasonable expectation that the Company has adequate resources to continue in operational existence for a minimum of 12 months from the date of signing. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Post balance sheet events

There are no post balance sheet events that require disclosure in the financial statements.

Financial Risk Management

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk which has been included in the Strategic Report on page 2 and forms a part of this report by cross reference.

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Director's report (continued)

Research and development

No research and development expenditure was incurred during the current or previous year by the company.

Existence of branches outside the UK

The company has branches, as defined in s1046(3) of the Companies Act 2006, outside the UK as follows:

Italy - Viale Abruzzi 94, Milano - 20131
Netherlands Kingsfordweg 151, Amsterdam Teleport Towers, 1043GR Amsterdam
Australia - Level 57, MLC Centre, 19-29 Martin Place, Sydney NSW 2000, Australia
France. - 55 Boulevard Pereire- 75017 Paris

Political contributions

The Company has not made any political donations or incurred any political expenditure during the current and previous year.

Future Developments

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 3 and forms a part of this report by cross reference.

Disclosure of Information to Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Approved by the director on 25 April 2023:

Valayil Korath Mathews

Valayil Korath Mathews
Director

Registered office
No.225, 2 Arlington Square
Venture House, Downshire Way
Bracknell, RG12 1WA
United Kingdom

Date: 25 April 2023

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DIRECTOR'S RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework".

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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Independent auditor's report to the members of IBS Software Europe Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of IBS Software Europe Limited (the 'company'):

- 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, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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 financial statements are 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.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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.

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

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

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- The risk that change requests in respect of existing contracts are not appropriately identified as distinct or non-distinct performance obligations, thus resulting in revenue recognition error. We have evaluated the design and implementation of controls in place around the classification of a new contract or change request. For a focused sample change requests, we have inspected copies of the new contract terms and change requests and verified that revenue has been recorded correctly to ensure that revenue in respect of change requests is complete, accurate and has been classified correctly.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

Report on other legal and regulatory requirements

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 year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.

L Cowie

Lyn Cowie CA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Aberdeen, United Kingdom
Date: 26 April 2023

Profit and Loss Account for the year ended 31 March 2022

	Note	2022 £	2021 £
Turnover	3	**36,333,728**	35,040,681
Cost of sales		**(31,339,440)**	(28,998,787)
Gross profit		**4,994,288**	6,041,894
Administrative expenses		**(1,791,641)**	(2,858,655)
Operating profit		**3,202,647**	3,183,239
Finance Income	4	**2,940**	3,247
Finance expense	5	**(1,946)**	(5,716)
Profit before taxation	6	**3,203,641**	3,180,770
Tax on profit	9	**(595,261)**	(809,357)
Profit for the financial year		**2,608,380**	2,371,413

All amounts relate to continuing activities. There are no comprehensive income or expenses other than the profit for the financial year and the preceding financial year. Accordingly, no separate statement of comprehensive income has been prepared.

The notes on pages 14 to 35 form part of these financial statements.

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Balance sheet at 31 March 2022

	Note	2022 £	2022 £	2021 £	2021 £
Non-Current Assets					
Intangible Assets	10		**116,334**		262,282
Tangible assets	11		**156,136**		137,003
Investments	12		**1,236,310**		1,236,310
Right of Use Assets	13		**35,812**		53,273
Deferred Contract Costs	15		**2,519,074**		2,745,025
Other non-current assets	16		**23,152,162**		21,187,238
Total Non-Current Assets			**27,215,828**		25,621,131
Current assets					
Debtors	14	**12,872,123**		7,385,603	
Cash at bank and in hand		**14,097,002**		7,653,990	
Deferred Contract Costs	15	**2,113,836**		1,098,528	
Other current assets	16	**15,002,273**		10,984,424	
		44,085,234		27,122,545	
Current Liabilities					
Trade and other payable	17	**14,653,550**		2,586,929	
Contract liabilities	18	**13,782,036**		10,819,344	
Lease liabilities	13	**32,940**		52,385	
		28,468,526		13,458,658	
Net Current Assets		**15,616,708**		13,663,887	
Total assets less current liabilities		**42,832,536**		39,285,018	
Non-Current liabilities					
Contract liabilities	18		**26,206,618**		25,267,480
			26,206,618		25,267,480
Total liabilities			**54,675,144**		38,726,138
Net Assets			**16,625,918**		14,017,538
Capital and reserves					
Called up share capital	20		**166,334**		166,334
Profit and loss account			**16,459,584**		13,851,204
Shareholder's funds			**16,625,918**		14,017,538

The financial statements were approved by the director and authorised for issue on 25 April 2023 and were signed by:

Valayil Korath Mathews

Valayil Korath Mathews
Director
Company registered number: 04484344

The notes on pages 14 to 35 form part of these financial statements.

Statement of Changes in Equity for the year ended 31 March 2022

	Called up Share Capital	Profit and loss account	Total equity
Balance at 01 April 2020	166,334	11,479,791	11,646,125
Profit and total comprehensive income for the year	-	2,371,413	2,371,413
Balance at 31 March 2021	**166,334**	**13,851,204**	**14,017,538**
Balance at 01 April 2021	166,334	13,851,204	14,017,538
Profit and total comprehensive income for the year	-	2,608,380	2,608,380
Balance at 31 March 2022	**166,334**	**16,459,584**	**16,625,919**

The notes on pages 14 to 35 form part of these financial statements.

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Notes
(forming part of financial statements)

1. Accounting policies

IBS Software Europe Limited (the "Company") is a private company, limited by shares, incorporated in the United Kingdom under Companies Act 2006 and is registered in England and Wales. The address of the Company's registered address is shown on the Company Information page. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 2.

The director have taken advantage of the exemption from preparing group financial statements conferred by section 401 of the Companies Act 2006, as the Company is a wholly owned and controlled subsidiary of IBS Software Pte. Ltd, a non-EEA group. The consolidated financial statements of IBS Software Pte. Ltd are prepared in accordance with International Financial Reporting Standards and are available from the following web address; www.acra.gov.sg and the director consider that the consolidated financial statements of IBS Software Pte Ltd comply with the requirements of section 401. The company is exempted from preparing Consolidated accounts as per section 401.*(Refer Note 22)*.

The financial statements have been prepared by the company on a going concern basis. The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, the financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standards, in relation to:

- a Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries ;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Certain disclosures required by IFRS 13 Fair Value Measurement, IFRS 15 Revenue from Contracts with Customers, IAS 1 Presentation of Financial Statements and the disclosures required by IFRS 7 Financial Instrument Disclosures.
- Certain requirements of IFRS 16
- the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which a party to the transaction is wholly owned by such a member
- Accounting for Share based payments (IFRS 2)
- Accounting for Impairment of Assets (IAS 36)

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Notes
(forming part of financial statements)

1.Accounting policies (continued)

Amendments to IFRSs that are newly mandatorily effective in the current period not yet mandatorily effective

There are no newly mandatorily effective IFRSs in the current period.

Below is a list of IFRSs which are not yet mandatorily effective:

IFRS	Description	Effective date per UKEB
Amendment to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021	April 2021
IFRS 17	Insurance Contracts	1 Jan 2023
Amendments to IFRS 17	IFRS 17	1 Jan 2023
Amendments to IAS 1	Classification of liabilities as current or non-current	TBC - Per IASB 1 Jan 2023
Amendments to IAS 1	Classification of Liabilities as Current or Non-current — Deferral of Effective Date	TBC - Per IASB 1 Jan 2023
Amendments to IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9	1 Jan 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	1 Jan 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 Jan 2023
Amendments to IAS 8	Definition of accounting estimates	1 Jan 2023
Amendments to IFRS 17	Initial Application of IFRS 17 and IFRS 9 — Comparative Information	1 Jan 2023
Amendment to IFRS 16	Lease Liability in a Sale and Leaseback	TBC - Per IASB 1 Jan 2024
Amendments to IAS 1	Non-current Liabilities with Covenants	TBC - Per IASB 1 Jan 2024

Measurement convention
The financial statements are prepared on the historical cost basis.

Functional and Presentation Currency

The financial statements have been prepared and presented in Pound sterling ('£'), which is the functional currency of the Company as it is the currency of the main economic environment in which the company operates.

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Notes (continued)
(forming part of financial statements)

1. Accounting policies (continued)

Going Concern

The director has completed a detailed review of current business and are confident that the Company will continue to generate positive cash flows from trading activities for a minimum of 12 months from date of signing, and the Company will continue in operational existence by meeting their liabilities as they fall due for payment.

The Company has a profit for the financial year of £2,608,380 for the year ended 31 March 2022 and, as that date, the company also has a healthy cash position of £ 14,097,002 and its current assets exceed current liabilities by £15,616,708. As COVID-19 pandemic subsides and overall business environment improve, the company has shifted its focus to further its business expansion, customer engagement and to capture opportunities in addition to continue ensuring the health and wellbeing of the employees and continued services for all our customers.

After making enquiries, the director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Revenue recognition

We derive our revenues from Software Products and Consulting and Digital Transformation (CDx) business. We recognise revenue upon transfer of control over promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. To recognise revenues, the Company applies the following five step approach:
(1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognise revenues when a performance obligation is satisfied.
At contract inception, we assess our promise to transfer products or services to a customer to identify separate performance obligations. We apply judgment to determine whether each product or service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or service are combined and accounted as a single performance obligation. We allocate the contractual consideration to separately identifiable performance obligations based on their relative stand-alone selling price. We determine stand-alone selling prices based on selling prices for the separately identifiable performance obligations when they are regularly sold separately, in cases where we are unable to objectively determine the stand-alone selling price, we use expected cost plus margin approach in estimating the stand-alone selling price.
At contract inception, we also evaluate if the collectability of consideration is determined to be not probable. If we conclude that the inflow of economic benefits associated with the services performed is not probable, we defer recognition of revenue until collectability of the consideration becomes probable or payment is received and the contract is fully performed or terminated.

Software Product Business

Software-as-a-Service (SaaS):

In Software-as-a-Service (SaaS) arrangement, we provide customer with a right to access software functionality, infrastructure services, and support and maintenance services in a hosted environment collectively defined as subscription fees. Generally, the Company does not provide customers with a contractual right to take possession of the software at any time during the hosting period. Customers are normally charged implementation fees and a recurring usage-based fee based on the number of transactions booked subject to certain minimum committed fees or on a fixed monthly fee, which represents stand-ready performance obligation where the Company's systems perform the same service each day for the customer, based on the customer's level of usage. Some of the long-term contracts require revision in prices based on Consumer Price Index (CPI) adjustments or a reduction in prices based on achievement of pre-determined transaction volumes. Upfront implementation services are not identified as a separate performance obligation since it does not provide any distinct benefit to the customers. Upfront implementation fees received are deferred and are recognised primarily on a straight-line basis beginning when the contractual hosting period has commenced over the relevant contract term.

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Notes (continued)
(forming part of financial statements)

1. Accounting policies (continued)

Variability in the amounts billed to the customer and revenue recognised coincides with the customer's level of usage or value received by the customer.

In certain SaaS arrangements where the variability in the usage-based fee does not align with the value provided to the customer can result in a difference between billings to the customer and the timing of contract performance and revenue recognition, which may result in the recognition of a contract asset or contract liability. This can result in a requirement to forecast expected usage-based fees and volumes over the contract term in order to determine the rate for revenue recognition. This variable consideration is constrained if there is an inability to reliably forecast this revenue.

In limited circumstances, depending on customer's requirements, our software is installed at customers' data centers, which provides customers with a right to access the software for a specified period, and includes support and maintenance service integrated with the right to access the software for the term of the SaaS arrangement. Since the nature of implementation services are similar to other SaaS arrangements where the software is hosted on our data centers, we do not distinguish between SaaS software applications installed on customer's data center or on our own data centers. Revenue from such arrangement represents stand-ready performance obligations and are recognised on a straight-line basis over the contract term. We do not frequently enter into such SaaS arrangements which are installed on customer's data centers.

Contract modifications that are in the nature of development services representing configuration and integration services related to SaaS arrangements entered after the hosting period has commenced are not identified as a separate performance obligations since they do not provide any distinct benefit to the customer. Such contract modifications are considered to be part of a single performance obligation of the original contract, which represents a stand-ready performance obligation. Revenue from such contract modifications are recognised on a straight-line basis over the remaining period of the SaaS contract and recognised as SaaS revenue in the consolidated statement of profit or loss.

License:

The Company also directly licenses on premise software to customers where the customer obtains control of the license, which allows customers to use the software as it exists when made available on a perpetual basis. The software license arrangement includes three elements: (i) license, (ii) implementation and (iii) maintenance.

License and implementation are not considered as distinct performance obligations since they do not provide a distinct benefit to the customer. Implementation services involves significant integration, configuration, modification and customization services and hence license and implementation services represent a combined output for which the customer has contracted. We therefore recognise fees for license and implementation together as a single performance obligation using the percentage of completion method as the implementation is performed. The stand-alone selling price for maintenance services may not be a contractually stated price, and are determined based on the maintenance renewal rate with customer or historical trend of average maintenance revenue as a percent of license and implementation revenue which represents an objective and reliable estimate of the stand-alone selling price of maintenance services.

Measure of progress towards completion in the application of the percentage of completion method is determined based on contract costs incurred as a percentage of total estimated contract costs required to complete the project. Provision for estimated losses, if any, on incomplete contracts are recorded in the year in which such losses become probable based on current contract estimates.

Maintenance fees represent fees from providing customers with unspecified future software updates, minor upgrades, enhancements and technical support over the term of the contract.Unspecified updates, upgrades and enhancements are provided on a when-and-if available basis. Maintenance revenue is recognised on a straight-line basis over the underlying term of the contract as the services represent a stand-ready performance obligation.

Product engineering services are customer specified changes in scope or addition of new services entered through a contract modification on existing SaaS contracts or on premise contracts. The Company applies contract modification accounting under IFRS 15 to assess if such contract modifications are to be accounted as a separate contract or part of the original contract.

a) Contract modifications related to on premise fixed price contracts related to license and implementation services which are not identified as a separate performance obligation are considered as part of single

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performance obligation of the original contract. The Company updates its measure of progress and

Notes (continued)
(forming part of financial statements)

1. Accounting policies (continued)

b) recognises revenue based on the modified transaction price at the date of the modification as a cumulative catch-up adjustment. Revenue from such contract modifications are included under Software Product license and implementation revenue in the consolidated statement of profit or loss.

c) Contract modifications which increase the scope to provide additional services, which are assessed as distinct, and the amount of consideration reflects the stand-alone selling prices of the additional services are accounted as a separate contract. Revenue from such contract modifications which are fixed price contracts are recognised using the percentage of completion method and contract modifications which are time and material contracts are recognised as the related services are performed. Revenue on such contract modifications are included under Software Product as product engineering revenue in the consolidated statement of profit or loss.

d) Contract modifications related to existing SaaS arrangements which are identified as a separate performance obligation are classified as product engineering services.

Consulting and digital transformation services business

Consulting and digital transformation business consists of fees for industry-specific, specialized, technology services to customers in the global travel industry. These services are offered either on a fixed fee model or on a time and material model. Revenue from fixed price service contracts is recognised using the percentage of completion method. Percentage of completion is determined based on contract costs incurred as a percentage of total estimated contract costs required to complete the project. Under the time and material model, we recognise revenue as the related services are performed.

We assess the time period between the fulfilment of our performance obligation to the customer and timing of payments to determine whether a significant financing component exists. As a practical expedient, we do not assess the existence of a significant financing component when the difference between payment and transfer of products or services to our customers is less than a year.

We assess whether we are the principal (i.e. report revenues on a gross basis) or agent (i.e. report revenues on a net basis) in arrangements with third party suppliers to resell products or services. If we control the good or service before it is transferred to the customer, we are the principal; if not, we are the agent.

Revenues are shown net of allowances, sales tax, value-added tax, goods and services tax and applicable discounts.

Any incremental costs that relate directly to a contract and incurred in securing a contract with a customer are recognised as an asset when we expect to recover these costs and amortize it over the contract term. As a practical expedient, the Company recognises the incremental costs of obtaining a contract as an expense when incurred, if the amortization period of the asset that the entity otherwise would have recognised is one year or less.

We recognise contract fulfilment cost as an asset if those costs specifically relate to a contract, the costs generate or enhance resources that will be used in satisfying performance obligations in future; and the costs are expected to be recovered. The asset so recognised is amortized on a systematic basis consistent with the transfer of services to customer to which the asset relates.

A contract asset is a right to receive consideration that is conditional upon factors other than the passage of time. Contract assets primarily relate to unbilled amounts on fixed-price contracts and are classified as non-financial assets as the contractual right to receive consideration is dependent on completion of contractual milestones.

Unbilled receivables on other than fixed price contracts are classified as a financial asset where the right to receive consideration is only conditional upon passage of time. Any amount previously recognised as contract assets or unbilled receivables is reclassified to trade receivables at the point at which it is invoiced to the customer.

A contract liability is our obligation to transfer our performance obligation to a customer for which we have received consideration (or the amount is due) from the customer.

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Notes (continued)
(forming part of financial statements)

1. Accounting policies (continued)

Finance income and finance costs

Finance income
Finance income comprises interest income on funds invested and dividend income. Interest income is recognised as it accrues in profit or loss, using the effective interest rate method. Dividend income is recognised in the statement of profit or loss on the date that the Company's right to receive payment is established.

Finance costs
Finance costs comprising interest expense on borrowings, unwinding of discount on provisions and deferred consideration and dividends on preference shares classified as liabilities, are recognised in the statement of profit or loss as incurred. Finance costs are measured using the effective interest rate method.

Leases

On 01 April 2019, the Company has applied IFRS 16, Leases that is effective for annual periods that begin on or after 01 January 2019.

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under IFRS 16.

<u>The Company as a lessee</u>

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves right to control:

(a) the use of an identified asset,
(b) the right to obtain substantially all the economic benefits from use of the identified asset, and
(c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognizes a Right-of-use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short-term) and leases for which the underlying asset is of low value. The company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease where the company is reasonably certain to exercise that option.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

The Company applies IAS 36 to determine whether a RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets included as part of the annual financial statements for the year ended 31 March 2022.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. Lease liabilities include the net present value of the following lease payments:

Fixed payments (including in-substance fixed payments) less any lease incentives receivable;
Variable lease payments that are based on an index or a rate;
Amounts expected to be payable by the lessee under residual value guarantees;
The exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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Notes (continued)
(forming part of financial statements)

1. Accounting policies (continued)

The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

When the Company re-measures the lease liability it makes a corresponding adjustment to the related right-of-use asset. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit or loss. The company did not make any such adjustments during the period presented.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term within communication expenses and office operations.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures directly attributable to the acquisition of the asset.

Depreciation is charged to the profit and loss account on a straight line basis over the estimated useful lives of each part of an item of tangible fixed assets. It is calculated at the following rates:
Computer equipment 3-6 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.
Capital work in progress are stated at cost and transferred to the relevant asset category upon completion, at which point they start to be depreciated.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit or loss.

Intangible Assets

Acquired Intangible Assets

Intangible assets that are acquired by the Company and having finite useful life are measured initially at cost. After initial recognition, these are carried at cost less accumulated amortization and accumulated impairment, if any.

Research Costs

Research costs include costs relating to obtaining new knowledge and evaluation and final selection of possible solutions that may be capable of further development for commercial use. Research costs are charged to the statement of profit or loss in the year in which they are incurred.

Internally Developed Intangible Assets

The Company capitalizes the costs directly related to the development of the Software Products. These costs substantially comprise of salary and other directly attributable overhead expenditures up to the date the asset is available for use. The Company categorizes its development into two categories, base product and major enhancement. The first major release of the product is categorized as base product. Further, addition of certain functionality in the form of upgrades to the existing product that significantly increases the software capabilities, scalability, and increased market potential is categorized as major enhancements. Development expenditure is capitalized only if the base product or major enhancement is technically and commercially feasible, the expenditure can be measured reliably, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. For the development that does not meet above criteria are recognised in statement of profit or loss as research and development expenses.

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Notes *(continued)*
(forming part of financial statements)

1. Accounting policies (continued)

Subsequent to initial recognition, Software Products and major enhancements are measured at cost less accumulated amortization and accumulated impairment, if any.

Intangible assets under development are valued at cost less accumulated impairment, if any.

Costs associated with maintaining internally developed software are recognized as an expense as incurred and is classified as cost of sales in the statement of profit or loss.

Intangible assets are amortized in the statement of profit or loss on a straight-line basis over their estimated useful lives, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Amortization methods and the estimated useful life of assets are reviewed, and where appropriate are adjusted, annually.

The Company amortizes capitalized computer Software Products over estimated useful lives of three to ten years depending on the expected period over which the base product or its major enhancements are expected to provide economic benefits.

Purchased commercial rights are amortized over a period of six to eight years.

1. Accounting policies (continued)
Foreign currency

Transactions in foreign currencies are translated to the Company's 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 that 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.

Financial assets

The company classifies its financial assets in the following categories: at fair value through profit or loss; and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss or at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities which are not held for trading, and which the group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the group considers this classification to be more relevant.
- Debt securities where the contractual cash flows are solely principal and interest and the objective of the group's business model is achieved both by collecting contractual cash flows and selling financial assets.

(b) Financial assets at amortised cost
The company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows, and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

(c) Financial assets at fair value through profit or loss
The following financial assets are classified at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost
- equity investments that are held for trading, and

equity investments for which the entity has not elected to recognise fair value gains and losses through OCI

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Notes *(continued)*
(forming part of financial statements)

1.Accounting policies (continued)

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) held-for-trading, or (ii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Dividend Income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Impairment

Financial assets (including trade and other debtors)

The Company recognises a loss allowance for expected credit losses on trade debtors, unbilled revenue and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime expected credit losses (ECL) for trade debtors and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

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Notes *(continued)*
(forming part of financial statements)

1. Accounting policies (continued)

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than which are carried at fair value 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. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Employee benefits

Pension costs
The company operates a defined contribution pension scheme. Contributions to the Company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable. The assets of the scheme are held separately from those of the company in an independently administered fund.

Share-based payment transactions

IBS Software Pte. Ltd., Singapore (Intermediate Parent Company) is administering the Share-based compensation scheme for the employees of the group. Equity-settled share-based payments to employees are measured by reference to the fair value of the instruments at the date of grant. The equity instruments generally vest in the graded manner over the vesting period. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants which is based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The Company is recognizing the employee benefit expenses for options granted to its employees over the vesting period of the awards, based on the billing done by the Intermediate Parent Company

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Notes (continued) *(forming part of financial statements)*

2. *Critical accounting judgements and key sources of estimation uncertainty*

The preparation of the financial statements in conformity with FRS 101 requires management to make judgments, estimates and appropriate assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying the Company's accounting policies

The most significant effect in the financial statements of critical judgments, used by management in applying the accounting policies, is in the area of revenue recognition. The details of these are provided below:

Revenue recognition:

For fixed price contracts, the Company uses the 'percentage of completion' principle using the input (cost expended) method to measure progress of project completion. Percentage of completion method of accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonable and ependable estimates of the revenue and costs, applicable to various elements of the contract can be made.

Key factors that are reviewed in estimating the future costs to complete include estimates towards the future staff costs and other direct costs incidental to the project. The estimates are assessed continually and for the term of these contracts, as the financial reporting of these contracts depends on such estimates. The recognised revenue and profit are subject to revisions as the contract progresses to completion, based on changes to estimates. When estimates indicate that a loss could be incurred, then the Company makes a provision for such loss in the period the loss becomes probable.

The Company evaluated all its assumptions and estimates for impact, if any, of COVID-19 and determined that there is no other material adverse impact on its financial statements for the period 31 March 2022, except for delay in resumption of few projects due to customer constraints and full recovery of business volumes.

Key sources of estimation uncertainty

We consider there to be no material key assumptions concerning the future or any other key sources of estimation uncertainty at the reporting period.

3 Turnover

	2022 £	2021 £
Analysis by geographical market:		
United Kingdom	**2,261,978**	2,244,692
Europe	**17,381,227**	18,148,930
Australia	**10,581,585**	10,190,848
Rest of the World	**6,108,938**	4,456,211
	36,333,728	**35,040,681**

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Notes ***(continued)***
(forming part of financial statements)

3 Turnover (continued)

Turnover is wholly attributable to the principal activity of the company.

	2022	2021
	£	£
Software product business	**30,060,260**	29,568,681
Consulting and digital transformation business	**6,273,468**	5,472,000
	36,333,728	**35,040,681**

Assets and liabilities related to contracts with customers:

The opening and closing balances of the Company's contract assets, current and long-term contract liability are as follows:

	Contract Assets	Contract Liabilities
	£	£
Balance as on 01 April 2021	**1,312,977**	21,451,561
Balance as on 31 March 2022	**1,509,728**	21,643,970
Increase	**196,751**	**192,409**
Balance as on 01 April 2020	1,435,525	25,035,026
Balance as on 31 March 2021	1,312,977	21,451,561
Decrease	**(122,548)**	**(3,583,465)**

Contract liabilities:

During the year, ended 31 March 2022, the Company recognized revenue of £5,675,967, in the year that were included in the previously recognized contract liabilities.

The amount of contract liabilities have increased on account of contracts increase in SaaS contracts signed by the company.

Contract Assets:

During the year ended 31 March 2022, £309,480 of unbilled revenue pertaining to fixed-price contracts (balance as at 01 April 2021: £731,194), has been reclassified to trade receivables on completion of milestones.

The difference between the opening and closing balances of the Group's contract assets and contract liabilities primarily results from the timing difference between the Group's performance and the customer's billing.

4 Finance income

	2022	2021
	£	£
Bank interest income	**2,940**	3,105
Other interest income	**-**	142
	2,940	3,247

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Notes *(continued)*
(forming part of financial statements)

5 Finance expense

	2022	2021
	£	£
Interest on leases	1,946	5,716
Other interest expense	-	-
	1,946	5,716

6 Profit before taxation

	2022	2021
This is arrived at after charging/(crediting):	£	£
Depreciation of tangible fixed assets	61,832	238,925
Depreciation on ROU assets	56,621	53,435
Amortisation of intangible assets	149,053	181,491
Fees payable for the audit of the Company's financial statements	18,000	8,832
Foreign exchange loss	677,522	621,082

No non-audit fees were paid during the current and previous year by the company

7 Staff numbers and costs

	2022	2021
	£	£
Staff costs (including director) consist of:		
Wages and salaries	5,663,535	5,560,738
Social security costs	721,489	643,731
Other pension costs*	354,230	35,289
	6,739,254	6,239,758

* Other pension cost includes Employer contribution to Provident Fund amounting to £ 299,445 for 2022.

**The average monthly number of employees (including director) during the year was as follows:	Number	Number
Production	42	45
Sales	12	12
Administrative	5	2
	59	59

** The average monthly number of employees has been determined based on actual head counts for 2022 compared to previous year which based on full time equivalents.

8 Directors' remuneration

	2022	2021
	£	£
Directors' emoluments	-	-

The total amount payable director in respect of emoluments was £Nil (2021 - £Nil). There were no pension contributions (2021 - £Nil) in respect of the director.

The remuneration to the existing director is paid from the other group undertakings.

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Notes *(continued)*
(forming part of financial statements)

9 Tax on profit

	2022 £	2021 £
Current tax on income for the year	**661,250**	672,760
Adjustments in respect of prior periods	**(44,125)**	13,647
Foreign tax		
Current tax on income for the period	**37,217**	59,309
Total current tax	**654,342**	745,716
Deferred tax		
Origination and reversal of temporary differences	**(59,082)**	63,641
Total taxation included in profit and loss for the period	**595,260**	809,357

The current tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

Reconciliation of effective tax rate	**2022 £**	**2021 £**
Profit before taxation	**3,203,641**	3,180,770
Tax at the standard rate of corporation tax in the UK of 19% (2021 - 19%)	**608,692**	604,346
Effects of:		
Expenses not deductible for tax purposes	-	180,095
Foreign tax expense less relief claimed	**37,216**	11,269
Adjustments in respect of prior years	**(44,125)**	13,647
Timing difference of expenses claimed	**(6,522)**	-
Total tax charge for year	**595,261**	809,357

The Finance Act 2016, which was substantively enacted in September 2016, provided for a reduction in the main rate of corporation tax to 17% from 1 April 2021. However legislation was substantively enacted in March 2020 to maintain the corporation tax rate at 19% for the financial year ending 31 March 2021with a further increase to the main rate of corporation tax to 25% from April 2023. The company's deferred tax balances at the period end were remeasured at 25% this would result in a deferred tax charge of £32,871 (FY2021: £24,049).

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Notes *(continued)*
(forming part of financial statements)

10 Intangible assets

	Computer Software
	£
Cost	
At 01 April 2020	1,101,123
Transfer from tangible assets	-
Additions	-
At 31 March 2021	**1,101,123**
At 01 April 2021	1,101,123
Transfer from tangible assets	-
Additions	3,105
At 31 March 2022	**1,104,228**
Amortisation	
At 01 April 2020	657,350
Transfer from tangible assets	-
Provided for the year	181,491
At 31 March 2021	**838,841**
At 01 April 2021	**838,841**
Transfer from tangible assets	-
Provided for the year	149,053
At 31 March 2022	**987,894**
Net book value	
At 31 March 2022	**116,334**
At 31 March 2021	**262,282**

11 Tangible assets

	Computer Equipment
	£
Cost	
At 01 April 2020	234,330
Additions	9,196
Disposals	-
Transfer to intangible assets	-
At 31 March 2021	**243,526**
At 01 April 2021	243,526
Additions	81,163
Disposals	(164,418)
At 31 March 2022	**160,271**

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Notes *(continued)*
(forming part of financial statements)

11 Tangible assets (continued)

	Computer Equipment
Depreciation	
At 01 April 2020	49,089
Provided for the year	57,434
Disposals	-
Transfer to intangible assets	-
At 31 March 2021	**106,523**
At 01 April 2021	106,523
Provided for the year	61,832
Disposals	(164,220)
At 31 March 2022	**4,135**
Net book value	
At 31 March 2022	**156,136**
At 31 March 2021	137,003

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. It is calculated at the following rates:

Computer equipment	3-6 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Capital work in progress are stated at cost and transferred to the relevant asset category upon completion, at which point they start to be depreciated.

Disposals include sale of computer equipment to IBS Software GmbH of gross book value £ 164,217 (FY2021: £ Nil) and accumulated depreciation of £ Nil (FY2021: £ Nil).

Additions include computer equipment of gross book value £ 81,163(FY2021: £NIL) net of accumulated depreciation of £ 10,682 (FY2021: £NIL) purchased from IBS Software Private Limited.

12 Investments

	2022 £	2021 £
Cost and net book value		
As at 31 March 2022 and 31 March 2021	**1,236,310**	1,236,310

Subsidiary undertakings

The principal undertakings in which the company's interest at the year-end is 20% or more are as follows:

Notes *(continued)*
(forming part of financial statements)

	Country of registration and incorporation	Proportion of voting rights and ordinary share capital held	Registered Address	Nature of business
Subsidiary undertakings				
IBS Software GmbH	Germany	100%	c/o Constantin GmbH Tilsiter Straße 1, 60487 Frankfurt am Main (Regd No. HRB 87263), Germany	Software services
IBS Software Japan Co Ltd	Japan	100%	w.e.f.1April,2023 Shibakoen Daimon-dori Plaza Bldg. 9F, 1-8-12 Shibakoen, Minato-ku, Tokyo 105-0011, Japan.	Software services
IBS Shanghai Ltd	China	100%	w.e.f. 15 February 2022 Room 1560, L' Avenue Shanghai, 99 Xian Xia Rd, Chang Ning Shanghai, 200040	Software services

13 Right of Use Assets

The following table presents the carrying amounts of our right-of-use assets and lease obligations and the movements during the twelve months ended 31 March 2022

	Leases (£)
Gross carrying value:	
As at 01 April 2020	152,341
Additions	-
Disposals	-
As at 31 March 2021	**152,341**
As at 01 April 2021	152,341
Additions	39,160
Disposals	-
As at 31 March 2022	**191,501**

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Notes ***(continued)***
(forming part of financial statements)

13 Right of Use Assets (continued)

Accumulated Depreciation:	
As at 01 April 2020	45,633
Depreciation	53,435
Disposals	-
As at 31 March 2021	**99,068**
As at 01 April 2021	99,068
Depreciation	56,621
Disposals	-
As at 31 March 2022	**155,689**
Net carrying value as at 31 March 2022	**35,812**
Net carrying value as at 31 March 2021	**53,273**

	Leases (£)
Lease Obligation	
As at 01 April 2020	102,842
Additions	-
Lease modifications	-
Payments	(58,599)
Forex adjustments	8,142
As at 31 March 2021	**52,385**
As at 01 April 2021	52,385
Additions	39,160
Lease modifications	-
Payments	(59,890)
Forex adjustments	1,285
As at 31 March 2022	**32,940**

Lease obligation maturity analysis:

Particulars	**Gross Amount 2022 (£)**	**Gross Amount 2021 (£)**
Within 1 year	19,836	54,210
1 to 5 years	13,224	-
Greater than 5 years	-	-
Total	33,060	54,210

The Company has leased an office building. The average lease term is 1.66 years. The lease obligation above is actual maturity amount including interest.

The summary of the amounts recognized in profit or loss account is mentioned below:

Amount recognized in profit or loss	(£) For the year ended 31 March 2022	(£) For the year ended 31 March 2021
Expense relating to variable lease payments not included in the measurement of the lease liability included in operating cash flows	26,506	20,257

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Notes *(continued)*
(forming part of financial statements)

14 Debtors

	2022	2021
	£	£
Trade debtors	**4,832,593**	3,442,147
Amounts owed by subsidiaries*	**6,428,844**	1,566,154
Amounts owed by parent*	**-**	1,157,907
Amounts owed by other group undertakings*	**1,480,545**	1,149,034
Other debtors	**130,141**	70,361
	12,872,123	**7,385,603**

* These are interest free unsecured balances arising on account of trade transaction and repayable on demand.

15 Deferred contract costs

	2022	2021
	£	£
Non-current	**2,519,074**	**2,745,025**
Current	**2,113,836**	**1,098,528**
	4,632,910	3,843,553

Amortisation of the deferred contract costs during the current financial year was £518,735 (2021: £885,213). No impairment loss recognised in current year and previous year.

16 Other assets

	2022	2021
	£	£
Non-Current		
Amount paid to other group undertakings#	**23,152,162**	21,187,238
	23,152,162	21,187,238
Current		
Amount paid to other group undertakings#	**9,121,643**	5,638,888
Amount paid to parent#	**2,590,282**	2,590,282
Contract assets	**1,509,728**	1,312,977
Unbilled receivables	**1,205,284**	968,774
Prepayments	**440,099**	397,348
Deferred Tax Assets (on tangible assets)	**135,237**	76,155
	15,002,273	10,984,424

#These are amounts paid to other group undertakings for under implementation customer contracts, the same would be recognized as expense in the profit and loss account over the life of the contract from date of go live.

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Notes *(continued)*
(forming part of financial statements)

17 Trade and Other Payable

	2022	2021
	£	£
Amounts owed to other group undertakings*	9,255,573	444,218
Amounts owed to parent*	2,093,648	352,977
Accruals	2,557,260	1,172,276
Taxation and social security	594,865	519,015
Other creditors	119,264	69,405
Trade creditors	32,940	29,038
Total	14,653,550	2,586,929

* These are interest free unsecured balances arising on account of trade transaction repayable on demand.

18 Contract Liabilities

	2022	2021
	£	£
Non-Current		
Contract Liabilities	12,058,686	13,370,507
Amounts collected from parent#	730,466	73,258
Amounts collected from subsidiaries#	7,131,892	6,368,444
Amounts collected from other group undertakings#	6,285,574	5,455,271
	26,206,618	25,267,480
Current		
Contract Liabilities	9,585,284	8,081,054
Amounts collected from parent#	190,787	3,627
Amounts collected from subsidiaries#	1,459,772	1,062,286
Amounts collected from other group undertakings#	2,546,193	1,672,377
	13,782,036	10,819,344

These are amounts collected from other group undertakings / parent / subsidiaries for under implementation customer contracts, the same would be recognized as income in the profit and loss account over the life of the contract from date of go live.

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Notes *(continued)*
(forming part of financial statements)

19 Deferred taxation

Movement in deferred tax assets and (liabilities) during the year ended 31 March 2021 are as follows:

	Balance as at 01 April, 2020	(Charged) /credited to profit or loss	(Credited to equity)	Balance as at 31 March, 2021
Fixed Assets	10,723	(5,210)	-	5,513
Deductions allowed on payment basis	127,739	(57,636)	-	70,103
Transition amount on IFRS 16 adoption	1,334	(795)	-	539
Total	**139,796**	**(63,641)**	-	**76,155**

Movement in deferred tax assets and (liabilities) during the year ended 31 March 2022 are as follows:

	Balance as at 01 April, 2021	(Charged) /credited to profit or loss	(Credited to equity)	Balance as at 31 March, 2022
Fixed Assets	5,513	17,747	-	23,260
Deductions allowed on payment basis	70,103	41,873	-	111,976
Transition amount on IFRS 16 adoption	539	(539)	-	-
Total	**76,155**	**59,081**	-	**135,236**

In assessing the realisation of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realised. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences become deductible. The Company considers the projected future taxable income and tax planning strategies in making this assessment. Based on this, the Company believes that it is probable that the Company will realize the benefits of these deductible differences. The amount of deferred tax assets considered realizable, however, could be reduced in the near term if the estimates of future taxable income during the carry- forward period are reduced.

20 Share capital

	2022	2021
	£	£
Authorised capital	**200,000**	200,000
200,000 ordinary shares of £1 each		
Allotted called up and fully paid		
166,334 ordinary shares of £1 each	**166,334**	166,334

The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

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Notes *(continued)*

21 Share based compensation

IBS Software Pte. Ltd., Singapore (intermediary parent company) is administering the share based compensation scheme for the employees of the group. The company is recognising the employee benefit expenses of options granted to its employees over the vesting period of the awards, based on the billing done by the intermediary parent company. During the current year, the company has incurred £ 495,887 (2021: £ 591,195) as the employee expenses towards the share-based compensation.

22 Ultimate controlling party

The Company is a subsidiary undertaking of IBS Software Pte. Ltd which is the intermediate parent company incorporated in Singapore and the registered office is in 8 Cross units, #24-03/04, Manulife Tower, Singapore (048424). The largest group in which the results of the Company are consolidated is headed by IBS Software Pte. Ltd, and the consolidated financial statements are available to the public and may be obtained from the location stated in note 1. The smallest group in which the results of the Company are consolidated is headed by IBS Software Private Limited (immediate parent) incorporated in India and the registered office is in 521 – 524, Nila, Technopark Campus, Trivandrum, Kerala 695581. The consolidated financial statements are available to the public and may be obtained from www.mca.gov.in.

The ultimate controlling entity is IBS Technology and Consulting Services FZ–LLC, incorporated in United Arab Emirates and beneficially owned by Mr V K Mathews. The registered office is 21-05 Grosvenor Business Tower, TECOM Sector C, Barsha heights, P.O Box 500157, Dubai – UAE.

23 Post balance sheet events

There are no post balance sheet events that require disclosure in the financial statements.

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