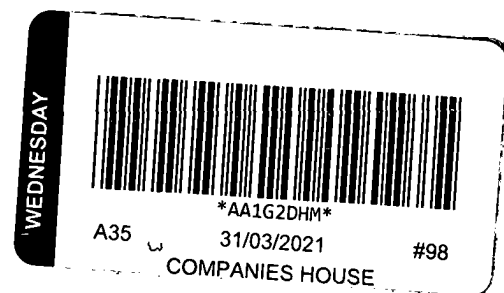


Report and Financial Statements

Axon Group Limited

For the year ended 31 March 2020



Registered number: 03419641

Axon Group Limited

Company Information

Directors	Mr. Shiv Kumar Walia Mr. Rahul Singh Mr. Ajit Kumar
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Registered number	03419641
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Registered office	Axon Centre Church Road Egham Surrey TW20 9QB United Kingdom
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Independent auditor	KPMG LLP 15 Canada Square London E14 5GL
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Banker	Deutsche Bank London Branch 6 Bishopsgate London EC2N 4DA
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Strategic report

For the year ended 31 March 2020

Introduction

The directors present their Strategic Report for the year ended 31 March 2020.

Principal activities

The Company's principal activity is to carry on business as a general commercial company and act as a holding Company for the investment in the shares of companies providing services associated with IT and business services, engineering and R & D services and services related to products and platform.

Review of Business

The results of the Company and its key performance indicators ("KPIs") are as follows:

	31 March 2020 £000	31 March 2019 £000
Carrying value of investments	191,037	191,037

The directors have considered the carrying value of the investments and consider them to be recoverable in full. The company has received £ 24,524k as dividend during this year. (2019- Nil).

There are no non-financial KPI that entity monitor at entity level.

Principal risks and uncertainties

Aside from investments, the Company principally engages in short term financial instruments and mitigates exposure to the associated risks of these instruments in connection with support from the ultimate parent company and other entities within the wider group, it is member of. The Company also closely monitors the results of its investments to determine whether the carrying values are appropriate.

Additional economic uncertainty has arisen as a result of the June 2016 referendum and subsequent triggering of Article 50 of the Lisbon treaty, which resulted in UK to exit the EU by 31 January 2020. The implications continue to remain uncertain as the United Kingdom negotiates its position. Aside from resultant foreign exchange movements, this did not have any adverse impact on the company's business so far and management will further follow up if any measures are necessary to reduce potential business risk.

Financial instruments

The Company's operations also expose it to a variety of financial risks such as foreign exchange risk and liquidity risk. The Company has adequate controls in place that seek to minimize the adverse effects of these financial risks on the Company's financial performance:

1. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and short term bank deposits. The Directors do not see any significant liquidity risk involved. The Company's liquidity risk is further mitigated through the funding commitments from its ultimate parent undertaking

Strategic report (continued)

For the year ended 31 March 2020

Financial instruments (continued)

1. Liquidity risk (continued)

Cash flow performance is monitored on an ongoing basis by the board. Debt facilities have been established at group level to fund future cash flow requirements.

2. Investment impairment risk

The most significant financial instrument held by the company is its investments in subsidiaries. The directors understanding of the risks associated with the investments held by the entity relate to the potential impairment of those investments. To identify any risk of impairment in a timely manner, the company reviews the financial performance of its investments on a regular basis. To date, all investments have had a strong year and are not exhibiting indicators of impairment. This is expected to continue for the foreseeable future.

Impact of Covid

The impact of Covid in the entities in which entity has its investment.

1. Industry risk

At company level by looking at industry and service line, technology service industry will remain largely unimpacted.

2. Customer risk

We are expecting reduction in discretionary spend by the customers, recovery of demand will depend on the longevity of the Covid 19 situation.

3. Counterparty risk

There will be some impact on customers where the customers are seeking reduction in price as well as extended payment terms. However, we don't expect our major customers to impact us in a major way.

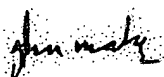
4. Employee risk

Group has restricted the recruitment to need based requirements of business only. Company should be able to get the required skills as there is big pool of resources in ultimate parent company which is based out of India.

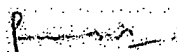
5. Financing risk

These are evaluated at ultimate parent company level as this company gets required financial assistance if needed from the ultimate parent company or its subsidiaries.

This report was approved by the board of directors on 29 March 2021 and signed on its behalf.



Shiv Kumar Walia
Director



Rahul Singh
Director

Directors' report

For the year ended 31 March 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Results and dividends

Profit for the year, after taxation, amounted to £ 24,007k (2019-Loss of £ 1,079k).

The company has not made any political and charitable contribution during the year.

Dividend paid during the year, amounted to £ 21,160k (2019-£ 6,104k)

Directors

The directors who served during the year and to the date of approving these financial statements were:

Mr. Shiv Kumar Walia

Mr. Rahul Singh

Mr. Ajit Kumar

Mr. Manish Anand (Resigned on 14 February 2020)

Mr. Prahlad Rai Bansal (Resigned on 14 February 2020)

Future developments

The Company is an investment entity and plans to invest further in its existing subsidiaries.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have made an assessment of future cash flows for a period of 12 months from the date of approval of these financial statements which indicate that as the company is a holding company and has minimal committed expenditure, it will have sufficient cash reserves to cover that expenditure and meet its liabilities as they fall due for that period without receipt of further income. The directors do not anticipate the current ongoing Covid 19 pandemic to have a significant impact on the future cash flows of the company.

In addition, though not forecasted to be required, the Directors have received confirmation from the Company's parent company, HCL Technologies Limited, that further support will be available should it be required.

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

Disclosure of information to auditor

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

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

Axon Group Limited

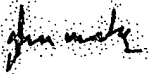
Directors' report (continued)

For the year ended 31 March 2020

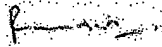
Reappointment of Auditor

As per section 485 of the Companies Act 2006 KPMG LLP was appointed as the auditor of the Company for FY 2019-20. In accordance with section 487 of the Companies Act 2006, a resolution for their re-appointment as Auditor of the Company for FY 2020-21 will be placed for the shareholders' approval.

This report was approved by the board of directors on 29 March 2021 and signed on its behalf.



Shiv Kumar Walia
Director



Rahul Singh
Director

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

For the year ended 31 March 2020

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the 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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 Axon Group Limited

Opinion

We have audited the financial statements of Axon Group Limited ("the company") for the year ended 31 March 2020 which comprise the statement of profit and loss and other comprehensive income, statement of financial position and statement of changes in equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Independent Auditor's Report to the members of Axon Group Limited (continued)

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they 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 Axon Group Limited (continued)

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



David Benson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
E14 5GL

30 March 2021

Statement of profit and loss and other comprehensive income

For the year ended 31 March 2020

		Year ended 31 March 2020	Year ended 31 March 2019
	Note	£000	£000
Administrative expenses		(17)	(5)
Other operating income / (loss)	4	65	(1,063)
Operating profit / (loss)		48	(1,068)
Income from shares in group companies		24,524	-
Interest receivable and other similar income	7	103	11
Interest payable and similar charges	8	(26)	(22)
Profit/(loss) before tax		24,649	(1,079)
Tax on profit / (loss)	9	(642)	-
Profit/(loss) for the year		24,007	(1,079)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		24,007	(1,079)

The notes on pages 12 to 19 form part of these financial statements.

All amounts relate to continuing operations.

Axon Group Limited

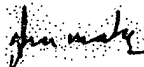
Registered number: 03419641

Statement of financial position

As at 31 March 2020

	Note	31 March 2020 £000	31 March 2019 £000
Fixed assets			
Investments	10	<u>191,037</u>	<u>191,037</u>
Current assets			
Debtors: amounts falling due within one year	11	31	24
Cash at bank	12	<u>4,322</u>	<u>2,252</u>
		4,353	2,276
Creditors: amounts falling within one year	13	<u>(54)</u>	<u>(824)</u>
Net current assets		<u>4,299</u>	<u>1,452</u>
Total asset less current liabilities		<u>195,336</u>	<u>192,489</u>
Net assets		<u>195,336</u>	<u>192,489</u>
Capital and reserves			
Called up share capital	14	678	678
Share premium account	15	43,767	43,767
Other reserve	15	23,720	23,720
Capital reserve	15	101,654	101,654
Retained earnings		<u>25,517</u>	<u>22,670</u>
Shareholder's funds		<u>195,336</u>	<u>192,489</u>

The financial statements were approved and authorised for issue by the board of directors on and were signed on its behalf on 29 March 2021


Shiv Kumar Walia
Director


Rahul Singh
Director

The notes on pages 12 to 19 form part of these financial statements

Statement of changes in equity

For the year ended 31 March 2020

	Share capital £000	Share premium £000	Capital Reserve £000	Other Reserve £000	Retained Earnings £000	Total Equity £000
At 1 April 2018	678	43,767	101,654	23,720	29,853	199,672
Profit for the year	-	-	-	-	(1,079)	(1,079)
Total comprehensive income for the year	-	-	-	-	(1,079)	(1,079)
Contributions by and distribution to owners						
Dividends: Equity capital	-	-	-	-	(6,104)	(6,104)
	-	-	-	-	(6,104)	(6,104)
At 31 March 2019	678	43,767	101,654	23,720	22,670	192,489
At 1 April 2019	678	43,767	101,654	23,720	22,670	192,489
Profit for the year	-	-	-	-	24,007	24,007
Total comprehensive income for the year	-	-	-	-	24,007	24,007
Contributions by and distribution to owners						
Dividends: Equity capital	-	-	-	-	(21,160)	(21,160)
	-	-	-	-	(21,160)	(21,160)
At 31 March 2020	678	43,767	101,654	23,720	25,517	195,336

The notes on pages 12 to 19 form part of these financial statements

Notes to the financial statements

For the year ended 31 March 2020

1. Company information

Axon Group Limited is a limited company incorporated in England & Wales. The registered office is Axon Centre, Church Road, Egham, Surrey, TW20 9QB, United Kingdom.

2. Accounting policies

The financial statements have been prepared in accordance with Financial Reporting Standard 102 and in accordance with applicable accounting standards under the historical cost convention.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The functional and presentational currency of the company is Pounds Sterling. The financial statements are presented in pound thousands.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

2.1 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7;
- the requirements of Section 11 Basic of Financial Instruments.

This information is included in the consolidated financial statements of HCL Technologies Limited as at 31 March 2020 and these financial statements may be obtained from the Registrar of Companies in India.

2.2 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have made an assessment of future cash flows for a period of 12 months from the date of approval of these financial statements which indicate that as the company is a holding company and has minimal committed expenditure, it will have sufficient cash reserves to cover that expenditure and meet its liabilities as they fall due for that period without receipt of further income. The directors do not anticipate the current ongoing Covid 19 pandemic to have a significant impact on the future cash flows of the company.

In addition, though not forecasted to be required, the Directors have received confirmation from the Company's parent company, HCL Technologies Limited, that further support will be available should it be required.

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

Notes to the financial statements

For the year ended 31 March 2020

2. Accounting policies (continued)

2.3 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.4 Impairment of assets

At each reporting date, fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the statement profit and loss and other comprehensive income.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss and other comprehensive income.

2.5 Financial instruments

The Company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like cash, trade and other accounts receivable and payable, loans to and from related parties and investments.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement profit and loss and other comprehensive income.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Notes to the financial statements

For the year ended 31 March 2020

2. Accounting policies (continued)

2.5 Financial instruments (continued)

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.6 Foreign currency translation

The financial statements of the company are presented in Pounds Sterling.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Foreign-currency denominated monetary assets and liabilities are translated to the relevant functional currency at exchange rates in effect at the balance sheet date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of initial transaction.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

2.7 Finance costs

Finance costs are charged to the Statement of profit and loss and other comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.8 Interest income

Interest income is recognised in the Statement of profit and loss and other comprehensive income using the effective interest method.

2.9 Current and deferred taxation

Tax is recognised in the Statement of profit and loss and other comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Notes to the financial statements

For the year ended 31 March 2020

2. Accounting policies (continued)

2.9 Taxation(continued)

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS102 requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs, expenses and other comprehensive income that are reported and disclosed in the financial statements and accompanying notes. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant estimates and assumptions are used as follows

Provisions against impairment of investments

Using information available at the balance sheet date, the Directors make assumptions on any indication that those investments have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected investment is estimated and compared with its carrying amount. If the estimated net worth amount is lower, the carrying amount is reduced to its estimated net worth amount.

Changes in estimates are reflected in the financial statements in the year in which the changes are made. Actual results could differ from those estimates.

No impairment was recorded in the current or prior period.

4. Operating profit/(loss)

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

	Year ended 31 March 2020	Year ended 31 March 2019
	£000	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	7	3
Exchange differences gain/(loss)	65	(1,063)

5. Employees

The average monthly no. of employees during the year is Nil (2019-Nil).

Notes to the financial statements

For the year ended 31 March 2020

6. Directors' remuneration

In addition to being directors of the company, the directors hold roles in the wider HCL group outside of the UK. Furthermore, all the HCL entities in the UK are viewed as one business unit and it is impracticable to identify accurately remuneration they receive for services to each entity separately. Therefore, directors' remuneration disclosure has not been included in these financial statements. Full remuneration of the directors is disclosed in HCL Great Britain Limited and HCL Technologies Limited which are the companies that pays remuneration and their financial statements are publically available at the website of its ultimate parent company, "HCL Technologies Limited."

The company has no key management personnel other than the directors.

7. Interest receivable and other similar income

	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
Other interest receivable	103	11
	<u>103</u>	<u>11</u>

8. Interest payable and similar charges

	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
Bank charges	2	2
Interest payable to group companies	24	20
	<u>26</u>	<u>22</u>

9. Tax on profit/(loss)

	Year ended 31 March 2020 £0000	Year ended 31 March 2019 £000
<u>Corporation tax</u>		
Current tax of profit for the year	650	-
Adjustment in respect of previous periods	(8)	-
Total Current Tax	<u>642</u>	<u>-</u>

Factors affecting tax charge for the year

Standard rate of corporation tax in the UK of 19% (2019 - 19%)

	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
Profit/(loss) before tax	24,649	(1,079)
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19% (2019 -19%)	4,684	(205)
Effects of:		
Adjustment in respect of prior periods	(8)	-
Non- taxable income*	(4,660)	-
Impact of rate change	-	23
Unrecognized deferred tax	-	182
Write back withholding tax deducted	626	-
Total tax charge for the year	<u>642</u>	<u>-</u>

* Non- taxable income includes dividend income from group company

Notes to the financial statements

For the year ended 31 March 2020

9. Tax on profit/(loss) (continued)

Unrecognized deferred tax asset

Tax losses	48	231
Capital losses	1,083	1,083
	<u>1,131</u>	<u>1,314</u>

The directors consider that it is less likely than not that there will be sufficient taxable profits in the future to realise the deferred tax asset in respect of losses carried forward and therefore no asset has been recognised in the financial statements.

A UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the company's future current tax charge accordingly.

In the 3 March 2021 Budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the company's future tax charge. If this rate change had been substantively enacted at the current balance sheet date, there would be no change, as no deferred tax asset /liability has been setup by the Company as at the balance sheet date.

10. Investments

	Investments in subsidiary & associates £000
Cost or valuation	
At 1 April 2019	191,037
Disposal	-
At 31 March 2020	<u>191,037</u>
Net Book value	
At 31 March 2020	<u>191,037</u>
At 31 March 2019	<u>191,037</u>

Subsidiary & Associate undertakings

The following are directly held subsidiary & associate undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity	Registered Address
HCL America Inc.	USA	Ordinary	18.52%	IT and IT enabled services	330, Potrero Avenue, Sunnyvale, California 94085
Axon Solutions Limited	England	Ordinary	100%	IT and IT enabled services	Axon Centre, Church Road, Egham, Surrey TW20 9QB
HCL Technologies Solutions GmbH	Switzerland	Ordinary	100%	IT and IT enabled services	Kirchgasse 24, 8001 Zurich, Switzerland
HCL Axon Malaysia Sdn. Bhd.	Malaysia	Ordinary	100%	IT and IT enabled services	L5E-1B Enterprise 4, Technology Park Malaysia, Lebuhraya Puchong Sg. Besi, Bukit Jalil, 57000 Kuala Lumpur
Anzospa Investment (PTY) Limited	South Africa	Ordinary	70%	IT and IT enabled services	GMI House, Harlequins Office Park, 164, Toituis Street, Groenkloof, Pretoria 0027

There is no change in percentage of holdings of subsidiary & associate undertaking in comparison to previous year.

Notes to the financial statements

For the year ended 31 March 2020

11. Debtors

	31 March 2020	31 March 2019
	£000	£000
Amounts owed by group undertakings	31	24
	<u>31</u>	<u>24</u>

Amounts owed by group undertakings are repayable on demand with no interest variable on it.

12. Cash and cash equivalents

	31 March 2020	31 March 2019
	£000	£000
Cash at bank	4,322	2,252
	<u>4,322</u>	<u>2,252</u>

13. Creditors: Amounts falling due within one year

	31 March 2020	31 March 2019
	£000	£000
Amounts owed to group undertakings	1	799
Other creditors	25	25
Corporation tax	20	(3)
Accruals	8	3
	<u>54</u>	<u>824</u>

Amount owed to group undertaking includes short term loan amounting to £ 750k taken from group companies at LIBOR + variable bps, which have been paid in the current year.

14. Share capital

	31 March 2020	31 March 2019
	£000	£000
Allotted, called up and fully paid up		
67,820,332- Ordinary share of £0.01 each	678	678
	<u>678</u>	<u>678</u>

15. Reserves

Share premium

This reserve includes all premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium.

Other reserve

Other reserves include proceeds from share based payment transactions.

Capital reserve

The capital reserve arose in the year ended 30 June 2012, when the company had transferred its 100% holding in Axon Solutions Inc., to HCL America Inc., under a share purchase agreement.

Notes to the financial statements

For the year ended 31 March 2020

16. Related party transactions

The company has taken advantage of the exemption available in section 33 of FRS102 from disclosing transactions with related parties that are wholly owned by HCL Technologies Limited group, on the basis that 100% of the Company's voting rights are controlled within the group and consolidated financial statements in which the Company is included are available.

17. Controlling parties

The immediate parent undertaking of the Company is HCL EAS Limited. The ultimate parent undertaking and controlling party is HCL Technologies Limited, a company incorporated in India.

The largest and smallest group of undertaking for which group financial results have been prepared that include the results of the Company is that headed by HCL Technologies Limited. The consolidated financial statements are available to the public and may be obtained from HCL Technologies Limited, Noida, Uttar Pradesh, India.

18. Post balance sheet event

There is no material subsequent event.