

Report and Financial Statements

Axon Group Limited

For the year ended 31 March 2022

Registered number: 03419641

Axon Group Limited

Company Information

Directors	Mr. Shiv Kumar Walia Mr. Rahul Singh Mr. Ajit Kumar
Registered number	03419641
Registered office	Axon Centre Church Road Egham Surrey TW20 9QB United Kingdom
Independent auditor	KNAV Hygeia Building, Ground Floor, 66-68 College Road, Harrow, Middlesex, HA1 1BE, United Kingdom
Banker	Deutsche Bank London Branch Winchester House 1 great Winchester Street London EC2N 2DB

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Strategic report

For the year ended 31 March 2022

Introduction

The directors present their Strategic Report for the year ended 31 March 2022.

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 2022 £000	31 March 2021 £000
Carrying value of investments	<u>191,037</u>	<u>191,037</u>

The directors have considered the carrying value of the investments and consider them to be recoverable in full. The company has received £ 32,072k as dividend during this year. (2021- £ 2,370k).

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.

The UK left the EU on the 31st December 2020. 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, liquidity risk and investment impairment 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. Foreign exchange rate risk

Foreign exchange rate risk arises from future commercial transactions and recognized assets and liabilities that are denominated in a currency that is not the Company's functional currency. Ultimate holding Company enters into hedging contracts to minimize risk at overall group level.

Strategic report (continued)

For the year ended 31 March 2022

Financial instruments

1. Foreign exchange rate risk (continued)

As per ultimate holding company's risk management policy, hedges are predominately taken by ultimate parent company to hedge foreign currency risk. In certain cases, to address specific risks, hedges may be taken at subsidiary level. However, this company does not undertake any hedges.

2. 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.

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.

3. 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

There is no impact of Covid-19 on the operations of the company during the financial year.

This report was approved by the board of directors on 01 June, 2022 and signed on its behalf.



Shiv Kumar Walia
Director



Rahul Singh
Director

Directors' report

For the year ended 31 March 2022

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

Results and dividends

Profit for the year, after taxation, amounted to £ 31,840k (2021- £ 2,389k).

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

Dividend paid during the year, amounted to £ 31,808k (2021-£ 5,765k).

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

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.

Financial instruments

Details of financial instruments are provided in the strategic report.

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 2022

Reappointment of Auditor

The Auditor, KNAV are deemed to be reappointed under sec 487(2) of Companies Act 2006.

This report was approved by the board of directors on 01 June, 2022 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 2022

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.

Axon Group Limited

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 2022, which comprise the Statement of Profit and Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [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, 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.

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

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

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

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

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

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

Our audit procedures included:

- enquiry of management about the Company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the Board of directors minutes;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships.

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Use of our report

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



.....
Amanjit Singh FCA (Senior Statutory Auditor)
For and on behalf of KNAV, Statutory Auditor

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

Date: 01 June, 2022

Statement of profit and loss and other comprehensive income

For the year ended 31 March 2022

	Year ended 31 March 2022	Year ended 31 March 2021
Note	£000	£000
(Administrative expenses)/Other Income	(28)	7
Other operating loss	(81)	(11)
Operating loss	(109)	(4)
Income from shares in group companies	32,072	2,370
Interest payable and similar charges	(2)	(2)
Profit before tax	31,961	2,364
Tax on profit	(121)	25
Profit for the year	31,840	2,389
Other comprehensive income	-	-
Total comprehensive income for the year	31,840	2,389

The notes on pages 13 to 20 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 2022

	Note	31 March 2022 £000	31 March 2021 £000
Fixed assets			
Investments	9	<u>191,037</u>	<u>191,037</u>
Current assets			
Debtors: amounts falling due within one year	10	51	33
Cash at bank	11	<u>912</u>	<u>900</u>
		963	933
Creditors: amounts falling within one year	12	<u>(8)</u>	<u>(10)</u>
Net current assets		<u>955</u>	<u>923</u>
Total asset less current liabilities		<u>191,992</u>	<u>191,960</u>
Net assets		<u>191,992</u>	<u>191,960</u>
Capital and reserves			
Called up share capital	13	678	678
Share premium account	14	43,767	43,767
Other reserve	14	23,720	23,720
Capital reserve	14	101,654	101,654
Retained earnings		<u>22,173</u>	<u>22,141</u>
Shareholder's funds		<u>191,992</u>	<u>191,960</u>

The financial statements were approved and authorized for issue by the board of directors on and were signed on its behalf on 01 June, 2022



Shiv Kumar Walia
Director



Rahul Singh
Director

The notes on pages 13 to 20 form part of these financial statements

Statement of changes in equity

For the year ended 31 March 2022

	Share capital £000	Share premium £000	Capital reserve £000	Other Reserve £000	Retained earnings £000	Total Equity £000
At 1 April 2020	678	43,767	101,654	23,720	25,517	195,336
Profit for the year	-	-	-	-	2,389	2,389
Total comprehensive income for the year	-	-	-	-	2,389	2,389
Contributions by and distribution to owners						
Dividends: Equity capital	-	-	-	-	(5,765)	(5,765)
	-	-	-	-	(5,765)	(5,765)
At 31 March 2021	678	43,767	101,654	23,720	22,141	191,960
At 1 April 2021	678	43,767	101,654	23,720	22,141	191,960
Profit for the year	-	-	-	-	31,840	31,840
Total comprehensive income for the year	-	-	-	-	31,840	31,840
Contributions by and distribution to owners						
Dividends: Equity capital	-	-	-	-	(31,808)	(31,808)
At 31 March 2022	678	43,767	101,654	23,720	22,173	191,992

The notes on pages 13 to 20 form part of these financial statements

Notes to the financial statements

For the year ended 31 March 2022

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

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' and Companies Act 2006 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 financial statements contain information about Axon Group Limited as an individual Company and are not consolidated financial statements. The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare group financial statements as it and its subsidiary undertakings are included in the group financial statements of its ultimate parent company, HCL Technologies Limited, a Company incorporated in India, which are publicly available at company's website <https://www.hcltech.com>.

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 2022 and these financial statements may be obtained from the Registrar of Companies in India and also publicly available at the company's website at <https://www.hcltech.com>.

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.

Notes to the financial statements

For the year ended 31 March 2022

2. Accounting policies (continued)

2.3 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

At each reporting date, Investments are reviewed to determine whether there is any indication that investment 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 of 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.

2.4 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.

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.

Notes to the financial statements

For the year ended 31 March 2022

2. Accounting policies (continued)

2.5 Foreign currency translation

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

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 recognised 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 realised upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. 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.

2.6 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.

2.7 Interest income

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

2.8 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 2022

2. Accounting policies (continued)

2.9 Current and deferred 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.

2.10 Dividend income

Dividend income is recognised when the entity's right to receive payment is established.

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, 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 loss

The operating loss is stated after charging:

	Year ended 31 March 2022	Year ended 31 March 2021
	£000	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	7	7
Exchange differences loss	<u>81</u>	<u>11</u>

Notes to the financial statements

For the year ended 31 March 2022

5. Employees

The average monthly no. of employees during the year is Nil (2021-Nil).

6. Directors' remuneration

All the directors of the Company are also directors in other group companies within the HCL Technologies Limited group and are also employees of the ultimate parent undertaking. All of these companies together are viewed as one business unit and their salaries are paid by other companies in the enlarged group within which it belongs. The directors believe that remuneration applicable towards efforts for this Company is negligible.

There are no key management personnel other than the directors

7. Interest payable and similar charges

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Bank charges	2	2
	<u>2</u>	<u>2</u>

8. Tax on profit

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
<u>Corporation tax</u>		
Current tax of profit for the year	(21)	(1)
Adjustment in respect of previous periods	1	(24)
Others	141	-
Total Current Tax / (Tax Credit)	<u>121</u>	<u>(25)</u>

Factors affecting tax charge for the year

Standard rate of corporation tax in the UK of 19% (2021 - 19%)

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Profit before tax	31,961	2,364
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021 -19%)	6,073	449
Effects of:		
Adjustment in respect of prior periods	1	(24)
Non- taxable income*	(6,094)	-
Non Deductible expenses	-	-
Tax exempt revenue	141	(450)
Others	-	-
Total tax charge / (tax credit) for the year	<u>121</u>	<u>(25)</u>

* Non- Taxable income includes dividend income from group companies.

Notes to the financial statements

For the year ended 31 March 2022

8. Tax on profit (continued)

Unrecognised deferred tax asset

Tax losses	(21)	28
Capital losses	27	1,210
	<u>6</u>	<u>1,238</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.

In the 3rd 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.

9. Investments

	Investments in subsidiary & associates £000
Cost or valuation	
At 1 April 2021	191,037
Disposal	-
At 31 March 2022	<u>191,037</u>
Net Book value	
At 31 March 2022	<u>191,037</u>
At 31 March 2021	<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
Anzospan Investment (PTY) Limited	South Africa	Ordinary	70%	IT and IT enabled services	GMI House, Harlequins Office Park, 164, Toitus 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 2022

10. Debtors: amounts falling due within one year

	31 March 2022	31 March 2021
	£000	£000
Amounts owed by group undertakings	51	33
	<u>51</u>	<u>33</u>

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

11. Cash and cash equivalents

	31 March 2022	31 March 2021
	£000	£000
Cash at bank	912	900
	<u>912</u>	<u>900</u>

12. Creditors: Amounts falling due within one year

	31 March 2022	31 March 2021
	£000	£000
Amounts owed to group undertakings		1
Accruals	8	9
	<u>8</u>	<u>10</u>

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

13. Share capital

	31 March 2022	31 March 2021
	£000	£000
Allotted, called up and fully paid up		
67,820,332 Ordinary shares of £0.01 each	678	678
	<u>678</u>	<u>678</u>

14. 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.

Notes to the financial statements

For the year ended 31 March 2022

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.

15. Related party transactions

The company has taken advantage of the exemption available in section 33 of FRS 102 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.

16. 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 on the company's website at <https://www.hcltech.com>.

17. Post balance sheet event

There is no material subsequent event.