

**Registered Number: 2503575**

NIIT Insurance Technologies Limited

Annual Report and Financial Statements  
For the year ended 31 March 2018

# NIIT Insurance Technologies Limited

## Annual Report and Financial Statements For the year ended 31 March 2018

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# **NIIT Insurance Technologies Limited**

## **Directors and Advisors**

### **Directors**

Arunbir Singh Soin

### **Company secretary**

Abogado Nominees Limited

### **Registered office**

100 New Bridge Street  
London  
EC4V 6JA

### **Registered number**

2503575

### **Independent auditors**

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

### **Bankers**

Natwest Bank  
Reading Market Place  
13 Market Place  
Reading Berks  
RG1 2EG

### **Business address**

2<sup>nd</sup> Floor  
47 Mark Lane  
London  
EC3R 7QQ

# NIIT Insurance Technologies Limited

## Strategic report for the year ended 31 March 2018

The directors present their strategic report for the year ended 31 March 2018.

### Principal activities

The principal activity of the Company is the provision of software and services to the London and International Insurance Markets.

### Business review and future developments

The results for the Company show a profit on ordinary activities before taxation of £3.2m (2017: £2.6m) for the year and turnover of £19.6m (31 March 2017: £17.1m), hence delivering a growth of 23.1% on profit before tax and 14.6% on turnover. The Company has net assets of £5.9m (2017: £6.2m).

Market consolidation has been a theme this year. Our investment in API enabling our Subscribe software has proven popular with existing customers, supporting integration and automation strategies that drive efficiencies. Innovation and investment in new digital initiatives is also noteworthy, with organisations in the commercial and specialty sector understanding the necessity to leverage disruptive digital technologies that are becoming commonplace in other industries. During the year, we saw growing demand for Navigator and our digital microservices as well as Exact our Exposure Modelling product. This has helped the business return to growth, a trend we expect to continue with our investment in the US and Bermuda and the pipeline generation that has resulted.

An interim dividend has been paid during the year of £3.0m at the rate of £2.389 per share (2017: Nil). The directors do not recommend payment of a final dividend (2017: Nil).

### Key performance indicators (KPIs)

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. Turnover and profit on ordinary activities before taxation as presented in the business review are the key measures considered by the directors.

### Principal risks and uncertainties facing the Company

Disruptive technologies and the possibility of new entrant disruptors providing alternative business models is a growing possibility. The Company is mindful it needs to be well placed to accommodate any shift in market dynamics with both traditional and digital offerings.

On behalf of the Board

Arunbir Singh Soin  
**Director**  
4 May 2018

# NIIT Insurance Technologies Limited

## Directors' Report for the year ended 31 March 2018

The directors present their report and the audited financial statements of NIIT Insurance Technologies Limited ('the Company') for the year ended 31 March 2018.

### **Financial risk management**

The Company's operations expose it to a variety of limited financial risks including the effects of changes in interest rates on foreign currency exchange rates, credit risk and liquidity risk.

The Company does not use derivative instruments to manage these exposures.

The Company's principal financial instruments comprise sterling bank deposits together with trade receivables and trade payables that arise directly from its operations.

The main risks arising from the Company's financial instruments can be analysed as follows:

#### ***Price risk***

Due to the nature of its business, the Company is not exposed to any major price risks. Due consideration is given for annual salary increases in line with the growth in business in terms of both price and volumes inter dependent on contract negotiations.

#### ***Credit risk***

The Company's principal financial assets are bank balances and trade receivables, which represent the Company's maximum exposure to credit risk in relation to financial assets.

The Company's credit risk is primarily attributable to its trade receivables. This risk is not felt to be significant as the market place which it addresses consists of blue chip insurance companies and Lloyd's Syndicates.

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made.

#### ***Liquidity risk***

The Company has adequate capital to support its working capital requirements. Proactive receivables management results in prompt collections. Management continue to focus on this area.

#### ***Foreign Exchange risk***

A proportion of the Company's trading is conducted in Euros and US Dollars. However, any exposure to foreign exchange risk is in the normal course of business and is deemed to be immaterial.

#### ***Interest rate and cash flow risk***

The Company's favourable liquidity situation did not warrant any significant borrowing in the current year. Policies in this regard will be in review regularly by the Directors.

The Company's proactive collection initiatives ensure that it can meet its commitments.

### **Qualifying third party indemnity provision**

The Company has a Directors and Officers Liability insurance policy. This is in force at the date of the statement of financial position and also at the date of signing of the financial statements.

# NIIT Insurance Technologies Limited

## Directors' Report for the year ended 31 March 2018 (continued)

### Research and development

During the reporting period, the predominant focus of the company's technology teams has been to appreciably improve the company's core software. This has enabled new capabilities to be realised such as migrating the legacy Subscribe platform from a monolith to a modern micro services architecture. This has required the team carry out considerable amount of experimentation in ensuring a high level of throughput and performance can be achieved with the new services e.g. message compression techniques.

Another example is where the team have improved risk management capabilities for terrorist attacks within the "Exact" platform. These improvements have required the team to come up with novel algorithms and data structures for low latency processing of geospatial big data.

The Company's flagship software suite "+AdvantageSuite" provides ready-to-deploy commercial insurance solutions for policy administration, claims management, reinsurance and exposure management. The product suite includes:

- Navigator – provides sophisticated capabilities for underwriting, policy administration and claims management;
- Exact - an enterprise-wide exposure management system that allows insurers the ability to quickly and easily visualise and manage risk exposure across all lines of business; and
- Acumen – an analytics engine and data management system that works across the entire suite of the Company's products.

The Company continues to invest in research and development by creating new and enhanced products to help improve business efficiency and forecasting for the insurance market.

### Directors

The current directors of the Company are set out on page 1. All of the directors serving during the year and up to the date of signing the financial statements are listed below:

Arunbir Singh Soin

### Statement of Directors' Responsibilities

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 directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), and applicable law). 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# **NIIT Insurance Technologies Limited**

## **Directors' Report for the year ended 31 March 2018 (continued)**

### **Statement of Directors' Responsibilities (continued)**

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.

### **Disclosure of information to auditors**

At the date of approving this report, each of the Company's directors, as set out on page 1, confirm the following:

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

### **Independent auditors**

During the year, the Company appointed Ernst & Young LLP as the statutory auditors to replace the incumbent auditors, PricewaterhouseCoopers LLP. Written resolutions of the directors of the Company was passed on 25<sup>th</sup> October 2017 giving effect to this.

### **Post Statement of Financial Position Events**

There have been no significant events affecting the Company since the year end.

Approved on behalf of the Board of Directors

Arunbir Singh Soin  
**Director**  
4 May 2018

# NIIT Insurance Technologies Limited

## Independent Auditors' Report to the Members of NIIT Insurance Technologies Limited

### Opinion

We have audited the financial statements of NIIT Insurance Technologies Limited for the year ended 31 March 2018, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 22, 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 FRS 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 company's affairs as at 31 March 2018 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 below. 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.

### 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.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# NIIT Insurance Technologies Limited

## Independent Auditors' Report to the Members of NIIT Insurance Technologies Limited (continued)

### 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.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the strategic report and the directors' report for the financial 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 the 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 or directors' report.

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

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

# NIIT Insurance Technologies Limited

## Independent Auditors' Report to the Members of NIIT Insurance Technologies Limited (continued)

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement (set out on pages 4 and 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.

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

Naresh Alimchandani (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
4 May 2018

## NIIT Insurance Technologies Limited

### Statement of Comprehensive Income for the year ended 31 March 2018

		2018	2018	2017	2017
	Note	£	INR	£	INR
<b>Turnover</b>	4	1,96,39,977	1,67,87,27,034	1,70,69,642	1,50,89,25,201
Cost of sales		-2,34,405	-2,00,35,767	-2,32,946	-2,05,92,001
Gross profit		1,94,05,572	1,65,86,91,267	1,68,36,696	1,48,83,33,199
Administrative expenses		-1,61,97,621	-1,38,44,91,655	-1,42,62,739	-1,26,08,00,098
<b>Operating profit</b>	5,9	32,07,951	27,41,99,612	25,73,957	22,75,33,101
Interest receivable and similar income	6	2,802	2,39,501	4,643	4,10,433
<b>Profit on ordinary activities before taxation</b>	7	32,10,753	27,44,39,113	25,78,600	22,79,43,534
Tax on profit on ordinary activities	7	-4,99,324	-4,26,79,719	-5,32,609	-4,70,81,664
<b>Profit for the financial year</b>	19	27,11,429	23,17,59,394	20,45,991	18,08,61,870
<b>Total comprehensive income for the reporting period</b>	19	27,11,429	23,17,59,394	20,45,991	18,08,61,870

# NIIT Insurance Technologies Limited

## Statement of Financial Position as at 31 March 2018

		2018	2018	2017	2017
	Note	£	INR	£	INR
<b>Fixed assets</b>					
Intangible assets	12	34,82,487	31,78,30,917	46,66,850	37,93,90,637
Tangible assets	13	2,17,492	1,98,49,516	1,00,426	81,64,112
		36,99,979	33,76,80,433	47,67,276	38,75,54,749
<b>Current assets</b>					
Receivables	14	58,76,950	53,63,62,780	57,22,781	46,52,32,337
Cash		39,65,724	36,19,33,784	31,86,606	25,90,54,497
<b>Total current assets</b>		98,42,674	89,82,96,564	89,09,387	72,42,86,834
<b>Creditors: amounts falling due within one year</b>	15	-71,86,389	-65,58,69,385	-69,89,782	-56,82,32,930
<b>Net current assets</b>		26,56,285	24,24,27,179	19,19,605	15,60,53,905
<b>Total assets less current liabilities</b>		63,56,264	58,01,07,612	66,86,881	54,36,08,654
<b>Creditors: amounts falling due after more than one year</b>	16	-1,14,160	-1,04,18,869	-1,71,240	-1,39,20,922
<b>Provision for other liabilities</b>	17	-3,30,745	-3,01,85,608	-3,15,711	-2,56,65,663
<b>Net assets</b>		59,11,359	53,95,03,135	61,99,930	50,40,22,069
<b>Equity</b>					
Called up share capital	18	12,557	11,46,021	12,557	10,20,819
Share premium account		17,49,257	15,96,46,815	17,49,257	14,22,05,498
Retained earnings		41,49,545	37,87,10,299	44,38,116	36,07,95,753
<b>Total shareholders' funds</b>		59,11,359	53,95,03,135	61,99,930	50,40,22,069

The financial statements on pages 9 to 24 were approved by the Board on 4 May 2018 and signed on its behalf by:

Arunbir Singh Soin

**Director**

Registered Number: **2503575**

# NIIT Insurance Technologies Limited

## Statement of Changes in Equity as at 31 March 2018

	Share Capital	Share Capital			Retained Earnings	Retained Earnings	Total Equity	Total Equity
	£	INR	Share Premium	Share Premium	£	INR	£	INR
At 1 April 2016	12,557	11,94,949	17,49,257	16,64,62,795	23,92,125	22,76,39,399	41,53,939	39,52,97,143
Total comprehensive income for the year	-	-	-	-	20,45,991	18,08,61,870.47	20,45,991	18,08,61,870
Dividends paid during the year	-	-	-	-	-	-	0	0
Currency Translation Reserve		-1,74,130		-2,42,57,297		13,31,56,353		108724926.2
<b>At 31 March 2017</b>	<b>12,557</b>	<b>10,20,819</b>	<b>17,49,257</b>	<b>14,22,05,498</b>	<b>44,38,116</b>	<b>36,07,95,753</b>	<b>61,99,930</b>	<b>50,40,22,069</b>
At 1 April 2017	12,557	10,20,819	17,49,257	14,22,05,498	44,38,116	36,07,95,753	61,99,930	50,40,22,069
Total comprehensive income for the year	-	-	-	-	27,11,429	23,17,59,394	27,11,429	23,17,59,394
Dividends paid during the year	-	-	-	-	-30,00,000	-25,64,25,000	-30,00,000	-25,64,25,000
Currency Translation Reserve		1,25,202.08		1,74,41,316.77		4,25,80,153		6,01,46,672
<b>At 31 March 2018</b>	<b>12,557</b>	<b>11,46,021</b>	<b>17,49,257</b>	<b>15,96,46,815</b>	<b>41,49,545</b>	<b>37,87,10,299</b>	<b>59,11,359</b>	<b>53,95,03,135</b>

# NIIT Insurance Technologies Limited

## Notes to the Financial Statements for the year ended 31 March 2018

### 1 General information

NIIT Insurance Technologies Limited ('the Company') is a wholly owned subsidiary of NIIT Technologies Limited, UK. The ultimate parent company and controlling party is NIIT Technologies Limited, India, a Company registered in India. The principal activity of the Company is the provision of software and services to the London and International Insurance Markets.

The Company is a private company limited by shares and is incorporated in England and Wales under registration number 2503575. The address of its registered office is 100 New Bridge Street, London, EC4V 6JA.

### 2 Statement of compliance

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102') and the Companies Act 2006 for the year ended 31 March 2018.

Previous year figures for prepayments and accrued income, trade payables and fees payable to company auditors have been regrouped and rearranged to make them comparable with the current year figures.

### 3 Accounting policies

#### Basis of accounting

The financial statements are prepared on a going concern basis under the historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently with the prior year, are set out below.

The financial statements have been prepared in British Pounds, which is the company's functional currency and rounded to the nearest pound.

There were no critical accounting estimates used in the preparation of financial statements in compliance with FRS 102.

#### Turnover

Turnover represents sales to customers, net of value added tax. Turnover is derived from the company's principal activity comprising of license, implementation and support services. All turnovers relate to business activities in the United Kingdom.

#### Recognition of turnover

Revenue may be recognised in respect of a contract, which is defined herein to be either a single contract taken as a whole or an unbundled part of a contract. However, an unbundled part may be considered only if the contractual obligations for completion of it can be met without any material dependency on other components of the bundled contract.

# NIIT Insurance Technologies Limited

## Notes to the Financial Statements for the year ended 31 March 2018 (continued)

### 3 Accounting policies (continued)

Some contracts are determined at the outset to be short term in nature. These generally relate to short studies, the supply of professional services on a time and materials basis, or the supply of products that are sold in a standard form without any material modification. All other contracts are deemed to be long-term contracts.

For any contract, revenue is recognised only when a signed contract exists and the collection of the associated receivable is considered probable.

For a short-term contract including license, revenue is recognised when there is a right to consideration, when delivery to the customer has occurred and there are no significant vendor obligations remaining.

For long term maintenance contracts, revenue is recognised in equal instalments over the period of the contract.

For all other long term contracts revenue is recognised on a 'percentage of completion' basis at the statement of financial position date, with 'percentage completion' being measured by the costs to date as a percentage of the estimated costs to completion. Any loss on a contract is recognised in full as soon as a loss is foreseen by reference to the estimated cost to completion.

The amount by which turnover exceeds payments on account is shown under receivables as amounts recoverable on contracts. The amount by which billings are made in advance, and revenue taken subsequently in line with other accounting policies is shown under payables as deferred income.

For time and material contracts, revenue is recognised on basis of billable efforts.

#### Development costs (Intangible assets)

Development costs are stated at cost less amortisation and any provision for impairment.

Costs incurred during the development period of new software products, which substantially improve those products already offered by the company, are treated as development costs. These costs are capitalised and amortised over the life of the product. Costs that are capitalised comprise directly attributable incremental costs incurred during the development period, including wages and salaries of staff employed solely for the purpose of developing the new product, and third party costs.

Amortisation of the development costs occurs on a straight-line basis over five years. Impairment reviews are performed annually to ensure the present value of estimated future income streams from the associated products exceeds the capitalised cost.

#### Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected economic useful lives. Where there is evidence of impairment, fixed assets are written down to their recoverable amount. Any such write down would be charged to operating profit. The principal annual rates used are as follows:

Furniture and equipment	- 20%
Plant and machinery	- 33%

# NIIT Insurance Technologies Limited

## Notes to the Financial Statements for the year ended 31 March 2018 (continued)

### 3 Accounting policies (continued)

#### Leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the full terms of the leases.

The Company has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 and continues to credit such lease incentives to the statement of comprehensive income over the respective lease periods.

#### Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, 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.

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax 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.

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 statement of financial position date.

#### Pensions

Pension contributions to the defined contribution NIIT Insurance Technologies Limited Group Personal Pension Scheme are charged to the statement of comprehensive income in the period in which contributions are incurred. Assets of the scheme are held separately from those of the company in an independently administered fund.

# NIIT Insurance Technologies Limited

## Notes to the Financial Statements for the year ended 31 March 2018 (continued)

### 3 Accounting policies (continued)

#### Foreign currency

The company's functional and presentational currency is GBP.

Foreign currency transactions during the year are converted into sterling using the rate at the beginning of the month in which they occur. At the year-end monetary assets and liabilities in foreign currency amounts have been converted at the exchange rate on the statement of financial position date. All foreign exchange differences are taken to the statement of comprehensive income in the period in which they arise.

#### Financial instruments

##### Financial assets:

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price. The same are retranslated at the rate of exchange ruling at the statement of financial position date. Exchange gains and losses are taken to the statement of comprehensive income in the year in which they arise. Any losses arising from impairment are recognised in the income statement in other operating expenses.

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.

At the end of each reporting period financial assets are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in statement of comprehensive income. Such assets are subsequently carried at fair value and the changes in fair value are recognised in statement of comprehensive income.

##### Financial liabilities:

Basic financial liabilities, including trade and other payables are initially recognised at transaction price. The same are retranslated at the rate of exchange ruling at the statement of financial position date. Exchange gains and losses are taken to the statement of comprehensive income in the year in which they arise.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

# NIIT Insurance Technologies Limited

## Notes to the Financial Statements for the year ended 31 March 2018 (continued)

### 3 Accounting policies (continued)

#### Offsetting:

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

#### 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 4 Statement of Financial Position paragraph 4.12(a)(iv) in respect of reconciliation of the number of shares outstanding at the beginning and end of the period;
- the requirements of Section 7 Statement of Cash Flows in respect of preparation of statement of cash flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d) in respect of presentation of statement of cash flows in the financial statements;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7 in respect of the non-disclosure of key management personnel compensation in total.

The Company is a wholly owned subsidiary of a group headed by NIIT Technologies Limited, India. NIIT Technologies Limited, India prepares consolidated financial statements and copies can be obtained from 8 Balaji Estate, First Floor, Guru Ravidas Marg, Kalkaji, New Delhi – 110019, India. Full consolidated financials can also be obtained for NIIT Technologies Limited, India, from that Company's website at the following address, <http://www.niit-tech.com/investors/financial-reports>

### 4 Turnover

The turnover of the Company has been derived from its principal activity for which a geographical analysis by destination is given below. The Company has only one main class of business relating to sale of software products and services.

Geographical area	By Origin				By Destination			
	2018	2018	2017	2017	2018	2018	2017	2017
	£	INR	£	INR	£	INR	£	INR
UK	1,96,39,977	1,67,87,27,034	1,70,69,642	1,50,89,25,201	1,74,25,678	1,48,94,59,827	1,58,61,010	1,40,20,84,338
Europe	-	-	-	-	14,20,186	12,13,90,398	5,37,892	4,75,48,671
Rest of the world	-	-	-	-	7,94,113	6,78,76,809	6,70,740	5,92,92,192
	1,96,39,977	1,67,87,27,034	1,70,69,642	1,50,89,25,201	1,96,39,977	1,67,87,27,034	1,70,69,642	1,50,89,25,201

# NIIT Insurance Technologies Limited

## Notes to the Financial Statements for the year ended 31 March 2018 (continued)

### 5 Operating profit

Operating profit is arrived at after charging

	31-Mar	31-Mar	31-Mar	31-Mar
	2018	2018	2017	2017
	£	INR	£	INR
Fees payable to company auditors for :				
The audit of the company pursuant to legislation	32,830	28,06,144	35,610	31,47,859
Tax services	16,000	13,67,600	8,990	7,94,700
Other services	5,000	4,27,375	3,000	2,65,195
Depreciation and amortisation:				
Owned tangible fixed assets	1,04,606	89,41,198	2,31,504	2,04,64,531
Research and development	11,84,363	10,12,33,427	5,02,261	4,43,98,956
Rentals under operating leases:				
Land and buildings	5,13,720	4,39,10,217	5,25,570	4,64,59,429
Plant and machinery	18,003	15,38,806	17,877	15,80,294
Foreign exchange loss	2,212	1,89,071	11,581	10,23,739

### 6 Interest receivable and similar income

	31-Mar	31-Mar	31-Mar	31-Mar
	2018	2018	2017	2017
	£	INR	£	INR
<b>Bank interest</b>	<b>2,802</b>	<b>2,39,501</b>	<b>4,643</b>	<b>4,10,433</b>

# NIIT Insurance Technologies Limited

## 7 Tax charge on profit on ordinary activities

	31-Mar	31-Mar	31-Mar	31-Mar
	2018	2018	2017	2017
	£	INR	£	INR
Current tax:				
UK Corporation tax at 19% (2017: 20%)	5,84,469	4,99,57,488	5,92,162	5,23,46,040
Adjustments in respect of prior years	-	-	18,603	16,44,471
Total current tax charge	5,84,469	4,99,57,488	6,10,765	5,39,90,511
Deferred tax:				
Origination and reversal of timing differences	32,025	27,37,337	-71,336	-63,05,972
Adjustments in respect of prior years	-1,13,799	-97,26,970	-12,787	-11,30,347
Effect of changes in tax rates	-3,371	-2,88,136	5,967	5,27,472
Total deferred tax	-85,145	-72,77,769	-78,156	-69,08,848
Tax charge on profit on ordinary activities	4,99,324	4,26,79,719	5,32,609	4,70,81,664

# NIIT Insurance Technologies Limited

## Notes to the Financial Statements for the year ended 31 March 2018 (continued)

The tax assessed for the year is lower (2017: higher) than the standard rate of corporation tax in the United Kingdom 19% (2017: 20%). The differences are explained below:

### 7 Tax on profit on ordinary activities (continued)

	31-Mar 2018	31-Mar 2018	31-Mar 2017	31-Mar 2017
	£	INR	£	INR
<b>Factors affecting tax charge for the year</b>				
Profit on ordinary activities before tax	32,10,753	27,44,39,113	25,78,600	22,79,43,534
Profit on ordinary activities at the standard rate of UK corporation tax 19% (2017: 20%)	6,10,043	5,21,43,425	5,15,720	4,55,88,707
Expenses not deductible for tax purposes	6,451	5,51,399	5,106	4,51,361
Adjustments in respect of prior years	-1,13,799	-97,26,970	5,816	5,14,124
Effect of changes in tax rates	-3,371	-2,88,136	5,967	5,27,472
<b>Tax charge for the year</b>	<b>4,99,324</b>	<b>4,26,79,719</b>	<b>5,32,609</b>	<b>4,70,81,664</b>

The deferred taxation asset of £105,549 (2017: £20,404) has been recognised and is disclosed within receivables, see note 14.

	31-Mar 2018	31-Mar 2018	31-Mar 2017	31-Mar 2017
	£	INR	£	INR
Accelerated capital allowances	29,905	27,29,295	-52,996	-43,08,299
Short-term timing differences	68,869	62,85,364	67,319	54,72,685
Pension provision	6,775	6,18,324	6,081	4,94,354
<b>Deferred tax asset/(liability)</b>	<b>1,05,549</b>	<b>96,32,982</b>	<b>20,404</b>	<b>16,58,739</b>
	31-Mar 2018	31-Mar 2018	31-Mar 2017	31-Mar 2017
	£	INR	£	INR
Deferred tax asset/(liability) as at 1 April	20,404	16,58,739	-57,752	-54,95,796
Adjustments in respect of prior years	1,13,799	97,26,970	12,787	11,30,347
Deferred tax charge to profit for the period	-28,654	-24,49,201	65,369	57,78,500
Currency Translation Reserve		6,96,474		2,45,687
<b>Deferred tax asset/(liability) as at 31 March</b>	<b>1,05,549</b>	<b>96,32,982</b>	<b>20,404</b>	<b>16,58,739</b>

# NIIT Insurance Technologies Limited

## Notes to the Financial Statements for the year ended 31 March 2018 (continued)

### 7 Tax on profit on ordinary activities (continued)

Based on current capital investment plans, the company expects to continue to be able to claim capital allowances in excess of depreciation in future years at a similar level to the current year.

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements.

The standard rate of corporation tax in the UK for the reporting period is 19%. Accordingly, the company's profit for the reporting period is taxed at an effective rate of 15.55% (2017: 20.65%) and will be taxed at 17% in the future.

Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 17% from 1 April 2020 had already been substantively enacted on 26 October 2015 and 7 September 2016. At 31 March 2018, Management is of the opinion that the relevant deferred tax assets and liabilities included in these Financial Statements are based on the reduced rate of 17% having regard to their reversal profiles.

The Company has adopted the new R&D expenditure credit legislation introduced in 2013 that allows large companies to claim expenditure credits equal to 11% up to 31 December 2017 and 12% from 1 January 2018 of the qualifying research and development (R&D) expenditure. The operating profit for the current reporting period includes the effect of these tax credits.

### 8 Employees

	31-Mar	31-Mar	31-Mar	31-Mar
	2018	2018	2017	2017
	£	INR	£	INR
<b>Staff costs during the year (including directors)</b>				
Wages and salaries	48,26,252	41,25,23,890	42,09,072	37,20,74,283
Social security costs	5,56,567	4,75,72,564	4,38,758	3,87,85,406
Other pension costs	4,70,833	4,02,44,451	4,46,597	3,94,78,360
Other staff costs	1,44,396	1,23,42,248	1,39,572	1,23,37,910
	59,98,048	51,26,83,153	52,33,999	46,26,75,960

# NIIT Insurance Technologies Limited

The average monthly number of persons employed by the company during the year was:

	31 March 2018	31 March 2017
<b>By activity</b>		
Software development and support staff	46	57
Sales and marketing	9	7
Administrative Staff	6	6
	<b>61</b>	<b>70</b>

## Notes to the Financial Statements for the year ended 31 March 2018 (continued)

### 8 Employees (continued)

#### Pension costs

The Company operates a Defined Contribution Pension Scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The pension cost charge represents contributions payable by the company to the NIIT Insurance Technologies Limited Company Personal Pension Scheme and amounts to £470,833 (2017: £446,597). There is an accrual at the year-end for the Company Personal Pension Scheme of £39,852 (2017: £35,769).

### 9 Research and Development Expenditure Credit

The Company has claimed research and development expenditure credit as per the guidelines prescribed by HMRC on an accrual basis in the statement of comprehensive income. A summary of the qualifying research and development expenditure and the gross RDEC is as follows:

Expenditure Category	2018	2018	2017	2017
	£	INR	£	INR
Staffing costs	4,39,041	3,75,27,029	6,53,428	5,77,61,843
Connected externally provided workers (EPWs)	3,41,916	2,92,25,270	2,13,959	1,89,13,585
Total qualifying research and development expenditure	7,80,957	6,67,52,300	8,67,387	7,66,75,428
Gross RDEC @ 11% up to 31 December 2017 (2017: 11%)	64,723	55,32,198	95,413	84,34,335
Gross RDEC @ 12% from 1 January 2018	23,108	19,75,156	-	-

Management is confident that the claims will be successful.

# NIIT Insurance Technologies Limited

## 10 Directors Emoluments

The directors' emoluments were as follows:

	2018	2018	2017	2017
	£	INR	£	INR
Aggregate remuneration	60,769	51,94,230	49,864	44,07,887

Aggregate remuneration represents 50% of the remuneration of the director recharged by the parent company. Post-employment benefits under a defined contribution pension scheme aggregating to £8,239 (2017: £6,757) is accruing to 1 director (2017: 1).

## 11 Dividends

	31-Mar	31-Mar	31-Mar	31-Mar
	2018	2018	2017	2017
	£	INR	£	INR
<b>Declared and paid during the year</b>				
<b>Ordinary shares:</b>				
Interim paid: £2.389 per 1p share (2017: Nil)	30,00,000	25,64,25,000	-	

## Notes to the Financial Statements for the year ended 31 March 2018 (continued)

## 12 Intangible assets

	Work-in-progress development costs	Work-in-progress development costs	Development costs	Development costs	Total	
	£	INR	£	INR	£	INR
<b>Cost</b>						
At 1 April 2017	-	-	64,72,436	52,61,75,390	64,72,436	52,61,75,390
Additions	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Currency Translation Reserve				6,45,34,718		6,45,34,718
<b>At 31 March 2018</b>	-	-	<b>64,72,436</b>	<b>59,07,10,108</b>	<b>64,72,436</b>	<b>59,07,10,108</b>
<b>Accumulated amortisation</b>						
At 1 April 2017	-	-	18,05,586	14,67,84,753	18,05,586	14,67,84,753
Charged in the year	-	-	11,84,363	10,12,33,427	11,84,363	10,12,33,427
Currency Translation Reserve				2,48,61,010		2,48,61,010
<b>At 31 March 2018</b>	-	-	<b>29,89,949</b>	<b>27,28,79,190</b>	<b>29,89,949</b>	<b>27,28,79,190</b>
<b>Net book value</b>						
<b>At 31 March 2018</b>	-	-	<b>34,82,487</b>	<b>31,78,30,917</b>	<b>34,82,487</b>	<b>31,78,30,917</b>
At 31 March 2017	-	-	46,66,850	37,93,90,637	46,66,850	37,93,90,637

# NIIT Insurance Technologies Limited

## 13 Tangible assets

	Furniture and equipment		Plant		Total	
			and machinery			
	£	INR	£	INR	£	INR
<b>Cost</b>						
At 1 April 2017	5,24,961	4,26,76,600	26,83,943	21,81,90,609	32,08,904	26,08,67,209
Additions	-		2,21,672	1,89,47,414	2,21,672	1,89,47,414
Disposals	-		-	0	-	0
Currency Translation Reserve		52,34,229		2,80,44,382		3,32,78,611
<b>At 31 March 2018</b>	<b>5,24,961</b>	<b>4,79,10,828</b>	<b>29,05,615</b>	<b>26,51,82,406</b>	<b>34,30,576</b>	<b>31,30,93,234</b>
<b>Accumulated depreciation</b>						
At 1 April 2017	5,24,234	4,26,17,498	25,84,244	21,00,85,599	31,08,478	25,27,03,097
Charged in the year	190	16,240.25	1,04,416	89,24,958	1,04,606	89,41,198
Disposals	-		-	0	-	0
Currency Translation Reserve		52,28,080		2,63,71,342		3,15,99,423
<b>At 31 March 2018</b>	<b>5,24,424</b>	<b>4,78,61,819</b>	<b>26,88,660</b>	<b>24,53,81,899</b>	<b>32,13,084</b>	<b>29,32,43,718</b>
<b>Net book value</b>						
<b>At 31 March 2018</b>	<b>537</b>	<b>49,009.57</b>	<b>2,16,955</b>	<b>1,98,00,507</b>	<b>2,17,492</b>	<b>1,98,49,516</b>
At 31 March 2017	727	59,101.32	99,699	81,05,010	1,00,426	81,64,112

## Notes to the Financial Statements for the year ended 31 March 2018 (continued)

### 14 Receivables

	2018	2018	2017	2017
	£	INR	£	INR
Trade receivables	43,70,536	39,88,79,153	44,00,974	35,77,76,301
Amounts owed by group undertakings	1,39,953	1,27,72,881	34,969	28,42,798
Amounts recoverable on contracts	3,61,379	3,29,81,435	4,10,349	3,33,59,240
Deferred tax asset (see note 7)	1,05,549	96,32,982	20,404	16,58,739
Other receivables	45,945	41,93,193	93,426	75,95,048
Prepayments and accrued income	8,53,588	7,79,03,136	7,62,659	6,20,00,211
	<b>58,76,950</b>	<b>53,63,62,780</b>	<b>57,22,781</b>	<b>46,52,32,337</b>

There are no loans to group undertakings (2017: Nil).

# NIIT Insurance Technologies Limited

## 15 Creditors: amounts falling due within one year

	2018	2018	2017	2017
	£	INR	£	INR
Trade payables	3,87,542	3,53,69,214	4,25,158	3,45,63,135
Amount owed to group undertakings	7,28,076	6,64,48,220	9,26,594	7,53,27,274
Corporation tax payable	98,065	89,49,951	59,394	48,28,423
Other taxation and social security	8,54,123	7,79,51,963	9,00,405	7,31,98,244
Other payables	1,977	1,80,432	991	80,563
Holiday pay accrual	74,367	67,87,141	80,282	65,26,509
Other accruals	7,63,464	6,96,77,924	4,83,192	3,92,80,997
Deferred income	42,78,775	39,05,04,540	41,13,766	33,44,27,784
	71,86,389	65,58,69,385	69,89,782	56,82,32,930

Amounts owed to group undertakings represent trade balances and are unsecured, non-interest bearing within stipulated payment terms.

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

Lease incentives including a rent-free period were received when the Company entered into a new lease on its office premises. These incentives are being amortised to profit or loss on a straight-line basis.

## 17 Provision for other liabilities

As part of the Company's property leasing arrangements there is an obligation to repair damages which incur during the life of the lease, such as wear and tear. The cost is charged to profit and loss as the obligation arises. The provision is expected to be utilised after the lease terminates in 2021.

## Notes to the Financial Statements for the year ended 31 March 2018 (continued)

## 18 Called up, allotted and fully paid up share capital

	2018	2018		2017		
	Number of shares	£	INR	Number of shares	2017	INR
				£		
<b>Authorised</b>						
Ordinary shares of 1p each	50,00,000	50,000	45,63,275	50,00,000	50,000	40,64,740
<b>Called up, allotted, and fully paid</b>						
Ordinary shares of 1p each	12,55,720	12,557	11,46,021	12,55,720	12,557	10,20,819

## 19 Reserves

### Retained earnings

# NIIT Insurance Technologies Limited

The retained earnings include all current and prior period retained profits and losses.

## 20 Financial commitments

At 31 March 2018, the company had total commitments under non-cancellable operating leases payable as follows:

	2018	2018	2017	2017
	£	INR	£	INR
(i) Land and buildings				
Within one year	5,69,050	5,19,34,633	5,69,050	4,62,60,806
Within two to five years	11,41,600	10,41,88,695	17,12,400	13,92,09,216
	17,10,650	15,61,23,328	22,81,450	18,54,70,021
(ii) Others				
Within one year	7,725	7,05,026	7,095	5,76,787
Within two to five years	720	65,711	285	23,169
	8,445	7,70,737	7,380	5,99,956

## 21 Related party transactions

The company has taken advantage of the exemption in FRS 102 from the requirement to disclose transactions with group companies on the grounds that it is a wholly owned subsidiary and consolidated financial statements are prepared by the ultimate parent company, NIIT Technologies Limited, India. The consolidated financial statements published by the parent company are publicly available.

## Notes to the Financial Statements for the year ended 31 March 2018 (continued)

### 22 Ultimate holding company and controlling party

NIIT Technologies Limited, which is incorporated and registered in the UK, is the immediate parent company. The ultimate parent company and controlling party is NIIT Technologies Limited, India a Company registered in India, which is the parent of the smallest and largest group to consolidate these financial statements.

NIIT Technologies Limited, India prepares consolidated financial statements and copies can be obtained from 8 Balaji Estate, First floor, Guru Ravidas Marg, Kalkaji, New Delhi - 110019, India. Full consolidated financial statements can also be obtained for NIIT Technologies Limited, India, from that company's website at the following address, <http://www.niit-tech.com/investors/financial-reports>