

Mastek (UK) Limited
Annual Report for the year ended 31 March 2025

Registered Number 02731277

Mastek (UK) Limited

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Mastek (UK) Limited
Company Information

Directors

Abhishek Singh

Judith Halkerston

Ashank Desai

Rajeev Grover

Hiral Chandrana (resigned on September 3, 2024)

David O'Brien (resigned on October 10, 2024)

Secretary

Soutik Sarkar - Company Secretary

Auditors

PBG Associates (London) Ltd

77 Holyhead Road, Birmingham

England B21 0LG

Bankers

Lloyds Bank

PO Box 112, Canons House,

Canons Way, Bristol

BS99 7LB, UK

Standard Chartered Bank

5th Floor, 1 Basinghall Avenue, London

EC2V 5DD, UK

Citibank UK

33 Canada Square, London

E14 5LB, UK

Registered office

100 Brook Drive

Green Park

Reading, RG2 6UJ

Registered Number

02731277

Mastek (UK) Limited
Strategic report for the year ended 31 March 2025
Business Review and future developments

The results for year ended 31 March 2025 and the financial position of the Company are shown in the financial statements.

The Company is a leading IT player providing enterprise solutions to government, retail and financial services organizations worldwide. It has been at the forefront of technology and has made significant investments in building capability, increasing IT value generation to its customers. We deliver these services using Agile and DevOps methodologies, and where applicable through a right-shore model. We assist our customers in solving their complex, mission critical business problems with innovative solutions that sustain and grow their business. The Company is organised around 4 service lines to build a core capability in each of the significant transformational areas.

The Company delivered a strong performance during the year, achieving a 17.90% increase in revenue on a like-for-like basis compared to the prior year. Net profitability increased by 8.3%, benefiting from the absence of the prior-period investment impairment, with other expenses remaining broadly consistent year on year. On a like-for-like basis, operating profit declined by 1.7%, primarily due to a challenging talent environment in the UK; however, the Company continued to proactively manage these pressures.

Throughout the year, the Company remained focused on its strategic objectives of expanding its customer base and enhancing service quality. To strengthen its competitive position, the Company diversified its client portfolio, secured new contracts, and maintained disciplined project cost management. These initiatives have reinforced the Company's resilience and operational momentum, enabling it to deliver solid results despite external challenges.

The Debtors of the Company have grown by GBP 15,272,675 out of which the majority is on account of services rendered to group undertakings which has witnessed an increase of GBP 9,574,900 and an increase of GBP 2,959,123 pertaining to trade debtors.

Strong operational performance and enhanced collection efforts contributed to a significant increase in Cash and Cash Equivalents by GBP 5,563,512. This uplift was primarily the result of improved debtor collections, advance payments received for major new client projects, movements in other current assets, and a reduction in creditor balances. These developments underscore the Company's solid liquidity position and its ability to generate sustainable cash flows to support ongoing strategic growth initiatives.

Our business continues to be focused on Government, Healthcare, Retail and Financial sectors. In particular the Government, Healthcare and Retail sectors demonstrated significant growth. Our government business runs mainly off the G-Cloud, TS3, DSP and DOS frameworks. To improve our coverage in the retail sector, we now offer services in Digital Commerce to assist clients to establish a digital presence which is increasingly an imperative. Government pipeline is robust with a number of deals extended for longer periods demonstrating continued customer trust with Mastek. We have secured multi-year Government deals in the Home office, NHS and Defence.

To enable further growth, we will continue our investment in sales and marketing in all the three sectors to step up our growth activities. Demand for digital transformation remains buoyant across Government, Healthcare and Commercial clients and the pandemic has only accelerated it further. We are investing in Digital Service design capability to position us as thought leaders with the customers to drive design led thinking, architecture and domain specializations. We are also focusing on UK Graduate programme and training to develop digital talent for the future.

Staff turnover: The pandemic had created a huge challenge in the market for talent specially in IT industry. Hence staff turnover continued to be an area of impact not only for Mastek but the wider industry. In FY23 Mastek was affected by the global "Great resignation" phase as Mastekers moved for better prospects as Tech talent doors were opened in non tech domains creating further opportunities which resultant in substantial increase in staff turnover ratio. We have proactively addressed this with enhanced employee engagement measures, creating special work-life balance programmes, flexibility of hybrid work environment, Learning and development to up-skill and cross skill for career growth and enhance our employee experience for improvement in employee retention.

Client Satisfaction: The score slightly decreased from 86.71% to 85.12% as we addressed customer feedback about availability of talent by bringing in key initiatives for internal talent and competency build, robust learning and development, training and graduate on-boarding programmes.

Key Performance Indicators

KPI	2025	2024
Turnover increase	17.90%	6.99%
Operating profit margin	18.20%	9.53%
Staff Turnover ratio	6.00%	11.40%
Client Satisfaction	85.12%	86.71%

Principal Risks and Uncertainties

The principal risks are as follows:

- Cost pressures impacting our clients' ability to further invest in IT solutions. The Company has operational improvement and Cost Containment Initiatives to provide IT solutions in a cost efficient manner. It further has the benefit of being very well entrenched with many of its customers, involved in their critical and strategic initiatives. Therefore, client related risks are mitigated to an extent.
- Potential risk of delays and change in policy direction due to Brexit can impact the growth in the government sector. The company is strengthening its presence by pursuing a strategic account approach. Further the Company is extending its reach into wider vertical markets and is increasing its annuity business.
- The Company's contract and expenses are mainly in the United Kingdom with transactions in Sterling Pound, resulting in foreign currency exposure to minimum in relation to operating business transaction
- The Company has assessed the impact of global economic condition on its operations as well as financial reporting process, including but not limited to the areas of financial controls, credit risk, impairment of financial and non-financial assets, and Cyber security pertaining to the remote access of information for the year ended March 31, 2025 and up to the date of approval of financial statements. While assessing the impact, Company has considered all internal and external sources of information like industry reports, economic forecast, credit reports and company's business forecast basis the global economic consensus. Company expects to recover the carrying amount of its assets. Also there have been no material changes in the financial reporting process followed by the Company. The Management and Directors are confident that the company will be able to remain operational throughout the foreseeable future and they will continue to closely monitor any material changes to the business due to future economic conditions.

Approved on behalf of the Board



Abhishek Singh

Date of Approval : 12/12/2025

Mastek (UK) Limited
Directors' Report for the year ended 31 March 2025

The Directors present their report and the audited financial statements of the Company for the year ended 31 March 2025.

Company Registration Number

The company is registered in England and Wales under company number 02731277.

A review of the business and future developments of the company is included in the strategic report.

Results and Dividends

The company's profit for the financial year was £21,663,642 (2024: £7,284,795).

The Directors recommended the payment of Dividend (final dividend for previous year and interim dividend for current year) of £5,500,000 (2024: £5,400,000).

Section 172(1) statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard, among other matters, to: the likely consequences of any decision in the long-term; the interests of the Company's employees; the need to foster the Company's business relationships with suppliers, customers and others; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly with members of the Company.

The directors give careful consideration to the factors set out above in discharging their duties under section 172. The stakeholders we consider in this regard are our staff, our customers, our shareholders and our communities. The Board recognises that building strong relationships with our stakeholders will help us to deliver our strategy in line with our long-term values and operate the business in a sustainable way.

Stakeholder engagement

The Board is committed to effective engagement with all of its stakeholders. Depending on the nature of the issue in question, the relevance of each stakeholder group may differ and, as such, as part of its engagement with stakeholders, the Board seeks to understand the relative interests and priorities of each group and to have regard to these, as appropriate, in its decision making. However, the Board acknowledges that not every decision it makes will necessarily result in a positive outcome for all stakeholders.

The Board regularly receives reports from management on issues concerning customers, the environment, communities, suppliers, employees, regulators, governments and investors, which it takes into account in its discussions and in its decision-making process under section 172.

In addition to this, the Board seeks to understand the interests and views of the Group's stakeholders by engaging with them directly as appropriate. Some of the ways in which the Board has engaged directly with stakeholders over the year are set out below.

Customers: In addition to the Board receiving updates from senior management on the Group's interaction with customers, members of the Board will meet with customers.

Employees: In addition to the Board receiving updates from senior management on various metrics and feedback tools in relation to employees, members of the Board engage with the Group's employees in a variety of ways. These include office visits, regular All-hands meetings, and presentations from staff across the business as well as informal interaction.

Research & Development

The company is involved in development of innovative solutions focusing on several key projects within the Financial, Telecommunication, and Public Sectors. The projects involved complex system and application integration exercises, including application re-designs, re-platforming, and integrations using modern, cloud-based, open-source solutions.

Key projects include:

1. Enterprise Services: Addressed challenges across various domains by utilizing modern solutions, leading to unforeseen challenges that were overcome.
2. Automation: Created application environments for testing automation, facing challenges with scripting languages.
3. Digital Frameworks: Transformed large systems from un-automated solutions to digital frameworks.
4. Cloud Enablement: Utilized cloud solutions to solve complex problems, encountering and overcoming new challenges.

Overall, the company's efforts significantly enhanced efficiency, scalability, and reliability across various projects, demonstrating the commitment to innovation and continuous improvement.

Financial Risk Management

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the company. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Credit Risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board.

Liquidity Risk

Given the size of the company, the directors have not delegated responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Interest Rate Cash Flow Risk

The company has interest bearing assets and liabilities. Interest bearing assets are only cash balances and term deposits, all of which earn interest at variable rates and no interest bearing liabilities.

Directors

The Directors who held office during the year under review and to the date of this report were:

Abhishek Singh

Judith Halkerton

Ashank Desai

Rajeev Grover

Hiral Chandrana (resigned on September 3, 2024)

David O'Brien (resigned on October 10, 2024)

Soutik Sarkar - Company Secretary

Directors' indemnities and insurance

Mastek (UK) Ltd has purchased and maintained throughout the year directors' and officers' liability insurance in respect of itself and its directors and officers under Global policy coverage obtained by its parent Company Mastek Limited in India.

At the date of this Directors' and Corporate Governance Report, indemnities are in force under which Insurance Company under the directors' and officers' policy, has agreed to indemnify the directors and the officers to the extent covered /permitted by law in respect of losses arising in their capacity as director or officer of any member of Mastek (UK) Limited.

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole.

Communication with all employees continues through the house newspaper and newsletters, satisfaction surveys, briefing groups and the distribution of the annual report.

Streamlined energy and carbon reporting (SECR)

The company seeks to minimise the impact of its operations on the environment and is committed to reducing its greenhouse gas ("GHG") emissions. Key sources of energy, primarily the electricity to power our data centre estate, are continuously monitored by the management for efficient energy consumption.

The company has in place a comprehensive environmental monitoring and control process, which measures environmental performance and keep focusing on improvements. The company is in process of applying for ISO 14001 (Environment management system) & ISO 45001 (OHSAS) certification for their Leeds and Reading office.

The Company aims to achieve NetZero by 2030, reducing emissions by more than 80% and offsetting the remainder through verified carbon-removal projects. It has committed to meet its targets and initiatives and to achieve these goals, the company will continue to transition its vehicle fleet to electric vehicles, collaborate with suppliers on emissions reduction, and adopt sustainable procurement and travel practices.

The company moved its premises in Reading to a Green park commercial place which has lead to substantial reduction in its electricity related emissions as compared to last year.

The table below shows the total gross GHG emissions in tonnes of CO₂ ("tCO₂e") in the year ended 31 March 2025:

	2025	2024
Scope 1 - Emissions from combustion of Gas and fuel for transport purposes	-	-
Scope 2 - Emissions from purchased electricity (location-based)	10,755	10,589
Scope 3 - Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel	82,225	50,347
Total gross emissions (tCO₂e)	92,980	60,936
Total gross emissions (tCO ₂ e)	92,980	60,936
Total sales (£'000)	156,653	132,689
Carbon Intensity ratio (tCO₂e/£)	0.00059	0.00046

The following activities are not included in our calculation of total energy consumption but are reported separately as below :

Business Travel - Emissions from transport where company is not responsible for purchasing the fuel

Total gross emissions (tCO₂e) for the year - 459,304

Methodology

Scope 1 : Emissions from combustion of Gas and fuel for transport purposes - Not Applicable.

Scope 2 - Emissions from purchased electricity (location-based) - Converting the purchased electricity in Kwh to CO₂e using Department of Energy conversion factors.

Scope 3 - Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel.

Using an operational approach, the Company identified its population to ensure that all activities and facilities, including data centres, are being recorded and reported in line with the mandatory GHG protocol corporate accounting and reporting standard. The validity, accuracy and completeness of the data was checked and used to calculate the GHG for the Company. Emissions are calculated as activity data multiplied by emissions factor (sourced from Government greenhouse gas reporting conversion factors).

The company uses total turnover to calculate the intensity ratio as this allows emissions to be monitored over time taking into accounts changes in the size of the Company. This factor provides the greatest degree of accuracy and is the metric best aligned to business growth.

Energy Efficiency

The management of the company has a clear view on controlling and reducing our GHG and carbon footprint. The Company aims to improve energy efficiency of its operations and ensure continued compliance with ESOS and other regulatory requirements. The Company is in the process of getting ISO certification for all of its data centres very soon.

- * setting targets and objectives for reducing energy use and maintaining an energy efficiency programme;
- * managing and reducing energy use relating to our business premises;
- * setting targets in the form of energy performance indicators for electricity consumption and usage;
- * Training employees about environmental health and safety through structured awareness programme;
- * to provide training and involving employees on good energy management and efficiency practices;
- * respecting all existing, applicable environmental regulations and complying all new applicable regulations; the company has successfully completed ESOS phase 2 assessment and is committed to meeting the requirements of the Streamlined Energy and Carbon Reporting (SECR) regulations.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 101 'Reduced Disclosure Framework'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and 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 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approved on behalf of the Board



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Abhishek Singh

Date of Approval : 12/12/2025

Report of the Independent Auditors to the Members of
Mastek (UK) Limited

Opinion

We have audited the financial statements of Mastek (UK) Limited ('the Company') for the year ended 31 March 2025 which comprise the Statement of 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 101 'Reduced Disclosure Framework' (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 2025 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 Auditors' 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.

Other Matters

The financial statements of the comparative period ended 31 March 2024 were audited by Grant Thornton UK LLP, whose report dated December 18, 2024 expressed an unqualified opinion on those financial statements.

Conclusions relating to going concern

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

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

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 in the Report of the Directors, but does not include the financial statements and 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 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 has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Mastek (UK) Limited

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 and Report of the Directors.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare the Strategic Report and Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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.

Auditors' 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 a Report of the Auditors 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.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, and Tax.
- There are no other laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of
Mastek (UK) Limited

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 a Report of the Auditors 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.

Opinder:

.....
Opinder Sawhney (Senior Statutory Auditor)
for and on behalf of PBG Associates (London) Limited
Chartered Certified Accountants
and Statutory Auditors
77, HolyHead Road,
Birmingham,
England, B21 0LG

Date: *12th December 2025*

Mastek (UK) Limited
Statement of comprehensive income for the year ended 31 March 2025

	Notes	Year ended 31 March 2025	Year ended 31 March 2024
		£	£
Turnover	2	156,652,605	132,868,728
Cost of sales		(108,002,415)	(93,076,923)
Gross Profit		48,650,190	39,791,805
Administration expense		(20,232,539)	(27,127,697)
Other Income	5	97,403	-
Operating profit	6	28,515,054	12,664,108
Interest receivable and similar income	8	758,357	226,533
Interest payable and similar expenses	8	(790,432)	(823,149)
Profit on ordinary activities before taxation		28,482,979	12,067,492
Tax on profit on ordinary activities	9	(6,819,337)	(4,782,697)
Profit for the financial year		21,663,642	7,284,795
Other comprehensive income		-	-
Total comprehensive income for the year		21,663,642	7,284,795

The financial statements were approved by the Board of Directors on 12/12/2025 and were signed on its behalf by:



Abhishek Singh

Registered number: 02731277

The notes 1 to 27 form part of these financial statements.

Mastek (UK) Limited

Balance sheet as at 31 March 2025

	Notes	As at 31 March 2025 £	As at 31 March 2024 £
Non current assets			
Fixed assets-			
Tangible assets	10(a)	1,516,770	1,108,838
Intangible assets	10(b)	83,490	85,392
Capital work in progress		1,275	-
Investments	11	98,321,887	98,321,832
Deferred tax assets	14	-	512,306
		<u>99,923,422</u>	<u>100,028,368</u>
Current assets			
Debtors			
Cash at bank and in hand	12	51,699,154	36,426,479
	19	<u>19,695,070</u>	<u>14,034,155</u>
		<u>71,394,224</u>	<u>50,460,634</u>
Creditors-Amounts falling due within one year			
Lease liability - current	13	(38,543,511)	(33,708,097)
	15	<u>(285,751)</u>	<u>(200,548)</u>
Net current assets		<u>32,564,962</u>	<u>16,551,989</u>
Total assets less current liabilities			
		<u>132,488,384</u>	<u>116,580,357</u>
Borrowings			
Lease liability - non current	15	(790,824)	(553,336)
Deferred tax liability	14	<u>(93,366)</u>	<u>-</u>
Net assets		<u>131,604,194</u>	<u>116,027,021</u>
Capital and reserves			
Called up share capital			
Capital contribution	16	200,000	200,000
Retained earning		695,959	695,959
Reserve on IBCL Merger		130,977,920	114,814,278
Excess tax benefit on share based payments		(269,685)	(269,685)
		-	586,469
Total Equity		<u>131,604,194</u>	<u>116,027,021</u>

The financial statements were approved by the Board of Directors on 12/12/2025 and were signed on its behalf by:



Abhishek Singh

Registered number: 02731277

The notes 1 to 27 form part of these financial statements.

Mastek (UK) Limited

Statement of Changes in Equity for the year ended 31 March 2025

	Called up share capital	Capital contribution	Excess tax benefits on share based payments	Reserve on IBCL merger	Retained earning	Total
Balance as at 31 March 2023	200,000	695,959	136,291	(269,685)	112,929,483	113,692,048
Profit for the financial year	-	-	-	-	7,284,795	7,284,795
Total comprehensive income for the year	-	-	-	-	7,284,795	7,284,795
Excess tax benefits on share based options	-	-	450,178	-	-	450,178
Dividends	-	-	-	-	(5,400,000)	(5,400,000)
Total transactions with owners, recognised directly in equity	-	-	450,178	-	(5,400,000)	(4,949,822)
Balance as at 31 March 2024	200,000	695,959	586,469	(269,685)	114,814,278	116,027,021
Balance as at 31 March 2024	200,000	695,959	586,469	(269,685)	114,814,278	116,027,021
Profit for the financial year	-	-	-	-	21,663,642	21,663,642
Total comprehensive income for the year	-	-	-	-	21,663,642	21,663,642
Excess tax benefits on share based options	-	-	(586,469)	-	-	(586,469)
Dividends	-	-	-	-	(5,500,000)	(5,500,000)
Total transactions with owners, recognised directly in equity	-	-	(586,469)	-	(5,500,000)	(6,086,469)
Balance as at 31 March 2025	200,000	695,959	-	(269,685)	130,977,920	131,604,194

Cash flow statement for the year ended 31 March 2025

	Notes	Year ended 31 March 2025	Year ended 31 March 2024
		£	£
Net cash generated from operating activities	17	22,625,616	25,292,935
Taxation paid		(5,835,000)	(6,213,255)
Cash used in financing activities	18	(11,575,413)	(11,424,790)
Cash generated from / (used in) investing activities	18	348,309	(147,934)
Increase in cash during the year		5,563,512	7,506,956
Cash and cash equivalents at the beginning of the year	19	14,034,155	6,621,973
Exchange (loss)/gain on cash and cash equivalent		97,403	(94,774)
Cash and cash equivalents at the end of the year		19,695,070	14,034,155

The notes 1 to 27 form part of these financial statements.

Mastek (UK) Limited
Notes to the financial statements for the year ended 31 March 2025

1. Accounting Policies

Mastek (UK) Limited is a private limited company and is incorporated and domiciled in the UK. The address of its registered office is Mastek (UK) Limited, 100 Brook Drive, Green Park, Reading, RG2 6UJ.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

The Company's ultimate parent undertaking, Mastek Limited, which is the largest and smallest group, includes the Company in its consolidated financial statements. The consolidated financial statements of Mastek Limited are publicly available from its registered office, 804/805 President House, C.N. Vidyalaya, Near Ambawadi Circle, Ahmedabad – 380 006. Therefore the company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- IFRS 7, 'Financial Instruments: Disclosures';
- Comparative information requirements in respect of tangible assets and investments;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel;
- The requirements to disclose related party transactions entered into between two or more members of a Company, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- Capital management disclosure
- Certain share based payment disclosure
- Certain disclosure for compensated absences
- Disclosures in relation to impairment of assets

Foreign currency transactions of the Company are accounted for at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities are translated at the rate prevailing on the Balance Sheet date whereas non-monetary assets and liabilities are translated at the rate prevailing on the date of the transaction. Gains and losses resulting from the settlement of foreign currency monetary items and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

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

Judgements made by the directors in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 24.

Accounting convention

These financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. All amounts included in the financial statements are reported in Great Britain Pound (GBP) except shares and unless otherwise stated.

Going concern

The company meets its day-to-day working capital requirements through its cash reserves and borrowings. The current economic conditions continue to create uncertainty particularly over the level of demand for the company's products. The company's management have considered the impact of current economic condition and have reviewed the forecasts and projections of the company extending to March 2026 after taking into consideration the reasonably possible changes in business performance, show that the future business has no impact and the company should be able to operate within the level of its current cash reserves and borrowings. The management has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Turnover

The Company derives revenue primarily from Information Technology services which includes IT Outsourcing services, support and maintenance services. The Company recognizes revenue on transfer of control of deliverables (solutions and services) to its customers in an amount reflecting the consideration to which the Company expects to be entitled. To recognize revenues, the Company applies the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied.

The company accounts for a contract when it has approval and commitment from all parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

Fixed Price contracts related to Application development, consulting and other services are single performance obligation or a stand-ready performance obligation, which in either case is comprised of a series of distinct services that are substantially the same and have the same pattern of transfer to the customer (i.e. distinct days or months of service). Revenue is recognized in accordance with the method prescribed for measuring progress i.e. percentage of completion method. Percentage of completion is determined based on project costs incurred to date as a percentage of total estimated project costs required to complete the project. The cost expended (or input) method has been used to measure progress towards completion as there is a direct relationship between input and productivity. Revenues relating to time and material contracts are recognized as the related services are rendered.

Mastek (UK) Limited
Notes to the financial statements for the year ended 31 March 2025

Multiple element arrangements-

In contracts with multiple performance obligations, the company accounts for individual performance obligations separately if they are distinct, and allocate the transaction price to each performance obligation based on its relative standalone selling price out of total consideration of the contract. Standalone selling price is determined utilizing observable prices to the extent available. If the standalone selling price for a performance obligation is not directly observable, the company uses expected cost plus margin approach.

IT support and maintenance-

Contracts related to maintenance and support services are either fixed price or time and material. In these contracts, the performance obligations are satisfied, and revenues are recognized, over time as the services are provided. Revenue from maintenance contracts is recognized rateably over the period of the contract because the company transfers the control evenly by providing stand-ready services.

The term of the maintenance contract is usually one year. Renewals of maintenance contracts create new performance obligations that are satisfied over the term with the revenues recognized rateably over the term.

Contracts may include incentives, service level penalties and rewards. The company includes an estimate of the amount it expects to receive for the total transaction price if it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Any modification or change in existing performance obligations is assessed whether the services added to existing contracts are distinct or not. The distinct services are accounted for as a new contract and services which are not distinct are accounted for on a cumulative catch-up basis.

Unbilled revenue represents revenue recognised on services rendered as per contractual terms, for which amounts are billed in subsequent periods.

Trade Receivables

Trade Receivables, net is primarily comprised of billed and unbilled receivables (i.e. only the passage of time is required before payment is due) for which we have an unconditional right to consideration, net of an allowance for doubtful accounts. A contract asset is a right to consideration that is conditional upon factors other than the passage of time.

Tangible fixed assets

Tangible fixed assets are stated at historical purchase cost less accumulated depreciation. Depreciation is provided at the following annual rates in order to write off the cost of each asset less the estimated residual value, over its estimated useful life.

Asset Class	Useful Life
Fixtures and fittings	1-5 years
Computer equipment	1-3 years

Intangible assets

Intangible assets are stated at historical purchase cost less accumulated amortisation. Amortisation is provided at the following annual rates in order to write off the cost of each asset less the estimated residual value, over its estimated useful life.

Asset Class	Useful Life
Design and Software	1-5 years

Long term contracts

Debtors include amounts recoverable on contracts, which are stated at cost plus attributable profit to the extent that such profit is reasonably certain and after making provision for any foreseeable losses in completing contracts (as noted in the turnover accounting policy above), less payments received on account.

Cost comprises the direct costs of providing the goods and services, together with directly attributable overheads. Payments on account represent the excess of amounts billed over that recognised.

Deferred and Current Tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of 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 is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Mastek (UK) Limited
Notes to the financial statements for the year ended 31 March 2025

Share Based Payment

The parent company (Mastek Limited) runs a stock option scheme under which it grants options to the employees of the subsidiary company (Mastek UK Limited). Stock options are vested over the period of time as stated in the terms of the option. Once vested, employees are entitled to receive shares of the parents at the time of exercise of options. The scheme is identified as Equity settled and the parent determines the compensation cost based on the fair value method which is cross charged to Mastek (UK) Limited. The company records the fair value as a cost to profit and loss with a corresponding adjustment to capital contribution. However, since the parent recharge the fair value to the company, the corresponding amount is reduced from the capital contribution resulting in a net nil impact to capital contribution.

Leases

The company has applied IFRS 16 using the modified retrospective approach.

As a lessee

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right of Use assets

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies note for impairment of non-financial assets.

ii. Lease liabilities

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The company's lease liabilities are included in Interest-bearing loans and borrowings.

iii) Short-term leases and leases of low-value assets

The company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of laptops, lease-lines and office furniture and equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Creditors

Creditors are measured at transaction price which is usually the invoice price.

Provisions

Provisions are recognised when the company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation.

Holiday pay

The employees of the company are also entitled to other long-term benefit in the form of compensated absences as per the policy of the Company. Employees are entitled to accumulate leave balance up to the upper limit as per the Company's policies which can be carried forward perpetually. Leave encashment for employees gets triggered on an annual basis, if the accumulated leave balance exceeds the upper limit of leave. Further, at the time of retirement, death while in employment or on termination of employment, leave encashment vests equivalent to the salary payable for number of days of accumulated leave balance. Liability for such benefits is provided on the basis of actuarial valuations, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used by independent actuary for measuring the liability is the projected unit credit method.

Mastek (UK) Limited
Notes to the financial statements for the year ended 31 March 2025

Research and Development credit

The Research and Development (R&D) expenditure credit is a government-sponsored incentive that rewards companies for conducting R&D in the United Kingdom. It is not recognised until there is reasonable assurance that the entity will comply with the conditions attaching to it, and that the grant will be received. This credit claimed by the Company are in relation to Income i.e refund against expenditure and hence United Kingdom accounting standard prescribes below options of presentation:

Grants related to income should be presented either as:

- a credit in the income statement, either separately or under a general heading such as 'other income'; or
- a deduction in reporting the related expense (net-off approach)

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged to the statement of comprehensive income.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

The company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Derivative financial instruments

The company does not use any derivative financial instruments and hence its financial assets and financial liabilities are accounted for at cost as described above. The company's principal assets are trade debtors. The company monitors credit risk closely by setting payment milestones agreed in the contract and invoicing regularly to receive payments. Historically, the credit risk of the company has remained low.

Consolidated financial statements

The accounts contain information about the Company as an individual company and do not contain consolidated financial information as parent of a Company. The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated accounts as it and its subsidiary undertakings are included by full consolidation in the consolidated accounts of Mastek Limited, a company registered in India, which is the largest and the smallest group into which Mastek (UK) Limited is consolidated into. The accounts of Mastek Limited are publicly available.

Investments

Investment in subsidiaries are carried at cost less accumulated impairment losses, if any.

Investments in Fixed deposits are classified as current assets as they are intended to be held within one year.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits and current account with banks.

Impairment

Non Financial Instrument

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Comprehensive Income is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of Comprehensive Income if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

Mastek (UK) Limited

Notes to the financial statements for the year ended 31 March 2025

Capital Management

The Company policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The company monitors the return on capital as well as the level of dividends on its equity shares. The company objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

Reserves

Share premium: Amount received (on issue of shares) in excess of the par value has been classified as share premium.

Retained earnings: Retained earnings is the amount of net income left over for the business after it has paid out dividends to its shareholders.

Reserve on IBCL merger - This represents the reserve created at the time of IBCL merger.

Other comprehensive income: Net change in fair value of financial instruments through OCI.

Excess tax benefits from share-based options: Future tax benefits expected to arise from difference in tax base and accounting base as per tax laws of the respective countries where the company operates.

Capital contribution: Represents the credit for research and development received in the fiscal year 2015 and 2016, post that there is no movement in this reserve.

Mastek (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2025

2. Analysis of turnover	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Rendering of services	<u>156,652,605</u>	<u>132,868,728</u>
By geographical market:		
UK	153,373,994	131,321,074
US	2,285,588	1,547,654
Rest of World	993,023	-
	<u>156,652,605</u>	<u>132,868,728</u>
Contract Balances	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Contract Assets		
Balance at the beginning of the year	12,894,266	14,376,593
Invoices raised that were included in the contract assets balance at the beginning of the year	(9,432,048)	(14,198,844)
Increase due to revenue recognised during the year, excluding amounts billed during the year	<u>10,979,993</u>	<u>12,716,517</u>
	<u>14,442,211</u>	<u>12,894,266</u>
Less: Impairment of Contract Assets	(732)	-
Balance at the end of the year	<u>14,441,479</u>	<u>12,894,266</u>
Contract Liabilities		
Balance at the beginning of the year	541,869	577,882
Revenue recognised that was included in the contract liability balance at the beginning of the year	(414,768)	(379,974)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	<u>3,541,558</u>	<u>343,961</u>
Balance at the end of the year	<u>3,668,659</u>	<u>541,869</u>
Contract assets and contract liabilities are included within "debtors" and "creditors" respectively on the face of the balance sheet. They arise from the company's contracts wherein cumulative payments received from customers at each balance sheet date do not necessarily equal the amount of revenue recognised on the contracts.		
3. Staff costs (Including Director's emoluments)	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Wages and salaries	41,717,596	32,996,842
Social security costs	4,742,178	4,189,880
Other pension costs	<u>1,171,977</u>	<u>932,833</u>
	<u>47,631,751</u>	<u>38,119,555</u>
The number of employees as at the 31 March was as follows:	2025 Number	2024 Number
Administrative	94	101
Delivery	485	434
Directors	4	5
	<u>583</u>	<u>540</u>
4. Director's emoluments	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Aggregate emoluments	560,995	553,946
Pension contributions to money purchase scheme	<u>19,842</u>	<u>12,198</u>
	<u>580,837</u>	<u>566,144</u>
The number of directors to whom retirement benefits were accruing was as follows:	Number	Number
Money purchase schemes	1	1
Within the year, one of directors has exercised 47,014 share option of shares(2024 - 13,736).		
	£	£
Information regarding the highest paid director is as follows:		
Aggregate emoluments	514,726	402,871
Pension contributions to money purchase schemes	<u>19,842</u>	<u>12,198</u>
	<u>534,568</u>	<u>415,069</u>
During current period the highest paid director exercised 47,014 share option of shares(2024 - 13,736).		
5. Other Income	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Exchange gain	97,403	-

Mastek (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2025

6. Operating Profit

	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
The operating profit is stated after charging:		
Other operating leases	332,762	246,558
Depreciation	500,570	439,196
Amortisation	109,789	81,983
Exchange (Gain) / Loss	(97,403)	94,774
Impairment of Investments	-	13,650,650
Impairment of Trade debtors	629,884	53,950
Services provided by the Company's auditor		
- fees payable for the audit	35,000	63,860
- indirect expenses	-	1,556

7. Auditors remuneration

	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Fees for the audit of the company	35,000	65,416

8. Interest receivable and Interest Payable

	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Interest Receivable & other similar income		
Bank interest	282,363	170,184
Interest from group undertakings	475,994	56,349
	<u>758,357</u>	<u>226,533</u>
Interest Payable & other similar expense		
Interest on lease liabilities	52,472	44,596
Interest payable to group undertakings	200,019	155,453
Interest on bank loans	530,343	616,011
Bank Charges	7,598	7,089
	<u>790,432</u>	<u>823,149</u>

9. Taxation

a) Analysis of tax charge in the year

	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Current tax:		
UK corporation tax on profit for the year	6,800,134	4,326,443
	<u>6,800,134</u>	<u>4,326,443</u>
Deferred tax		
Origination and reversal of timing differences	19,203	456,254
Tax on profit on ordinary activities	<u>6,819,337</u>	<u>4,782,697</u>

b) Factors affecting the tax charge for the year

The tax assessed for the year is different to the standard rate of UK Corporation tax of 25% and the differences are explained below:

	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Profit on ordinary activities before tax	28,482,979	12,067,492
Tax charge on profit at 25%	7,120,745	3,016,873
Effects of:		
Expenses not deductible for tax purposes	(301,408)	(166,986)
Adjustments to tax charge in respect of share options outstanding	-	(123,900)
Adjustment in respect of prior year	-	(1,355,953)
Adjustment due to impairment of investment in Mastek Inc.	-	3,412,663
Total current tax charge for the year	<u>6,819,337</u>	<u>4,782,697</u>

Mastek (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2025

10(a). Tangible fixed assets

2024-25	Right to use Assets £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 April 2024	1,623,765	716,198	1,055,901	3,395,864
Additions	607,672	47,343	253,597	908,612
Disposals	-	(225)	(52,822)	(53,047)
At 31 March 2025	2,231,437	763,316	1,256,676	4,251,430
Depreciation				
At 1 April 2024	988,588	440,625	857,813	2,287,026
Charge for the year	264,004	83,459	153,107	500,570
Disposals	-	(200)	(52,736)	(52,936)
At 31 March 2025	1,252,592	523,884	958,184	2,734,660
Net book value				
At 31 March 2025	978,845	239,432	298,492	1,516,770
At 31 March 2024	635,177	275,573	198,088	1,108,838

10(b). Intangible fixed assets
2024-2025

	Design and Software £	Total £
Cost		
At 1 April 2024	369,819	369,819
Additions	107,888	107,888
Deletions	(254,899)	(254,899)
At 31 March 2025	222,808	222,808
Amortisation		
At 1 April 2024	284,427	284,427
Charge for the year	109,789	109,789
Reversal	(254,898)	(254,898)
At 31 March 2025	139,318	139,318
Net book value		
At 31 March 2025	83,490	83,490
At 31 March 2024	85,392	85,392

11. Investments

Cost	Non-current (£)
At 1 April 2024	98,321,832
Additions	55
At 31 March 2025	98,321,887

Directly held investments	Country of incorporation	At 31 March 2025		At 31 March 2024	
		Holding %	NBV £	Holding %	NBV £
Mastek Inc. (formerly known as Dignity Inc.)	USA	100%	43,768,952	100%	43,768,952
Mastek Arabia FZ LLC	UAE	100%	54,532,147	100%	54,532,092
IndigoBlue Consulting Limited	UK	100%	20,788	100%	20,788
Indirectly held investments	Country of incorporation	At 31 March 2025		At 31 March 2024	
Trans American Information Systems Inc.	USA	Holding %		Holding %	
		100%		100%	

12. Debtors: amounts falling due within one year

	As at 31 March 2025 £	As at 31 March 2024 £
Trade debtors	18,949,603	15,990,480
Advance to suppliers	2,001,197	1,386,731
Prepayments	251,518	172,029
Employee advances	566,146	68,662
Contract Assets*	14,441,479	12,894,266
Amount due from group undertaking	15,489,211	5,914,311
	51,699,154	36,426,479

* As of 31 March 2025, the aggregate amount of transaction price allocated to remaining performance obligations, was £ 22,184,503, which is expected to be recognized as revenues within 3 years.

Amount due from group undertaking includes intercompany loan amounting to £10,446,890 (31 March 2024: £951,286)

13. Creditors: amounts falling due within one year

	As at 31 March 2025	As at 31 March 2024
	£	£
Trade creditors	1,708,604	1,951,649
Amounts due to group undertakings	8,670,205	9,275,382
Social security and other taxes	7,258,427	4,913,287
Corporation taxation	3,252,712	2,287,578
Term loan from Citi bank	-	5,000,000
Interest accrued on term loan	-	13,277
Accruals	13,984,904	9,725,055
Contract Liabilities	3,668,659	541,869
	<u>38,543,511</u>	<u>33,708,097</u>

Amount due to group undertaking includes intercompany loan amounting to £4,051,779 (31 March 2024: £5,250,395)

14. Deferred taxation

The full assets for deferred tax has been recognised in the accounts as follows:

	£
At 1 April 2024	512,306
Credited to the profit and loss account	(19,203)
Tax benefit from share based payments (including transfer from IBCL)	(586,469)
At 31 March 2025	<u>(93,366)</u>

	As at 31 March 2025	As at 31 March 2024
	£	£
The deferred taxation assets comprises:		
Accelerated capital allowances	(149,365)	(132,436)
Tax benefit from share based payments	27,289	613,758
Provision for Doubtful Debts	11,213	13,487
Provision for Pension Cost	17,497	17,497
	<u>(93,366)</u>	<u>512,306</u>

15. Obligations under leasing agreements

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

i) Below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Buildings	Total
	£	£
As at 1 April 2024	635,177	635,177
Additions	607,672	607,672
Depreciation expenses	(264,004)	(264,004)
As at 31 March 2025	<u>978,845</u>	<u>978,845</u>

ii) Below are the carrying amounts of lease liabilities under IFRS 16 (included under financial liabilities) and the movements during the period:

	£
As at 1 April 2024	753,884
Additions	607,672
Accretion of interest	52,472
Payments	(337,453)
As at 31 March 2025	<u>1,076,575</u>
Current	285,751
Non-current	790,824

Maturity analysis of lease liability :

The contractual maturity analysis of lease liabilities are disclosed herein on an undiscounted basis-

	As at 31 March 2025	As at 31 March 2024
	£	£
Particulars		
Less than one year	340,499	230,737
More than 1 Year but less than 5 years	858,861	594,627
More than 5 years	-	-
Lease Liability	<u>1,199,360</u>	<u>825,364</u>

iii) The following are the amounts recognised in statement of comprehensive income:

	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Particulars		
Depreciation expense for right-of-use assets	264,004	245,310
Finance expense on lease liabilities	52,472	44,596
Total amount recognised in profit or loss	<u>316,476</u>	<u>289,906</u>

Mastek (UK) Limited
Notes to the Financial Statements for the year ended 31 March 2025

16. Called up share capital

Authorized Number	Class	Nominal value	As at	As at
			31 March 2025	31 March 2024
			£	£
1,000,000	Ordinary	£ 1	1,000,000	1,000,000
Allotted, issued and fully paid:			2025	2024
Number	Class		£	£
200,000	Ordinary	£ 1	200,000	200,000

17. Reconciliation of operating profit to operating cash flows:-

	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Operating profit	28,515,054	12,664,108
Impairment of Investment in Mastek Inc	-	13,650,650
Increase in debtors	(15,272,675)	(7,239,241)
Decrease in creditors	8,870,280	5,601,464
Add- Exchange (Gain) / Loss	(97,403)	94,775
Add-Depreciation and amortisation expense	610,360	521,179
Net cash inflow from operating activities	22,625,616	25,292,935

18. Analysis of cash flows for headings netted in the cash flow statement

	Year ended 31 March 2025	Year ended 31 March 2024
	£	£
Cash flows from investing activities		
Purchase of fixed assets net of right to use assets and capital work in progress	(409,993)	(374,467)
Purchase of Investment	(55)	-
Interest received	758,357	226,533
Net cash used in investing activities	348,309	(147,934)
Dividends paid to ordinary shareholders	(5,500,000)	(5,400,000)
Repayment of borrowings	(5,000,000)	(5,000,000)
Lease payment as per IFRS 16	(284,981)	(201,641)
Finance cost	(790,432)	(823,149)
Net cash used in financing activities	(11,575,413)	(11,424,790)

19. Analysis of change in net funds

	As at 31 March 2024	Cash flow	Exchange gain on cash and cash equivalent	As at 31 March 2025
	£	£	£	£
Net cash:				
Cash at bank and in hand	14,034,155	5,563,512	97,403	19,695,070
Short Term debt*	(5,000,000)	5,000,000	-	-
Total	9,034,155	10,563,512	97,403	19,695,070

* The above debt is contained within creditors less than one year.

20. Ultimate parent company

The holding company and ultimate parent of Mastek (UK) Limited is Mastek Limited, a company registered in India, which is the largest and the smallest group into which Mastek (UK) Limited is consolidated into. The consolidated financial statements of Mastek Limited can be obtained from Mastek Limited, 804/805 President House, C.N. Vidyalaya, Near Ambawadi Circle, Ahmedabad - 380 006, India.

21. Pension commitment

During the year the Company paid contributions to a defined contribution pension scheme for its Directors and staff. 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 fund and amounted to £ 1,171,977 (2024: £ 932,833).

An amount of £ 331,407 (2024: £ 242,437) is included in accruals which represents the excess of the accumulated pension cost over the payment of contributions to the pension fund.

22. Control Relationship

Mastek (UK) Limited is controlled by Mastek Limited, a company incorporated in India, which owns 100% of the issued share capital.

Mastek Limited is the largest and the smallest group into which Mastek (UK) Limited is consolidated into. The consolidated financial statements of Mastek Limited are available from its registered office, 804/805 President House, C.N. Vidyalaya, Near Ambawadi Circle, Ahmedabad - 380 006.

23. Dividend

Final dividend of £3,500,000 (2024: £3,400,000) proposed and paid during the year relating to the previous year's results. Interim dividend of £2,000,000 (2024: £2,000,000) paid during the year. The Directors recommended the payment of final of £ 4,300,000. This dividend has not been accrued in the balance sheet.

24. Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below. No judgements are involved in the preparation of the financial statements.

Revenue recognition on long term contracts and related work in progress balances:

The Company applies the percentage of completion method in accounting for its fixed price contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. (Also refer Note 1).

Valuation of investments:

The Company tests annually whether its investments have suffered any impairment, in accordance with the accounting policy stated in note 1, based on their underlying assets or estimated future profits and cash flows. The forecast profits and cash flows are based on management's budgeting processes using their historic budgeting processes and experience.

Research and Development credit

The Research and Development (R&D) expenditure credit is a government-sponsored incentive that rewards companies for conducting R&D in the United Kingdom. It is not recognised until there is reasonable assurance that the entity will comply with the conditions attaching to it, and that the grant will be received. This credit claimed by the Company are in relation to Income i.e refund against expenditure. (Also refer Note 1)

25. Share options

Share options are granted to directors and to selected employees under the Group scheme. Options are conditional on the employee completing in range of 3-4 years' service (the vesting period). The options are exercisable within a period of seven years from the date of vesting. The group has no legal or constructive obligation to repurchase or settle the options in cash.

The weighted average remaining contractual lives of the options below were 5.76 years (31 March 2024 – 5.00 years).

At the end of the year these outstanding share options had the following ranges of exercise price:

	As at 31 March 2025	As at 31 March 2024
Exercise price - Rs. 5	72,546	68,587
Exercise price - Rs. 49.21	-	3,750
Exercise price - Rs. 66.23	1,750	10,750
Exercise price - Rs. 135	3,750	5,000
Exercise price - Rs. 174	4,516	12,096
Exercise price - Rs. 178	1,500	2,250
Exercise price - Rs. 188	3,605	8,081
Exercise price - Rs. 350	9,996	10,570

At 31 March 2025, 66,602 of these shares were exercisable (31 March 2024 – 97,883)

26. Capital commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March 2025 is £ 19,250 (31 March 2024: £ 14,633)

27. Previous year figures have been regrouped, reclassified and rearranged wherever necessary, to confirm to current year's presentation.