

Mastek Systems Company Limited

Directors' Report for the year ended 31 March 2026

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2026.

Dividends

No dividends were paid by the company during the current or prior year.

Events since the balance sheet date

There have been no significant events affecting the financial position of the company after year end.

Directors

The following persons served as directors during the year:

Singh, Abhishek

Desai, Ashank

Grover, Rajeev

Chandrana, Hiral (resigned w.e.f. September 3, 2024)

Sarkar, Soutik- Company Secretary

Directors' indemnities and insurance

Mastek Systems Company Limited 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' 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 Systems Company 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.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms 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

Abhishek Singh

Date of Approval :

Mastek Systems Company Limited**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 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.

Mastek Systems Company Limited

Strategic Report

The directors present the strategic report of the company for the year ended 31 March 2026.

Principal activity

The principal activity of the company was that of providing consulting services in the field of Information Technology for Oracle applications across public and private sector.

Business Review and future developments

Turnover for the year was £20,053,423 (2025: £23,853,499), a decrease from the previous year, reflecting the financial constraints faced by UK Local Government bodies who traditionally been our largest customer base. These organisations continue to operate under significant budgetary pressures, leading to slower procurement cycles and reduced discretionary spending across the sector.

Recognising this environment, the company has proactively accelerated its diversification strategy by expanding further into the commercial client segment. This deliberate shift not only mitigates reliance on the public sector but also positions the business to capture opportunities in markets with stronger investment appetite.

Throughout the year, the company remained focused on its core objectives: broadening its customer base and continuously enhancing the quality and value of the services provided. Our strategy of securing new contracts, strengthening client relationships, and managing project costs with discipline has continued to drive robust profitability. This performance demonstrates the resilience of the business and the effectiveness of our long-term growth approach, even in a challenging economic landscape.

The profit for the year after taxation amounted to £3,887,548 (2025 : £3,828,770).

The Debtors of the Company has decreased by £1,092,271 (2025: 359,379). The Company has positive operating cash flows of £7,949,097 (2025: 4,163,581) leading to an increase in Cash and Cash Equivalents to £8,237,222 (2025: 3,811,916). There are no additional investments made in the current year and hence has no movement in these balances.

The company did not pay any dividends during the year with the aim to retain reserves and finances for future expansion.

According to Data Bridge Market Research report, the global oracle services market is expected to witness market growth at a rate of approximately 13.60% in the forecast period of 2021 to 2028 and is expected to reach USD 21,278.49 million by 2028. UK is a key market in the Oracle space, fueled by the rising demand for cloud-based services. The Company is well placed in the Oracle EBM and cloud space to leverage these opportunities.

Being a part of the Mastek group, has significantly extended the company's global customer reach in digital cloud services and Oracle Software-as-a-Service areas. Our wide digital services offerings will enable co-sell and cross-sell opportunities in the future. Combined service offerings will enable the company to grow on the back of larger wallet share with existing customers.

UK is expected to witness a robust rate of cloud adoption by small and large enterprises. Customer value proposition includes increasing operational productivity, lower costs and short implementation cycles.

Another area which will fuel future demand is the digitization of e-commerce space. Our unique combination of Oracle e-commerce with Oracle CRM as an offering, makes a differential value proposition to the customer. The other key focus is the SAP Compete market from a share of wallet perspective.

The company will continue to focus on managed service offerings, not only by converting or creating managed services on cloud applications for our install-based customers, but also by competing and winning customers who have platforms which have been implemented by other large consulting firms.

Principal risks and uncertainties:

The principal risks are as follows:

- Cost pressures impacting our clients' ability to further invest in IT solutions. The macro-economic environment is continuing to face multiple challenges including geopolitical uncertainties, rising inflation and slowing growth. While the Company is impacted by these macro-economic conditions, it has continued its focus on 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.
- Cost of Living & Employee Salaries: The company recognizes the likely impact of inflationary pressure on employees' costs of living. Specific measures taken include key talent reviews to retain individuals who are critical to the business, along with setting fair salary compensation strategies.
- The company's contracts and expenses are mainly in the United Kingdom with transactions in Sterling Pound resulting in foreign currency exposure being minimised.

The process of risk acceptance and risk management is addressed through a comprehensive framework of procedures and policies built as an internal control within the management of the company.

Post Balance Sheet events:

There is no significant adjusting or non adjusting event occurred between 31 March 2025 and the date of approval of the financial statements.

Financial risk management:

The company faces various financial risks inherent with the nature of the business such as credit risk to customers, liquidity risk, exchange rate, interest rate, laws and regulations and operational risk.

Credit risk :

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. On occasions the company receives payments in advance on commencement of projects. Also, the company has Credit risk insurance.

Price Risk:

The company manages price risk by locking in contracts, using fixed pricing models, diversifying service offerings, and regularly assessing market conditions to adjust strategies proactively.

Liquidity & Cash flow risk:

The finance department manages the risk by ensuring timely invoicing upon reaching project milestones and collecting payments. Receiving advance payments at project start reduces working capital needs and enhances liquidity. Overall, the projects have been profitable, allowing the company to build a strong bank balance and maintain positive cash flow.

Exchange rate risk:

The company's contracts and expenses are mainly in the United Kingdom with transactions in Sterling Pound. The exposure to foreign currency transactions is minimal.

Interest risk:

The business does not have any borrowings and hence the interest risk is minimal.

Laws and regulations:

The company operates in a regulated market and has an in-house legal team that reviews trading contracts and licensing laws. It maintains a human resources department, supported by outsourced advisors, to ensure compliance with employment law. The company adheres to the General Data Protection Act 2016 (GDPR) and the Privacy and Electronic Communications Regulations 2003 (PECR) to protect private data. Additionally, it has a due diligence process to verify the identities of customers and business associates, as mandated by the Money Laundering Regulations 2007 (MLR). The company also follows the principles of the Bribery Act 2010 when considering the receipt or offering of gifts or hospitality.

Operational risk:

The company has retained a very strong team of well qualified staff who are well trained and experienced to deliver the services provided by the company. Together

Key financial indicators

The company uses a range of key performance indicators to monitor and measure the performance of the business:

	2026	2025
Turnover	2,00,53,423	2,38,53,499
Direct cost	1,33,50,560	1,30,06,462
Gross profit margin	67,02,863	1,08,47,037
Gross profit margin %	33%	45%
Profit Before Tax	51,26,640	51,62,366

The financial results have a decrease in revenue of 15.93% in comparison with the prior year driven mainly by the economic pressures in the UK Local Government domain which is the largest customer base for the company, this impact is being mitigated by diversifying into the commercial client segment.

Approved on behalf of the Board

Abhishek Singh

Date of Approval :

Mastek Systems Company Limited
Notes to the Financial Statements for the year ended 31 March 2026

1. Accounting Policies

Mastek Systems Company Limited is a private limited company and is incorporated and domiciled in the UK. The address of its registered office is Harrow Business Centre, 429-433 Pinner Road, North Harrow, Middlesex, HA1 4HN.

These financial statements were prepared in accordance with Financial Reporting Standard 101 ("FRS 101") and applicable law.

The Company's ultimate parent undertaking, Mastek Limited, includes the Company in its consolidated financial statements and it is the largest and the smallest group the Company is consolidated into. The consolidated financial statements of Mastek Limited are publicly available from its registered office, 804/805 President House, C.N. Vidyalya, 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.

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.

Going concern

The company meets its day-to-day working capital requirements through its cash reserves and borrowings. Despite the current economic conditions creating uncertainty, particularly regarding the demand for the company's services, management has reviewed forecasts and projections extending to March 2026. These forecasts, which consider reasonably possible changes in business performance, indicate that the company should be able to operate within its current cash reserves. Management has also performed sensitivity analysis and considered potential mitigations for any drop in activity. They have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the company 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.

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.

Mastek Systems Company Limited
Notes to the Financial Statements for the year ended 31 March 2026

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

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

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.

Leases

The company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported same as before.

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.

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

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.

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.

Mastek Systems Company Limited
Notes to the Financial Statements for the year ended 31 March 2026

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. The accounts of Mastek Limited are publicly available.

Investments

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

Cash and cash equivalents

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

Impairment

Non Financial Instrument

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 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.

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

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

Mastek Systems Company Limited

Statement of comprehensive income for the year ended 31 March 2026

	Notes	Year ended 31 March 2026	Year ended 31 March 2025
		£	£
Turnover	2	2,00,53,423	2,38,53,499
Cost of sales		(1,33,50,560)	(1,30,06,462)
Gross profit		67,02,863	1,08,47,037
Administration expense		(28,10,717)	(66,94,916)
Operating profit	5	38,92,146	41,52,121
Interest receivable and similar income	7	12,43,503	10,20,096
Interest payable and similar expenses	7	(9,009)	(9,851)
Profit on ordinary activities before taxation		51,26,640	51,62,366
Tax on profit on ordinary activities	8	(12,39,092)	(13,33,596)
Profit for the financial year		38,87,548	38,28,770
Other comprehensive income for the year		-	-
Total comprehensive income for the year		38,87,548	38,28,770

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: 07559069

The notes 1 to 19 form part of these financial statements.

Mastek Systems Company Limited
Statement of financial position as at 31 March 2026

	Notes	As at 31 March 2026 £	As at 31 March 2025 £
Non current assets			
Fixed assets-			
Tangible assets	9	11,074	16,236
Investments	10	87	87
Deferred tax assets	13	90,918	1,64,907
		<u>1,02,079</u>	<u>1,81,230</u>
Current assets			
Debtors	11	2,98,00,910	3,08,93,181
Cash at bank and in hand	17	1,62,04,349	79,67,127
		<u>4,60,05,259</u>	<u>3,88,60,308</u>
Creditors-amounts falling due within one year	12	(88,39,441)	(56,61,189)
Net current assets		<u>3,71,65,818</u>	<u>3,31,99,119</u>
Total assets less current liabilities		<u>3,72,67,897</u>	<u>3,33,80,349</u>
Net assets		<u>3,72,67,897</u>	<u>3,33,80,349</u>
Capital and reserves			
Called up share capital	14	100	100
Retained earning		3,72,67,797	3,33,80,249
Total Equity		<u>3,72,67,897</u>	<u>3,33,80,349</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: 07559069

The notes 1 to 19 form part of these financial statements.

Mastek Systems Company Limited
Statement of Changes in Equity for the year ended 31 March 2026

	Called up share capital	Retained earning	Total
	£	£	£
Balance as at 31 March 2024	100	2,95,51,479	2,95,51,579
Profit for the financial year	-	38,28,770	38,28,770
Total comprehensive income for the year	100	3,33,80,249	3,33,80,349
Balance as at 31 March 2025	100	3,33,80,249	3,33,80,349
Profit for the financial year	-	38,87,548	38,87,548
Total comprehensive income for the year	100	3,72,67,797	3,72,67,897
Balance as at 31 March 2026	100	3,72,67,797	3,72,67,897

Cash flow statement for the year ended 31 March 2026

	Notes	Year ended 31 March 2026	Year ended 31 March 2025
		£	£
Net cash generated/(used in) from operating activities	15	79,49,097	41,63,581
Taxation paid		(9,37,285)	(13,60,000)
Cash used in financing activities	16	(9,009)	(9,851)
Cash generated from investing activities	16	12,34,419	10,18,186
Increase in cash in the year		82,37,222	38,11,916
Cash and cash equivalents at the beginning of the year	16	79,67,127	41,55,212
Cash and cash equivalents at the end of the year		1,62,04,349	79,67,127

The notes 1 to 19 form part of these financial statements.

Mastek Systems Company Limited
Notes to the Financial Statements for the year ended 31 March 2026

2. Analysis of turnover

	Year ended 31 March 2026	Year ended 31 March 2025
	£	£
Rendering of services	2,00,53,423	2,38,53,499

By geographical market:

UK	1,99,71,830	2,36,83,662
Europe	81,593	1,69,837
	<u>2,00,53,423</u>	<u>2,38,53,499</u>

Contract Balances

	Year ended 31 March 2026	Year ended 31 March 2025
	£	£
Contract Assets		
Balance at the beginning of the year	25,67,042	74,80,356
Invoices raised that were included in the contract assets balance at the beginning of the year	(22,58,356)	(50,92,559)
Increase due to revenue recognised during the year, excluding amounts billed during the year	2,93,980	1,79,245
	<u>6,02,666</u>	<u>25,67,042</u>
Impairment of contract assets	(15,724)	(4,86,863)
Balance at the end of the year	<u>5,86,942</u>	<u>20,80,179</u>

Contract Liabilities

Balance at the beginning of the year	26,85,319	20,93,339
Revenue recognised that was included in the contract liability balance at the beginning of the year	(23,39,501)	(20,41,774)
Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	46,80,362	26,33,754
Balance at the end of the year	<u>50,26,181</u>	<u>26,85,319</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

	Year ended 31 March 2026	Year ended 31 March 2025
	£	£
Wages and salaries	70,91,372	76,78,938
Social security costs	9,69,231	9,73,989
Other pension costs	2,70,318	2,89,927
	<u>83,30,920</u>	<u>89,42,854</u>

The number of employees as at the 31 March was as follows:

	2026 Number	2025 Number
Administrative	18	18
Delivery	61	61
Director	0	0
	<u>79</u>	<u>79</u>

4. Director's emoluments

	Year ended 31 March 2026	Year ended 31 March 2025
	£	£
Aggregate emoluments	-	-
Company contributions to defined contribution pension plans	-	-
	<u>-</u>	<u>-</u>

The number of Directors to whom retirement benefits were accruing was as follows:

	Number	Number
Defined contribution plans	0	0

Mastek Systems Company Limited
Notes to the Financial Statements for the year ended 31 March 2026

5. Operating Profit

	Year ended 31 March 2026	Year ended 31 March 2025
	£	£
The operating profit is stated after charging:		
Other operating leases	9,108	6,738
Depreciation	14,246	32,531
Exchange Loss / (Gain)	2,89,376	10,981
Impairment of Trade debtors	(74,112)	39,854
Impairment of Contract assets	(4,71,139)	5,16,863
Services provided by the Company's Auditor (Refer note 6)		
- fees payable for the audit	15,000	15,000
- indirect expenses	-	-

6. Auditors remuneration

	Year ended 31 March 2026	Year ended 31 March 2025
	£	£
Fees for the audit of the company	15,000	15,000

7. Interest receivable and Interest Payable

	Year ended 31 March 2026	Year ended 31 March 2025
	£	£
Interest Receivable & other similar income		
Client reimbursement income	-	-
Bank interest	3,73,096	1,86,049
Interest receivable from group undertakings	8,70,407	8,34,047
	<u>12,43,503</u>	<u>10,20,096</u>

Interest Payable & other similar expenses

Bank Charges	9,009	9,851
	<u>9,009</u>	<u>9,851</u>

8. Taxation

a) Analysis of tax charge in the year

	Year ended 31 March 2026	Year ended 31 March 2025
	£	£
Current tax:		
UK corporation tax on profit for the year	11,65,103	13,92,490
Adjustment in respect of prior year	-	-
	<u>11,65,103</u>	<u>13,92,490</u>
Deferred tax		
Origination and reversal of timing differences	73,989	(58,894)
	<u>12,39,092</u>	<u>13,33,596</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% (2025: 25%) and the differences are explained below:

	Year ended 31 March 2026	Year ended 31 March 2025
	£	£
Profit on ordinary activities before tax	51,26,640	51,62,366
Tax charge on profit at 25% (2025: 25%)	12,81,660	12,90,591
Effects of:		
Expenses not deductible for tax purposes	11,329	11,329
Adjustment in respect of prior year-Current Tax	31,676	31,676
Adjustment in respect of prior year-Deferred Tax	-	-
Total current tax charge for the year	<u>13,24,665</u>	<u>13,33,596</u>

9. Tangible fixed assets

	Fixtures and fitting £	Computer equipment £	Total £
2025-2026			
Cost			
At 1 April 2025	10,296	1,53,719	1,64,015
Prior period additions			
Additions	9,084	-	9,084
Less: Deletion	-		-
At 31 March 2026	19,380	1,53,719	1,73,099
Depreciation			
At 1 April 2025	8,731	1,39,048	1,47,779
Prior period charge			
Charge for the year	579	13,667	14,246
Less: Deletion	-		-
At 31 March 2026	9,310	1,52,715	1,62,025
Net book value			
At 31 March 2026	10,070	1,004	11,074
At 31 March 2025	1,565	14,671	16,236

10. Investments

	Non-current (£)
Cost:	
As on 1 April 2025 and 31 March 2026	87

		At 31 March 2026		At 31 March 2025	
		Holding %	NBV £	Holding %	NBV £
Directly held investments	incorporati				
Mastek Systems BV (formerly known as			87		
Evolutionary Systems Netherlands BV)	Netherlands	100.0%		100.0%	87

11. Debtors: amounts falling due within one year

	As at 31 March 2026 £	As at 31 March 2025 £
Trade debtors	33,96,930	66,73,163
Less: Provision for doubtful debts	(2,71,754)	(3,66,151)
	<u>31,25,176</u>	<u>63,07,012</u>
Amount recoverable on contracts	6,02,666	25,67,042
Less: Provision for Impairment on contracts	(15,724)	(4,86,863)
	<u>5,86,942</u>	<u>20,80,179</u>
Other Receivables		
Amounts from group undertakings	2,57,04,193	2,23,79,841
Prepayments	83,206	52,804
Deposits	21,739	21,739
Corporation taxation	2,72,365	44,547
Other current assets	7,290	7,059
	<u>2,98,00,910</u>	<u>3,08,93,181</u>

Amounts from group undertakings includes intercompany loan amounting to £ 21,106,155 (31 March 2025 : £ 20,528,874)

Mastek Systems Company Limited
Notes to the Financial Statements for the year ended 31 March 2026

12. Creditors: amounts falling due within one year

Trade creditors
Amounts due to group undertakings
Social security and other taxes
Accruals
Contract Liabilities

As at 31 March 2026	As at 31 March 2025
£	£
94,085	1,08,343
11,31,313	4,30,165
10,96,388	10,28,242
14,91,474	14,09,120
50,26,181	26,85,319
88,39,441	56,61,189

13. Deferred taxation

Deferred tax asset has been recognised in the accounts as follows:

At 31 March 2025

Credited to the profit and loss account

At 31 March 2026

£
1,64,907
(73,989)
90,918

The deferred taxation assets comprises:

Accelerated capital allowances

Total

As at 31 March 2026	As at 31 March 2025
£	£
90,918	1,64,907
90,918	1,64,907

14. Called up share capital

Authorized

Number	Class	Nominal value
100	Ordinary	£ 1

As at 31 March 2026	As at 31 March 2025
£	£
100	100

Allotted, issued and fully paid:

Number	Class	
100	Ordinary	£ 1

2026	2025
£	£
100	100

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

Operating profit
Depreciation and amortisation expense
Client reimbursement income
Decrease/(Increase) in debtors
(Decrease)/Increase in creditors
Net cash inflow from operating activities (A)
Less: Corporation tax paid

Year ended 31 March 2026	Year ended 31 March 2025
£	£
38,92,146	41,52,121
14,246	32,531
-	-
10,92,271	3,26,889
29,50,434	(3,47,961)
79,49,097	41,63,581
(9,37,285)	(13,60,000)
70,11,812	28,03,580

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

Cash flows from investing activities

Purchase of fixed assets net of right to use assets
Interest income

Net cash inflow from investing activities (B)

Year ended 31 March 2026	Year ended 31 March 2025
£	£
(9,084)	(1,910)
12,43,503	10,20,096
12,34,419	10,18,186

Cash flows from financing activities

Finance cost

Net cash outflow from financing activities (C)

(9,009)	(9,851)
(9,009)	(9,851)

Net cash generated (A+B+C)

Cash and cash equivalent at beginning of the period

Cash and cash equivalent at end of the period

82,37,222	38,11,915
79,67,127	41,55,212
1,62,04,349	79,67,127

Mastek Systems Company Limited
Notes to the Financial Statements for the year ended 31 March 2026

17. Analysis of change in net funds

	As at 31 March 2025	Cash flow	Exchange gain on cash and cash equivalent	As at 31 March 2026
	£	£	£	£
Net cash:				
Cash at bank and in hand	79,67,127	82,37,222	-	1,62,04,349
Total	79,67,127	82,37,222	-	1,62,04,349
Analysed in Statement of financial position				
Cash at bank and in hand	79,67,127	82,37,222	-	1,62,04,349

18. Ultimate parent company

The holding company and ultimate parent of Mastek Systems Company Limited is Mastek Limited, a company registered in India. Mastek Limited is the largest and the smallest group into which the Company 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.

19. 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 £ 270,318 (2025: £ 287,634).

An amount of £ 54,043 (2025: £ 43,750) is included in accruals which represents the excess of the accumulated pension cost over the payment of contributions to the pension fund.

20. 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).

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)

21. 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 7.49 years (31 March 2025 – 8.45 years).

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

	As at 31 March 2026	As at 31 March 2025
Exercise price - Rs. 5	8,398	7,702

At 31 March 2026, 1,754 of these shares were exercisable (31 March 2025 – 566)

22. Capital commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March 2026 is £ 1,796 (31 March 2025: Nil).

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

	31 March 2026	31 March 2025	Gross Movement	Adjustment	Retained Earnings Adj	Movement
	£	£				
Fixed Assets						
Tangible assets	11,074	16,236	(5,162)	14,246		9,084
CWIP	-	-	-			-
investments	87	87	-			-
Deferred Tax	90,918	1,64,907	(73,989)			(73,989)
	1,02,079	1,81,230	(79,151)	14,246	-	(64,905)
Current assets						
Investments						
Debtors	2,98,00,910	3,08,93,181	(10,92,271)	-		(10,92,271)
Cash at bank and in hand	1,62,04,349	79,67,127	82,37,222			82,37,222
	4,60,05,259	3,88,60,308	71,44,951	-	-	71,44,951
						-
Creditors-Amounts falling due within one year	(35,40,895)	(29,31,323)	(6,09,572)			(6,09,572)
Corporation Tax	(2,72,365)	(44,547)	(2,27,818)			(2,27,818)
Lease Liability - Current	-	-	-			-
Unearned revenue	(50,26,181)	(26,85,319)	(23,40,862)			(23,40,862)
Net current assets	3,71,65,818	3,31,99,119	39,66,699	-	-	39,66,699
Total assets less current liabilities	3,72,67,897	3,33,80,349	38,87,548	14,246	-	39,01,794
Borrowings	-	-	-			-
Lease Liability - Non Current	-	-	-			-
Deferred tax liability	-	-	-			-
Net assets	3,72,67,897	3,33,80,349	38,87,548	14,246	-	39,01,794
Capital and Reserves						
Called up share capital	100	100	-			-
Capital contribution	-	-	-			-
Retained earning	3,72,67,797	3,33,80,249	38,87,548		(38,87,548)	(o)
Reserve on IBCL Merger	-	-	-			-
Other Comprehensive Income	-	-	-			-
Excess tax benefit on share based payments	-	-	-			-
Total Equity	3,72,67,897	3,33,80,349	38,87,548	-	(38,87,548)	(o)