

**STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
FOR
CYIENT EUROPE LTD**

Mehta & Tengra
Chartered Accountants
Statutory Auditors
24 Bedford Row
London
WC1R 4TQ

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**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2022**

DIRECTORS: J P Renard
A Aggarwal
Dr A Smith

SECRETARY: V N Pathipati

REGISTERED OFFICE: First Floor, Block A
Apex Plaza, Forbury Road
Reading
RG1 1AX

REGISTERED NUMBER: 02743776 (England and Wales)

AUDITORS: Mehta & Tengra
Chartered Accountants
Statutory Auditors
24 Bedford Row
London
WC1R 4TQ

BANKERS: HSBC Bank
Canary Wharf
Canada Place
London
E14 5AH

The directors present their strategic report for the year ended 31 March 2022.

REVIEW OF BUSINESS

Despite the challenges faced due to the global pandemic, the Group has continued to execute its strategy and to build on the success it had in the previous twelve months. The pandemic had the largest impact on revenue from transportation clients, particularly in the aerospace sector, leading to a decline in turnover. Despite some challenges around gross profit margins in the UK due to the mix and type of work, the Group was able to significantly reduce its administrative expenses, leading to a return to an operating profit for the period.

The acquisition we made in April 2018 of AnSem NV, has progressed well and the company has now been fully integrated into Cyient Europe Ltd. Ansem not only increased its turnover during the period, but also returned to an operating profit.

The UK business also turned profitable in the financial year and the UK Company is focusing on restoring the gross profit figure. In Czech Republic, the Group's focus is on driving improved utilisation and operational efficiency so that the Czech entity becomes profitable on a standalone basis. In 2022, we will move to a smaller and more cost effective location which will further enhance the operating performance of this entity.

As in previous years, the company continues to be very focused on reducing its days outstanding and on improving its overall cash collection.

PRINCIPAL RISKS AND UNCERTAINTIES

Cyient Europe Limited and the group undertake periodic audits to track and manage risks that are associated with the business. These risks include:

- Business portfolio risks
- Financial risks
- Competition risks
- Internal process risks

The group's business covers several industry verticals and geographic markets which suitably de-risks it from dependence on a single customer, market or service. During the financial year, the company continued to build annuity business with some of its strategic customers, specifically in the Aerospace, Rail and Government sectors. It rolled out a number of new service offerings, including solutions based around big data and analytics that it believes will be a good basis for growth in the coming years.

The Group remains aware of the business risks and uncertainties related to its markets and customers. Its mitigation plan focuses on strengthening and mining existing client relationships, generating new customer accounts and delivering new services and solutions. We do not envisage entering new geographic markets, unless it is through a targeted acquisition or it is driven by an existing customer requirement.

In terms of financial risk, the company earns a part of its revenues from customers who pay in Euros. It is hence exposed to exchange rate volatility particularly around the Euro and Indian Rupee. The company maintains a liquid balance sheet and ensured a significant level of cash collection during the year.

The company's focus on engineering, data, geospatial, network and operations provides the basis for both differentiating and enhancing its value for its customers and markets as well as managing competitive

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

KEY PERFORMANCE INDICATORS

The company's annual operating plan sets objectives and metrics for sales, operations and financial performance. These include revenue, profitability, orders intake, on time delivery and day sales outstanding which are periodically tracked and measured. This gives the basis to understand variances from budget , measure performance on an ongoing basis and ensure cost control.

Operational performance is tracked and managed through the Project Management Office and e3 software, where the focus is on ensuring that deliverables adhere to quality, schedule and budget. The PMO improves transparency on project performance and supports greater management control. The company continued to track operational performance through periodic customer satisfaction audits.

The quality of financial management and internal controls has substantially improved through various initiatives around the automation of financial processes and through establishing strong internal financial controls across all activities.

COVID IMPACT

As stated previously, the Covid-19 pandemic had an impact on the growth in business volume in the financial year 2021/2022. It had an impact on revenue and gross margins, but we took, and will continue to take, steps to ensure that this impact is minimised

ON BEHALF OF THE BOARD:

.....
J P Renard - Director

Date:

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2022**

The directors present their report with the financial statements of the company for the year ended 31 March 2022.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was the provision of engineering, data, geospatial, network and operations services to customers in the United Kingdom, Benelux and DACH markets (it has ceased its focus and sales effort in the Middle East). The company expanded its focus to include the Semiconductor design and verification market through the acquisition of Ansem BV in Belgium, alongside the aerospace, rail engineering, utilities, telecom, government and medical technology sectors it already serves.

DIVIDENDS

The directors did not recommend the payment of any dividends during the year (2020: £nil).

FUTURE DEVELOPMENTS

Building on the work done in previous years, the company will continue to leverage synergies and cost optimisation opportunities with its sister company in Europe, namely Cyient GMBH. The company will build on the success it has had using finance and HR shared services offshore, that has enabled the company to support its business growth without any corresponding increases in indirect costs. A major focus for Cyient Europe during this period has been on risk and compliance. To this end, the company has implemented a new compliance tool that will help in managing and meeting any compliances online and on time. The tool enables the company to be fully aligned with the rest of the Cyient Group of companies and ensures that it leverages company-wide solutions wherever possible. Integration work following the acquisition of Ansem NV continue and a significant amount of work has been done in the Czech Republic around improving the utilisation and operational efficiency of that entity. This should significantly improve the financial performance.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2021 to the date of this report.

J P Renard
A Aggarwal
Dr A Smith

FINANCIAL INSTRUMENTS

The company's and group's financial instruments include bank balances, trade creditors and inter-company financing. Day to day operations continue to be funded through cashflow and from reserves within the business.

RELATED PARTY TRANSACTIONS

There were no related party transactions during the year for parties excluded by the exemption stated in the Accounting Policies.

COMPANY'S POLICY ON PAYMENT OF CREDITORS

The company's current policy concerning the payment of trade creditors is to:

- pay in accordance with the company's and group's contractual and other legal obligations;
- agree in specific cases payment terms with a supplier that reflect the particular nature of a client contract;
- ensure that regular suppliers are aware of our standard payment terms and that these are respected and acted upon.
- copies of the standard policy can be obtained from the company's registered office.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2022**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Mehta & Tengra, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

.....
J P Renard - Director

Date:

Opinion

We have audited the financial statements of Cyient Europe Ltd (the 'company') for the year ended 31 March 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

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 when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatements in respect of irregularities, including fraud and non-compliance and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets.
- results of our enquiries of management about their own identification and assessment of the risks and irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified that greatest potential for fraud is revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context include the UK Companies Act, pension legislation and tax legislation.

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.

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.

P Tengra (Senior Statutory Auditor)
Mehta & Tengra Mehta & Tengra
Chartered Accountants
Statutory Auditors
24 Bedford Row
London
WC1R 4TQ

Date:

CYIENT EUROPE LTD**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
TURNOVER		37,873,128	38,336,859
Cost of sales		(30,937,819)	(30,384,497)
GROSS PROFIT		6,935,309	7,952,362
Administrative expenses		(5,431,062)	(5,644,468)
		1,504,247	2,307,894
Other operating income		292,996	637,741
OPERATING PROFIT	4	1,797,243	2,945,635
Interest receivable and similar income		221,652	265,492
		2,018,895	3,211,127
Interest payable and similar expenses	5	(275,146)	(333,195)
PROFIT BEFORE TAXATION		1,743,749	2,877,932
Tax on profit	6	(359,574)	(327,530)
PROFIT FOR THE FINANCIAL YEAR		1,384,175	2,550,402

The notes form part of these financial statements

CYIENT EUROPE LTD

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		1,384,175	2,550,402
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>1,384,175</u></u>	<u><u>2,550,402</u></u>

The notes form part of these financial statements

BALANCE SHEET
31 MARCH 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible assets	7	397,312	727,206
Tangible assets	8	627,368	899,121
Investments	9	16,834,490	16,834,490
		<u>17,859,170</u>	<u>18,460,817</u>
CURRENT ASSETS			
Debtors	10	22,677,781	22,498,681
Cash at bank and in hand		538,080	1,316,357
		<u>23,215,861</u>	<u>23,815,038</u>
CREDITORS			
Amounts falling due within one year	11	(31,683,530)	(28,868,765)
NET CURRENT LIABILITIES			
		<u>(8,467,669)</u>	<u>(5,053,727)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		9,391,501	13,407,090
CREDITORS			
Amounts falling due after more than one year	12	(2,253,266)	(7,653,030)
PROVISIONS FOR LIABILITIES			
	16	(91,473)	(91,473)
NET ASSETS			
		<u>7,046,762</u>	<u>5,662,587</u>
CAPITAL AND RESERVES			
Called up share capital	17	1,850,000	1,850,000
Share premium	18	552,427	552,427
Retained earnings	18	4,644,335	3,260,160
SHAREHOLDERS' FUNDS			
	19	<u>7,046,762</u>	<u>5,662,587</u>

The financial statements were approved by the Board of Directors and authorised for issue on and were signed on its behalf by:

.....
J P Renard - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2020	1,850,000	709,758	552,427	3,112,185
Changes in equity				
Total comprehensive income	-	2,550,402	-	2,550,402
Balance at 31 March 2021	<u>1,850,000</u>	<u>3,260,160</u>	<u>552,427</u>	<u>5,662,587</u>
Changes in equity				
Total comprehensive income	-	1,384,175	-	1,384,175
Balance at 31 March 2022	<u><u>1,850,000</u></u>	<u><u>4,644,335</u></u>	<u><u>552,427</u></u>	<u><u>7,046,762</u></u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. **STATUTORY INFORMATION**

Cyient Europe Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue recognition

Licence revenues are recognised when risk of ownership transfers to customers which is deemed to occur on acceptance by customers.

Training related revenues are recorded once the training has been provided.

Maintenance and support revenues are recognised on a straight line basis over the contract.

Professional service revenues provided to customers on a fixed price basis are recorded on a percentage of completion. Revenue for such services are recognised based on completion of specified "milestones" as per the terms of the contract.

The cost of work supplied and recognised by Cyient Ltd (India) is also recognised by the company together with its corresponding revenue.

Amounts billed in advance are classified under creditors as deferred income.

Goodwill

Goodwill represents the excess of the consideration paid over the fair value of net assets acquired, less any provision for impairment. Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

Goodwill acquired on the purchase of the Bristol trade is amortised over 8 years.

The directors conduct an annual review on goodwill and any impairment to the value of goodwill is adjusted in the financial statements.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Customer contracts are being amortised evenly over their estimated useful life of 5 years.

Computer software is being amortised evenly over its estimated useful life of 3 years.

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	- 33 1/3% on cost
Fixtures, fittings and equipment	- 15% - 20% on cost

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of the historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Related party transactions

The company has taken advantage of Section 33.1A of FRS 102 and not disclosed transactions entered into between members of the group headed by the parent company Cyient Ltd.

Stock options

The value of stock options available to employees are recognised in the profit and loss account and treated as a creditor on the balance sheet until the option is exercised.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

3. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	7,474,447	11,420,334
Social security costs	817,146	938,700
Other pension costs	468,142	594,258
	<u>8,759,735</u>	<u>12,953,292</u>

The average number of employees during the year was as follows:

	2022	2021
Administrative staff	-	12
Others	-	177
**PLEASE COMPLETE CURRENT YEAR CLIENT SCREEN WITH DETAILS	<u>-</u>	<u>189</u>

	2022	2021
	£	£
Directors' remuneration	553,927	433,896
Directors' pension contributions to money purchase schemes	50,721	44,045
	<u>553,927</u>	<u>433,896</u>

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

Money purchase schemes	<u>-</u>	<u>2</u>
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Information regarding the highest paid director is as follows:

	2022	2021
	£	£
Emoluments etc	363,196	255,084
Pension contributions to money purchase schemes	24,552	27,768
	<u>363,196</u>	<u>255,084</u>

4. OPERATING PROFIT

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

	2022	2021
	£	£
Depreciation - owned assets	200,320	339,101
Profit on disposal of fixed assets	(54,510)	(72,348)
Goodwill amortisation	215,388	215,388
Customer contacts amortisation	120,000	180,000
Computer software amortisation	9,806	17,986
Auditors' remuneration	28,500	37,000
Auditors' remuneration for non audit work	10,250	11,000
Foreign exchange differences	67,164	(649,274)
	<u>67,164</u>	<u>(649,274)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Other interest	173,157	209,490
Intercompany interest	101,989	123,705
	<u>275,146</u>	<u>333,195</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	329,671	292,592
Over provision of Corporation tax	29,903	14,743
Total current tax	<u>359,574</u>	<u>307,335</u>
Deferred tax	-	20,195
Tax on profit	<u>359,574</u>	<u>327,530</u>

7. INTANGIBLE FIXED ASSETS

	Goodwill	Customer contacts	Computer software	Totals
	£	£	£	£
COST				
At 1 April 2021	1,723,105	900,000	298,440	2,921,545
Additions	-	-	15,300	15,300
At 31 March 2022	<u>1,723,105</u>	<u>900,000</u>	<u>313,740</u>	<u>2,936,845</u>
AMORTISATION				
At 1 April 2021	1,122,534	780,000	291,805	2,194,339
Amortisation for year	215,388	120,000	9,806	345,194
At 31 March 2022	<u>1,337,922</u>	<u>900,000</u>	<u>301,611</u>	<u>2,539,533</u>
NET BOOK VALUE				
At 31 March 2022	<u>385,183</u>	<u>-</u>	<u>12,129</u>	<u>397,312</u>
At 31 March 2021	<u>600,571</u>	<u>120,000</u>	<u>6,635</u>	<u>727,206</u>

Goodwill represents the excess of consideration paid over the fair value of net assets acquired.

Goodwill of £863,937 on the acquisition of the Bristol office on 1 November 2014 is being amortised over 8 years.

Goodwill of £859,167 was as a result of the hive up of Blom Aerofilms Ltd's trade, assets & liabilities by Cyient Europe Ltd on 1 April 2017 and is being amortised over 8 years.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

8. TANGIBLE FIXED ASSETS

	Short leasehold £	Office Equipment £	Fixtures and fittings £
COST			
At 1 April 2021	17,848	762,957	532,666
Additions	-	-	-
Disposals	-	(276,821)	-
At 31 March 2022	<u>17,848</u>	<u>486,136</u>	<u>532,666</u>
DEPRECIATION			
At 1 April 2021	6,148	329,376	246,976
Charge for year	2,028	67,618	45,354
Eliminated on disposal	-	(111,534)	-
At 31 March 2022	<u>8,176</u>	<u>285,460</u>	<u>292,330</u>
NET BOOK VALUE			
At 31 March 2022	<u>9,672</u>	<u>200,676</u>	<u>240,336</u>
At 31 March 2021	<u>11,700</u>	<u>433,581</u>	<u>285,690</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 April 2021	11,895	876,535	2,201,901
Additions	-	94,125	94,125
Disposals	(909)	(4,172)	(281,902)
At 31 March 2022	<u>10,986</u>	<u>966,488</u>	<u>2,014,124</u>
DEPRECIATION			
At 1 April 2021	7,149	713,131	1,302,780
Charge for year	1,037	84,283	200,320
Eliminated on disposal	(846)	(3,964)	(116,344)
At 31 March 2022	<u>7,340</u>	<u>793,450</u>	<u>1,386,756</u>
NET BOOK VALUE			
At 31 March 2022	<u>3,646</u>	<u>173,038</u>	<u>627,368</u>
At 31 March 2021	<u>4,746</u>	<u>163,404</u>	<u>899,121</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Listed investments £	Unlisted investments £	Totals £
COST				
At 1 April 2021 and 31 March 2022	15,695,034	100,000	1,137,507	16,932,541
PROVISIONS				
At 1 April 2021 and 31 March 2022	-	98,051	-	98,051
NET BOOK VALUE				
At 31 March 2022	15,695,034	1,949	1,137,507	16,834,490
At 31 March 2021	15,695,034	1,949	1,137,507	16,834,490

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Cyient BV

Registered office: the Netherlands
Nature of business: Utilities & Telecom

	% holding	2022 £	2021 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		-	6,034,366
Profit for the year		-	1,155,923

Cyient Schweiz GmbH

Registered office: Switzerland
Nature of business: Telecom

	% holding	2022 £	2021 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		-	1,936,149
Loss for the year		-	(101,854)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

9. FIXED ASSET INVESTMENTS - continued

Cyient SRO

Registered office: the Czech Republic

Nature of business: telecom

	%		
Class of shares:	holding		
Ordinary	100.00		
		2022	2021
		£	£
Aggregate capital and reserves		-	(7,787,523)
Loss for the year		-	(1,320,404)
		<u><u> </u></u>	<u><u> </u></u>

Blom Aerofilms Limited

Registered office:

Nature of business: Geographical information services

Class of shares:	%
	holding
Ordinary	0.00

The trade, assets & liabilities of Blom Aerofilms Ltd was hived up to Cyient Europe Ltd (the parent) on 1 April 2017.

Ansem NV

Registered office: Belgium

Nature of business: Analog ASIC design services

Class of shares:	%		
Ordinary	holding		
	100.00		
		2022	2021
		£	£
Aggregate capital and reserves		-	2,164,083
Profit for the year		-	410,309
		<u><u> </u></u>	<u><u> </u></u>

Unlisted Investment

The unlisted investment of £1,137,507 represents a \$1.49m investment in a partnership called 'Vasuki 2019 Scsp', registered in Luxembourg and which invests in early stage technology companies within the automotive and related sectors.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

10. DEBTORS

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	6,735,503	7,964,349
Other debtors	192,439	212,326
Due from Parent Company	10,203	-
Due from related company	7,202,808	6,411,012
Due from subsidiary companies	-	45,738
Due from parent company	-	380,269
Prepayments and accrued income	3,932,025	2,880,184
	<u>18,072,978</u>	<u>17,893,878</u>
Amounts falling due after more than one year:		
Loan to subsidiary	<u>4,604,803</u>	<u>4,604,803</u>
Aggregate amounts	<u>22,677,781</u>	<u>22,498,681</u>

Interest is charges on the loan to the subsidiary at 3% per annum.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 13)	13,325,362	8,345,788
Other loans (see note 13)	1,206,716	605,559
Trade creditors	1,644,437	1,428,110
Corporation tax	494,781	292,592
Social security and other taxes	1,037,181	1,723,514
Other creditors	108,551	218,808
Due to related companies	9,745,436	8,824,715
Due to subsidiary companies	1,405,337	1,859,318
Due to parent company	860,020	3,304,906
Accruals and deferred income	1,855,709	2,265,455
	<u>31,683,530</u>	<u>28,868,765</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Bank loans (see note 13)	-	4,913,653
Other loans (see note 13)	2,253,266	2,739,377
	<u>2,253,266</u>	<u>7,653,030</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

13. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank loans	13,325,362	8,345,788
Other loans	1,206,716	605,559
	<u>14,532,078</u>	<u>8,951,347</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	-	4,913,653
Other loans - 2-5 years	2,253,266	2,739,377
	<u>2,253,266</u>	<u>7,653,030</u>

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	387,591	382,921
Between one and five years	1,194,060	1,581,651
	<u>1,581,651</u>	<u>1,964,572</u>

15. FINANCIAL INSTRUMENTS

(i) The bank has granted the following facilities:

- Overdraft facility of £9,000,000 (2020: £6,000,000).
- Foreign Currency Loan facility of USD 1,875,000 (2020:5,000,000) and EUR 10,500,000 (2020:11,500,000)
- Class Guarantee Facility of £500,000.00
- Guarantee dated 12 September 2018 in favour of PROXIMUS S.A. for EUR7,500.00.

(ii) The subsidiary company's bankers have provided guarantees for the sum of EUR 73,722.

16. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Deferred tax		
Accelerated capital allowances	91,473	91,473
	<u>91,473</u>	<u>91,473</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

16. **PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1 April 2021	<u>91,473</u>
Balance at 31 March 2022	<u><u>91,473</u></u>

17. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal	2022	2021
Number:	Class:	value:	£	£
185,000,000	Ordinary shares	£0.01	<u><u>1,850,000</u></u>	<u><u>1,850,000</u></u>

18. **RESERVES**

	Retained earnings £	Share premium £	Totals £
At 1 April 2021	3,260,160	552,427	3,812,587
Profit for the year	<u>1,384,175</u>		<u>1,384,175</u>
At 31 March 2022	<u><u>4,644,335</u></u>	<u><u>552,427</u></u>	<u><u>5,196,762</u></u>

19. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2022	2021
	£	£
Profit for the financial year	<u>1,384,175</u>	<u>2,550,402</u>
Net addition to shareholders' funds	1,384,175	2,550,402
Opening shareholders' funds	<u>5,662,587</u>	<u>3,112,185</u>
Closing shareholders' funds	<u><u>7,046,762</u></u>	<u><u>5,662,587</u></u>

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022**

	2022		2021	
	£	£	£	£
Sales		37,873,128		38,336,859
Cost of sales				
Direct costs	16,657,935		19,881,402	
Wages	6,460,303		9,282,926	
Social security	628,912		761,838	
Pensions	326,644		458,331	
Subcontractors cost	6,864,025		-	
		30,937,819		30,384,497
GROSS PROFIT		6,935,309		7,952,362
Other income				
R&D receipts	157,385		38,912	
Other income	114,541		174,784	
Government grants	21,070		424,045	
Deposit account interest	221,652		265,492	
		514,648		903,233
		7,449,957		8,855,595
Expenditure				
Rent, rates, services & electricity	629,807		630,524	
Insurance	232,854		334,248	
Directors' salaries	553,927		433,896	
Directors' social security	94,478		57,286	
Directors' pension contributions	50,721		44,045	
Wages	460,217		1,703,512	
Social security	93,756		119,576	
Pensions	90,777		91,882	
Telephone	111,792		189,626	
Post and stationery	107,135		80,443	
Subscriptions	4,547		7,168	
Repairs and renewals	528,205		600,572	
Travel & subsistence	471,961		246,941	
Sundry expenses	5,809		19,939	
Staff expenses - staff welfare	246,812		42,601	
Training & development	126,878		41,015	
Staff recruitment cost	24,669		64,169	
Professional fees	580,068		507,475	
Auditors' remuneration	28,500		37,000	
Auditors' remuneration for non audit work	10,250		11,000	
Foreign exchange losses	67,164		(649,274)	
Amortisation of intangible fixed assets				
Goodwill	215,388		215,388	
Amort of Cont cost disallowed Contact cost	120,000		180,000	
Patents & licences	9,807		17,985	
Carried forward	4,865,522	7,449,957	5,027,017	8,855,595

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CYIENT EUROPE LTD

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022**

	2022		2021	
	£	£	£	£
Brought forward	4,865,522	7,449,957	5,027,017	8,855,595
Depreciation of tangible fixed assets				
Improvements to property	2,028		2,028	
Plant and machinery	67,618		76,954	
Fixtures and fittings	45,354		20,825	
Motor vehicles	1,037		1,038	
Computer equipment	84,284		238,256	
Profit/loss on sale of tangible fixed assets	(54,510)		(72,348)	
Advertising & marketing	39,813		14,202	
Bad debts	93,307		22,889	
		<u>5,144,453</u>		<u>5,330,861</u>
		2,305,504		3,524,734
Finance costs				
Bank charges	132,257		151,309	
Guarantee Expenses	154,352		162,298	
Other interest	173,157		209,490	
Intercompany interest	101,989		123,705	
		<u>561,755</u>		<u>646,802</u>
NET PROFIT		<u>1,743,749</u>		<u>2,877,932</u>

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