

Financial Statements

Appirio Limited

For the year ended 31 March 2020

Company Information

Director	Ramesh Phillips
Company secretary	Yecla Limited
Registered number	403374
Registered office	First Floor Block D Iveagh Court Harcourt Road Dublin 2
Independent auditor	Grant Thornton Chartered Accountants & Statutory Audit Firm 13 - 18 City Quay Dublin 2
Bankers	AIB Bank plc 29-30 Castle Street Dalkey Co. Dublin
Solicitors	William Fry Solicitors 2 Grand Canal Square Dublin 2

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Director's report

For the year ended 31 March 2020

The director presents his annual report and the audited financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the Company is the provision of professional services in the cloud computing market place. The Company made an operating profit on ordinary activities before interest and tax, during the year of €372,264 (2019: loss €270,286). It is intended to continue to develop the business in the coming year and no significant changes in the nature of the business are anticipated in the near future.

Results and dividends

The profit for the year, after taxation, amounted to €303,339 (2019 - €77,869).

No dividends were paid. The directors do not recommend payment of a final dividend.

Director

The director who served during the year was:

Ramesh Phillips

The directors and secretary hold no beneficial interests in the shares of the Company.

Principal risks and uncertainties

The Company operates in the Republic of Ireland but provides services to clients in both the UK and USA, and therefore, is subject to currency risks. The Company is not exposed to interest rate risk. Liquidity is not a risk to the Company as it has a positive cash balance at the period end and assurance of financial support from its parent company.

Accounting records

The measures taken by the director to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The Company's accounting records are maintained at the company's registered office at First Floor, Block D, Iveagh Court, Harcourt Road, Dublin 2.

Future developments

The Company plans to continue its current activities for the foreseeable future.

Statement on relevant audit information

The director at the time when this Director's report is approved has confirmed that:

- so far as is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Director's report (continued)

For the year ended 31 March 2020

Events since the end of the financial year

On 11 March 2020, the World Health Organisation officially declared COVID-19, the disease caused by novel coronavirus, a pandemic. The Board and Management are closely monitoring the evolution of this pandemic, including how it may affect the Company, the economy and the general population. The development of the Company's strategy to deal with the pandemic is in line with global strategies guided by the World Health Organisation and European Centre for Prevention and Disease Control (ECDC).

While the pandemic does create a level of uncertainty for the Company as a result of the potential macro-economic impact, the Board and Management have an appropriate response plan in place and have taken proactive measures to ensure the Company can continue to successfully deliver for the foreseeable future. The Board and Management remain committed to ensuring the Company can continue to deliver and will adapt work practices and the business model as the situation evolves.

Auditor

The auditor, Grant Thornton, continue in office in accordance with section 383(2) of the Companies Act 2014.

This report was approved by the board and signed on its behalf.



.....
Ramesh Phillips
Director

Date: 15 June 2020

Director's responsibilities statement

For the year ended 31 March 2020

The director is responsible for preparing the Director's report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the director to prepare the financial statements for each financial year. Under the law, the director has elected to prepare the financial statements in accordance with the Companies Act 2014 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law, the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and, of the profit or loss for that financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Director's report comply with the Companies Act 2014 and enable the financial statements to be audited. 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.

On behalf of the board



.....
Ramesh Phillips
Director

Date: 15 June 2020

Independent auditor's report to the members of Appirio Limited

Opinion

We have audited the financial statements of Appirio Limited, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity for the year ended 31 March 2020, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (Generally Accepted Accounting Practice in Ireland).

In our opinion, Appirio Limited's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the assets, liabilities and financial position of the Company as at 31 March 2020 and of its financial performance for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor 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 financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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

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

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

Independent auditor's report to the members of Appirio Limited (continued)

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the 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 in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Director's report is consistent with the financial statements. Based solely on the work undertaken in the course of our audit, in our opinion, the Director's report has been prepared in accordance with the requirements of the Companies Act 2014.

Matters on which we are required to report by exception

Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

Under the Companies Act 2014, we are required to report to you if, in our opinion, the disclosures of director's remuneration and transactions specified by sections 305 to 312 of the Act have not been made. We have no exceptions to report arising from this responsibility.

Independent auditor's report to the members of Appirio Limited (continued)

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the director's responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS102, and for such internal control as they 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

The auditor's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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.

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. They will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent auditor's report to the members of Appirio Limited (continued)

Responsibilities of the auditor for the audit of the financial statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The auditor shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jason Crawford
for and on behalf of
Grant Thornton
Chartered Accountants
& Statutory Audit Firm
Dublin 2

15 June 2020

Statement of comprehensive income

For the year ended 31 March 2020

	Note	2020 €	2019 €
Turnover		5,813,080	6,462,663
Administrative expenses		(5,440,816)	(6,732,949)
Operating profit/(loss)	4	372,264	(270,286)
Other interest receivable and similar income	7	372,861	423,999
Interest payable and similar expenses		(352,633)	(386,986)
Gain on disposal of service line	5	-	502,806
Profit on ordinary activities before taxation		392,492	269,533
Tax on profit on ordinary activities	9	(89,153)	(191,664)
Profit for the financial year		303,339	77,869

There was no other comprehensive income for 2020 (2019: €NIL).

All amounts relate to continuing operations.

The notes on pages 11 to 21 form part of these financial statements.

Statement of financial position

As at 31 March 2020

	Note	2020 €	2019 €
Fixed assets			
Tangible assets	10	4,903	13,468
Financial assets	11	1	25,001
		<u>4,904</u>	<u>38,469</u>
Current assets			
Debtors: amounts falling due within one year	12	21,926,513	20,278,978
Cash at bank and in hand	13	662,669	488,749
		<u>22,589,182</u>	<u>20,767,727</u>
Creditors: amounts falling due within one year	14	(21,989,179)	(20,504,628)
		<u>600,003</u>	<u>263,099</u>
Net current assets			
		<u>604,907</u>	<u>301,568</u>
Total assets less current liabilities			
		<u>604,907</u>	<u>301,568</u>
Net assets			
		<u>604,907</u>	<u>301,568</u>
Capital and reserves			
Called up share capital presented as equity		1,017,608	1,017,608
Share premium account		1,802,954	1,802,954
Profit and loss account		(2,215,655)	(2,518,994)
		<u>604,907</u>	<u>301,568</u>
Shareholders' funds			
		<u>604,907</u>	<u>301,568</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 section 1A for small companies.

The financial statements were approved:



.....
Ramesh Phillips
Director

Date: 15 June 2020

The notes on pages 11 to 21 form part of these financial statements.

Statement of changes in equity

For the year ended 31 March 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	€	€	€	€
At 1 April 2019	1,017,608	1,802,954	(2,518,994)	301,568
Comprehensive income for the financial year				
Profit for the financial year	-	-	303,339	303,339
At 31 March 2020	<u>1,017,608</u>	<u>1,802,954</u>	<u>(2,215,655)</u>	<u>604,907</u>

Statement of changes in equity

For the year ended 31 March 2019

	Called up share capital	Share premium account	Profit and loss account	Total equity
	€	€	€	€
At 1 April 2018	1,017,608	1,802,954	(2,596,863)	223,699
Comprehensive income for the financial year				
Profit for the financial year	-	-	77,869	77,869
At 31 March 2019	<u>1,017,608</u>	<u>1,802,954</u>	<u>(2,518,994)</u>	<u>301,568</u>

The notes on pages 11 to 21 form part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2020

1. General information

Appirio Limited is a limited company domiciled and incorporated in the Republic of Ireland. The registered office of the Company is First Floor, Block D, Iveagh Court, Harcourt Road, Dublin 2.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and Irish statute comprising of the Companies Act 2014.

The company qualifies as a small company as defined by section 280A of the Act, in respect of the financial year and has applied the rules of the 'Small Companies Regime' in accordance with section 280C of the Act and section 1A of FRS 102.

The financial statements are presented in Euro (€).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

At the time of approving of the financial statements, the directors have sought and obtained confirmation from the Company's parent that adequate resources will continue to be made available to the Company to ensure that it can continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Notes to the financial statements

For the year ended 31 March 2020

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 20% / 50% Straight Line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the financial statements

For the year ended 31 March 2020

2. Accounting policies (continued)

2.7 Financial instruments (continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the profit and loss account, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements

For the year ended 31 March 2020

2. Accounting policies (continued)

2.7 Financial instruments (continued)

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2.8 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

2.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable, right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Notes to the financial statements

For the year ended 31 March 2020

2. Accounting policies (continued)

2.11 Retirement benefits

Pension benefits are met by payments to a defined contribution pension fund. Contributions are charged to the profit and loss in the year in which they fall due.

2.12 Foreign exchange

Transactions in currencies other than Euro are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgments and estimates. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Impairment of debtors

Provisions are made for specific and groups of accounts, where objective evidence of impairment exists. The Company evaluates these accounts based on available facts and circumstances, including, but not limited to, the length of the Company's relationship with the customers, the customers' current credit status based on known market forces, average age of accounts, collection experience and historical loss experience.

Determination of realisable amount of deferred tax assets

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

A deferred tax asset relating to the tax effect of losses carried forward of €99,387 (2019: €120,512) pertaining to certain businesses in the group has not been recognised due to the uncertainty associated with the ultimate timing of its utilisation.

Notes to the financial statements

For the year ended 31 March 2020

4. Operating profit

The operating profit is stated after charging:

	2020 €	2019 €
Depreciation of tangible fixed assets	8,565	19,370
Exchange differences	(52,051)	1,109,624
Rent - operating leases	185,339	168,560
	<u>185,339</u>	<u>168,560</u>

5. Employees

The average monthly number of employees, including the director, during the year was as follows:

	2020 No.	2019 No.
Administrative	2	2
Operations	14	15
	<u>16</u>	<u>17</u>

The directors did not receive any remuneration (2019: €Nil).

6. Gain on disposal of service line

Gain on disposal of service line	-	502,806
	<u>-</u>	<u>502,806</u>

7. Interest receivable

	2020 €	2019 €
Interest receivable from group companies	372,861	423,999
	<u>372,861</u>	<u>423,999</u>

8. Interest payable and similar expenses

	2020 €	2019 €
Interest payable to group companies	352,633	386,986
	<u>352,633</u>	<u>386,986</u>

Notes to the financial statements

For the year ended 31 March 2020

9. Taxation

	2020 €	2019 €
Corporation tax		
Current tax on profits for the financial year	89,153	191,664
Taxation on profit on ordinary activities	<u>89,153</u>	<u>191,664</u>

Factors affecting tax charge for the financial year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in Ireland of 12.5% (2019 - 12.5%). The differences are explained below:

	2020 €	2019 €
Profit on ordinary activities before tax	<u>392,492</u>	<u>269,533</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2019 - 12.5%)	49,062	33,692
Effects of:		
Income taxed at a higher rate	89,153	191,664
Losses utilised	<u>(49,062)</u>	<u>(33,692)</u>
Total tax charge for the financial year	<u>89,153</u>	<u>191,664</u>

Factors that may affect future tax charges

The Company has an unrecognised deferred tax asset of €99,187 (2019: €120,512). This has not been recognised due to when this will be recoverable.

Notes to the financial statements

For the year ended 31 March 2020

10. Tangible fixed assets

	Plant and machinery €
Cost or valuation	
At 1 April 2019	52,387
At 31 March 2020	<u>52,387</u>
Depreciation	
At 1 April 2019	38,919
Charge for the year on owned assets	8,565
At 31 March 2020	<u>47,484</u>
Net book value	
At 31 March 2020	<u>4,903</u>
At 31 March 2019	<u>13,468</u>

11. Financial assets

	Shares in group undertaking s €
Cost or valuation	
At 1 April 2019	25,001
Disposals	(25,000)
At 31 March 2020	<u>1</u>

The investment in group companies comprises 1 £1.00 share in Appirio UK Limited, a UK resident company, representing 100% of the equity share capital of the company.

During the year, the Company disposed of its interest in Appirio GmbH, a German resident company at net book value.

Notes to the financial statements

For the year ended 31 March 2020

12. Debtors: Amounts falling due within one year

	2020 €	2019 €
Trade debtors	878,213	1,272,462
Loans and advances to group undertakings	8,793,671	8,793,671
Amounts owed by group undertakings	11,287,679	9,084,334
Other debtors	8,645	491,590
Prepayments	42,516	52,067
Accrued income	915,789	584,854
	<u>21,926,513</u>	<u>20,278,978</u>

Amounts owed by the group undertaking are unsecured, interest free and repayable on demand.

Loans and advances to group undertaking are repayable on demand (with one month's notice) and attract interest based on the USD Libor rate plus 200 basis points.

13. Cash and cash equivalents

	2020 €	2019 €
Cash at bank and in hand	<u>662,669</u>	<u>488,749</u>

14. Creditors: Amounts falling due within one year

	2020 €	2019 €
Trade creditors	25,499	6,155
Amounts owed to group undertakings	13,049,831	10,347,530
Loans to group undertakings	8,441,814	8,225,471
Corporation tax	88,693	123,519
PAYE and social security	39,631	42,732
Accruals	164,798	97,831
Deferred income	178,913	1,661,390
	<u>21,989,179</u>	<u>20,504,628</u>

Amounts owed to group undertaking are unsecured, interest free and repayable on demand.

Loans from group undertakings are repayable on demand (with one month's notice) and attract interest based on the USD Libor rate plus 200 basis points.

Notes to the financial statements

For the year ended 31 March 2020

15. Retirement benefit schemes

	2020 €	2019 €
Defined contribution scheme		
Charge to profit or loss in respect of defined contribution schemes	<u>41,879</u>	<u>39,882</u>

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was €41,879 (2019 - €39,882).

16. Commitments under operating leases

At 31 March 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 €	2019 €
Not later than 1 year	185,339	169,120
Later than 1 year and not later than 5 years	21,054	206,393
Later than 5 years	-	-
	<u>206,393</u>	<u>375,513</u>

17. Related party transactions

The Company has availed of the exemption in FRS 102, "Related Party Transactions" for subsidiary undertakings, where 100% of the voting rights are controlled within the group, from the requirement to give details of transactions with entities that are part of the group.

18. Events since end of financial year

On 11 March 2020, the World Health Organisation officially declared COVID-19, the disease caused by novel coronavirus, a pandemic. The Board and Management are closely monitoring the evolution of this pandemic, including how it may affect the Company, the economy and the general population. The development of the Company's strategy to deal with the pandemic is in line with global strategies guided by the World Health Organisation and European Centre for Prevention and Disease Control (ECDC).

While the pandemic does create a level of uncertainty for the Company as a result of the potential macro-economic impact. The Board and Management have an appropriate response plan in place and have taken proactive measures to ensure the Company can continue to successfully deliver for the foreseeable future. The Board and Management remain committed to ensuring the Company can continue to deliver and will adapt work practices and the business model as the situation evolves.

Notes to the financial statements

For the year ended 31 March 2020

19. Controlling party

The Company is 100% owned by Appirio Inc., a company incorporated in the United States. The Company's ultimate parent is Wipro Limited, a company incorporated in India. The results of the Company are consolidated to those of Wipro Limited. The Company's financial statements are available at the Companies Registration Office, Dublin 1.

20. Approval of financial statements

The director approved these financial statements for issue on 15 June 2020

Detailed profit and loss account

For the year ended 31 March 2020

	2020	2019
Note	€	€
Turnover	5,813,080	6,462,663
Gross profit	5,813,080	6,462,663
Gross profit %	100.0 %	100.0 %
Other operating income	-	502,806
Less: overheads		
Administration expenses	(5,440,816)	(6,732,949)
Operating profit	372,264	232,520
Interest receivable	372,861	423,999
Interest payable	(352,633)	(386,986)
Tax on profit on ordinary activities	(89,153)	(191,664)
Profit for the year	303,339	77,869

Schedule to the detailed accounts

For the year ended 31 March 2020

	2020 €	2019 €
Turnover		
Professional services fees	5,813,080	6,462,663
	2020 €	2019 €
Gain on disposal of service line		
Gain on disposal of service line	-	502,806
	2020 €	2019 €
Administration expenses		
Staff salaries	1,145,885	1,416,620
Staff national insurance	141,395	149,580
Staff pension costs - defined contribution schemes	41,879	39,882
Staff training	1,902	3,317
Staff welfare	5,694	-
Hotels, travel and subsistence	72,539	102,382
Printing and stationery	-	21,713
Telephone and fax	6,577	14,435
Advertising and promotion	-	3,534
Legal and professional	28,058	31,500
Bank charges	902	1,603
Bad debts	99,335	60,737
Difference on foreign exchange	(52,051)	1,109,624
Sundry expenses	32,627	-
Rent - operating leases	185,339	168,560
Insurances	447	5,320
Repairs and maintenance	2,201	-
Depreciation - plant and machinery	8,565	19,370
Loss on sale of tangible assets	-	3,044
Staff recruitment costs	583	1,371
Subcontracted labour costs	3,718,939	3,580,357
	5,440,816	6,732,949
	2020 €	2019 €
Interest receivable		
Group interest receivable	372,861	423,999

Schedule to the detailed accounts

For the year ended 31 March 2020

	2020 €	2019 €
Interest payable		
Group interest payable	<u>(352,633)</u>	<u>(386,986)</u>