

Wipro Holdings (UK) Limited

Directors' Report and Financial Statements

For the year ended 31 March 2017

Wipro Holdings (UK) Limited

Company Information

Directors	A. Padmanabhan N. S. Balasubramanian
Company number	04611828
Registered office	Devonshire House 60 Goswell Road London EC1M 7AD
Auditor	Deloitte LLP Abbots House, Abbey St, Reading RG1 2BD

Wipro Holdings (UK) Limited

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Wipro Holdings (UK) Limited

Directors' Report

For the year ended 31 March 2017

The directors present their report and financial statements for the year ended 31 March 2017.

Directors

The following directors have held office since 1 April 2016 and to the date of signing:

A. Padmanabhan

N. S. Balasubramanian

(Appointed 17 November 2015)

Auditor

The auditor, Deloitte LLP, are appointed under section 487(2) of the Companies Act 2006.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Approved by Board of Directors and signed on behalf of the board

Sd-

A. Padmanabhan

Director

Wipro Holdings (UK) Limited

Independent Auditor's Report to the Members of Wipro Holdings (UK) Limited

We have audited the financial statements of Wipro Holdings (UK) Limited for the year ended 31 March 2017 which comprise the Statement of Income and Retained Earnings the Balance Sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland").

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the Directors' Report.

Wipro Holdings (UK) Limited

Independent Auditor's Report to the Members of Wipro Holdings (UK) Limited (Continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from preparing a strategic report.

Andrew Hornby
for and on behalf of Deloitte LLP

Statutory Auditor

Sd-

Abbots House,
Abbey St,
Reading RG1 3BD

Wipro Holdings (UK) Limited

Statement of Income And Retained Earnings For the year ended 31 March 2017

	Notes	2017 £	2016 £
Turnover	2	19,008,619	1,012,018
Cost of sales		(16,703,203)	(1,020,570)
Gross Profit / (Loss)		2,305,416	(8,552)
Administrative expenses		169,985	(151,323)
Operating Profit / (Loss)	6	2,475,401	(227,710)
Investment income		8,500,018	15
Other Income	3	2,167,574	1,212,221
Amounts written off investments	4	(18,429,407)	(19,683,395)
Interest Expenses	5	(933,519)	(280,012)
Loss on ordinary activities before taxation		(6,219,933)	(18,978,881)
Tax on loss on ordinary activities	7	(1,196,613)	(164,738)
Loss for the year		(7,416,546)	(19,143,619)
Statement of movements of Retained Earnings			
Retained Earnings Brought Forward		(36,175,278)	(17,099,494)
Loss for the year		(7,416,546)	(19,075,784)
Retained Earnings at end of period		(43,591,824)	(36,175,278)

Wipro Holdings (UK) Limited

Balance Sheet

As at 31 March 2017

	Notes	2017	2016
		£	£
Fixed assets			
Tangible assets	8	4,033,482	3,873,101
Investments	9	19,193,444	36,535,381
		<u>23,226,926</u>	<u>40,408,482</u>
Current assets			
Debtors	10	54,214,498	73,864,942
Unbilled revenue		4,370,585	
Inventory		3,249,686	
Cash at bank and in hand		6,247,608	518,043
		<u>68,082,377</u>	<u>74,382,985</u>
Creditors: amounts falling due within one year	11	(55,374,359)	(71,293,930)
Net current assets		<u>12,708,018</u>	<u>3,089,055</u>
Total assets less current liabilities		35,934,944	43,497,537
Creditors: amounts falling due after more than one year	12	(37,433)	(183,480)
Provisions for liabilities	13	(26,239)	(26,239)
		<u>35,871,272</u>	<u>43,287,818</u>
Capital and reserves			
Called up share capital	14	79,463,096	79,463,096
Profit and loss account		(43,591,824)	(36,175,278)
Shareholders' funds		<u>35,871,272</u>	<u>43,287,818</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 1A – small entities.

Approved by the Board of Directors and Signed on Behalf of Board for issue on 23 - June- 2017.

Sd-
A. Padmanabhan
Director

Company Registration No. 04611828

Wipro Holdings (UK) Limited

Notes to the Financial Statements

For the year ended 31 March 2017

1 Accounting policies

1.1 Accounting convention

The functional currency is GBP and the financial statements have been prepared using the going concern basis of accounting under the historical cost convention and in accordance with the provisions of FRS 102 1A – small entities. The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous period unless otherwise stated, and also have been consistently applied within the same accounts. The Functional currency of the company is sterling pound.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with the provisions of FRS 102 Section 1A small entities. These financial statements for the year ended 31st Mar 2017 are the first financial statements that comply with FRS 102 Section 1A small entities. The date of transition is 1st Apr 2015. The transition to FRS 102 Section 1A small entities has not resulted in any material change in accounting policies to those used previously.

1.3 Turnover

Turnover represents amounts receivable for provision of services net of VAT.
The Company derives revenue primarily from software development services.

Services:

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method of recognizing the revenues and costs depends on the nature of the services rendered.

Fixed-price contracts

Revenues from fixed-price contracts, including systems development and integration contracts are recognized using the "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. If the Company does not have a sufficient basis to measure the progress of completion or to estimate the total contract revenues and costs, revenue is recognized only to the extent of contract cost incurred for which recoverability is probable. When total cost estimates exceed revenues in an arrangement, the estimated losses are recognized in the statement of profit and loss in the period in which such losses become probable based on the current contract estimates.

'Unbilled revenues' represent cost and earnings in excess of billings as at the end of the reporting period.

'Unearned revenues' represent billing in excess of revenue recognized. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'.

Other income

Interest is recognized using the time proportion method, based on the rates implicit in the transaction.

Rental Income is recognized when the right to receive is enforceable as per the contractual agreement.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets 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:

Land and buildings Freehold	over 37 years on cost
Fixtures, fittings & equipment	over 5 years on cost
Computers	over 2 years on cost

Wipro Holdings (UK) Limited

1.5 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Non-monetary assets denominated in foreign currencies are translated at the historic rate ruling at the date of the transaction. Profit and loss transactions in foreign currencies are recorded at the average rate for the year under review. All foreign exchange differences are taken to profit and loss account.

1.6 Non-derivative financial instruments:

Non-derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;
- financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

Non-derivative financial instruments are recognized initially at fair value. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

A. Cash and cash equivalents

The Company's cash and cash equivalents consist of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the balance sheet, bank overdrafts are presented under borrowings within current liabilities.

B. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

C. Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short-term maturity of these instruments.

1.7 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 401 of the Companies Act 2006 as it is a subsidiary undertaking of Wipro Limited, a company incorporated in India, and is included in the consolidated accounts of that company.

1.8 Use of estimates and judgement

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant management judgement and estimates includes estimation of balance to go efforts in determination of percentage completion of the project for recognition of revenue and assumptions used in determination of carrying values of investments in subsidiaries.

2 Turnover

In the year to 31 March 2017 1.61% (2016 - 22.00%) of the company's turnover was to markets outside the United Kingdom.

Wipro Holdings (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

3 Other income	2017	2016
	£	£
Rent Income	544,111	551,429
Interest Income	1,623,463	660,792
	<u>2,167,574</u>	<u>1,212,221</u>
4 Amounts written off investments	2017	2016
	£	£
Amounts written off fixed asset investments:		
- permanent diminution in value	18,429,407	19,683,395
	<u>18,429,407</u>	<u>19,683,395</u>
5 Interest expenses	2017	2016
	£	£
Included in interest payable is the following amount:		
Interest to group companies	516,559	264,217
Others	416,960	15,795
	<u>933,519</u>	<u>280,012</u>
6 Operating Profit / (Loss)	2017	2016
	£	£
Operating profit is stated after charging :		
Depreciation of Tangible assets	279,245	197,703
Auditors' remuneration	20,000	17,779
	<u>299,245</u>	<u>215,482</u>
7 Tax on loss on ordinary activities	2017	2016
	£	£
Domestic current year tax		
U.K. corporation tax	1,196,613	165,881
Total current tax	<u>1,196,613</u>	<u>165,881</u>
Deferred tax		
Deferred tax charge the year	-	(1,143)
	<u>1,196,613</u>	<u>164,738</u>

Wipro Holdings (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

8 Tangible Assets

	Land and buildings	Plant and machinery	Total
	£	£	£
Cost			
At 1 April 2016	3,990,232	430,863	4,421,095
Addition	-	837,077	837,077
At 31 March 2017	<u>3,990,232</u>	<u>1,267,940</u>	<u>5,258,172</u>
Depreciation			
At 1 April 2016	716,668	228,778	945,446
Charge for the year	<u>107,736</u>	<u>171,508</u>	<u>279,244</u>
At 31 March 2017	824,404	400,286	1,224,690
Net book value			
At 31 March 2017	<u>3,165,828</u>	<u>867,654</u>	<u>4,033,482</u>
At 31 March 2016	<u>3,671,016</u>	<u>202,085</u>	<u>3,873,101</u>

The net book value of plant and machinery includes £115,912 (2016 - £202,085) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £86,173 (2016 - £89,966) for the year.

9 Fixed asset Investments

	Shares in group undertakings and participating interests £
Cost	
At 31 March 2016	79,166,037
Additions	<u>1,128,260</u>
At 31 March 2017	80,294,297
Provisions for diminution in value	
At 31 March 2016	42,630,656
Charge for year	<u>18,470,197</u>
At 31 March 2017	61,100,853
Net book value	
At 31 March 2017	<u>19,193,444</u>
At 31 March 2016	<u>36,535,381</u>

Wipro Holdings (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

(continued)

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Wipro Information Technology Austria GmbH	Austria	Ordinary	100.00
Wipro Technologies Austria GmbH *	Austria	Ordinary	100.00
New Logic Technologies SARL *	France	Ordinary	54.00
Wipro Europe Limited	England and Wales	Ordinary	100.00
Wipro UK Limited **	England and Wales	Ordinary	100.00
Wipro Promax Analytics Solutions	England and Wales	Ordinary	100.00
Wipro Digital APS	Denmark	Ordinary	100.00
Designit A/S	Denmark	Ordinary	100.00

* Subsidiaries of Wipro Holding Austria GmbH.

** Subsidiaries of Wipro Europe Limited.

	2017 £	2016 £
10 Debtors		
Amounts due within one year:		
Trade debtors	5,422,980	148,204
Amounts owed by group undertakings	47,444,528	73,578,520
Other debtors	788,058	138,218
	<u>53,655,566</u>	<u>73,864,942</u>
Amounts falling due after more than one year:		
Other Debtors	<u>558,932</u>	<u>-</u>
11 Creditors: amounts falling due within one year		
External loans	3,433,229	63,656,280
Trade Payables	917,586	-
Net obligations under finance leases	146,665	140,325
Amounts owed to group undertakings	45,658,527	7,110,676
Taxation and social security	1,059,880	233,343
Accrued Expenses	2,111,315	153,306
Unearned Revenue	2,047,157	-
	<u>55,374,359</u>	<u>71,293,930</u>

Wipro Holdings (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

Net obligations under finance leases are secured on the assets concerned.

12 Creditors: amounts falling due after more than one year	2017	2016
	£	£
Net obligations under finance leases	<u>37,433</u>	<u>183,480</u>

Net obligations under finance leases are secured on the assets concerned.

The amount due more than one year is payable in a bullet payment in June 2018

13 Provisions for liabilities	Deferred tax liability
	£
Balance at 1 April 2016	26,239
Profit and loss account	-
Balance at 31 March 2017	<u><u>26,239</u></u>

Wipro Holdings (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

14 Share capital	2017	2016
	£	£
Allotted, called up and fully paid		
1 Deferred share of £1 each	1	1
79,463,095 Ordinary shares of £1 each	79,463,095	79,463,095
	<u>79,463,096</u>	<u>79,463,096</u>

The holder of the deferred share does not have the right to receive notice or to attend and vote at general meetings of the company, is not entitled to any dividend declared or paid by the company, and in the event of any winding up, shall be entitled to repayment of the nominal value of such share but shall not be entitled to participate further in any distribution of the company's assets.

15 Control

The immediate controlling party is Wipro Holdings (Mauritius) Limited, which is wholly owned by Wipro Limited - a company registered in India. The smallest and the largest level of group where the financial statements of the entity are consolidated is ultimate parent company Wipro Limited. Group accounts can be obtained by writing to the Company Secretary at Wipro Limited, Du Parc Trinity, 17 Mahatma Gandhi Road, Bangalore, 560001, India.

Wipro Holdings (UK) Limited

Management Information

For the year ended 31 March 2017

Detailed Trading and Profit and Loss Account
For the year ended 31 March 2017

	2017 £	2016 £
Turnover		
Fees receivable for services	19,008,619	1,012,018
Cost of sales		
Recharged costs	14,676,954	1,020,570
Other Cost	2,026,249	-
	(16,703,203)	(1,020,570)
Gross profit	2,305,416	(8,552)
Administrative expenses	169,985	(151,323)
Operating profit	2,475,401	(159,875)
Other Income		
Interest income	1,623,463	660,792
Rent Income	544,111	551,429
Investment income		
Inter group dividends - received	8,500,018	15
Amounts written off investments		
- permanent diminution in value	(18,429,407)	(19,683,395)
Interest Expenses		
Interest to group companies	516,559	264,217
Other Interest expenses	406,510	-
Lease finance charges	10,449	15,795
	(933,519)	(280,012)
(Loss)/profit before taxation	(6,219,933)	(18,978,881)

Wipro Holdings (UK) Limited

Schedule of Administrative Expenses For the year ended 31 March 2017

	2017	2016
	£	£
Administrative expenses		
Rates	-	29,112
Computer running costs	58,729	51,979
Legal and professional fees	4,637	15,506
Audit fees	12,899	7,233
Bank charges	13,934	1,292
Printing & Stationery	5,132	-
Depreciation	676,696	129,868
Foreign exchange variances	(944,665)	(83,667)
Others	2,653	-
	<u>(169,985)</u>	<u>151,323</u>
