

Registered number: 10186046

CENTUM ELECTRONICS UK LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

# **CENTUM ELECTRONICS UK LIMITED**

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# **CENTUM ELECTRONICS UK LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Apparao V Mallavarapu Thiruvengadam Parthasarathi
<b>Registered number</b>	10186046
<b>Registered office</b>	16 Great Queen Street Covent Garden London WC2B 5AH
<b>Independent auditor</b>	Blick Rothenberg Audit LLP Chartered Accountants & Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH

# CENTUM ELECTRONICS UK LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

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### Introduction

The directors presents their strategic report of the company for the year ended 31 March 2023. The principal activity of the company during the year was that of a holding company.

### Business review and key financial performance indicators

The company was incorporated on 18 May 2016 to act as an investment holding company. After incorporation the company acquired a majority stake in the Centum Adetel Group SA, a group based in France, with put and call option arrangements in place to acquire further share capital in the group. The Centum Adetel Group SA engages in the design, industrialisation, and manufacture of electronics and software systems in harsh environments. The acquisition was financed by the issue of equity share capital, as set out in note 11. to the financial statements. During the year Centum Adetel Group SA has made a loss of €1,185,033 (2022: loss of €6,609,497). During the year ended 31 March 2023 exceptional costs of €Nil were incurred (2022: €6,359,997).

The balance sheet of the company comprises the fixed asset investment in the Centum Adetel Group SA, together with a loan facility and other creditors. The company has made a loss of €Nil during the year (2022: loss of €1,131). This is a result of management expenses incurred in the current and prior year being reimbursed by the parent company.

The performance of the company is in line with the directors' expectation. The directors anticipate that the company will continue to act as an investment holding company for the foreseeable future.

The directors consider the key financial performance indicators to comprise the net asset position of the company, together with the underlying performance of the investment. The directors consider the principal risks to relate to the underlying performance of the investment and whether any impairment issues arise. The functional currency is the Euro, to reflect the underlying operational currency of the investment.

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



**Apparao V Mallavarapu**  
Director

Date: 26<sup>TH</sup> MAY, 2023

# CENTUM ELECTRONICS UK LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

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The directors present their report and the financial statements for the year ended 31 March 2023.

### Results and dividends

The profit for the year, after taxation, amounted to €NIL (2022 -loss €1,131).

The directors do not recommend a dividend.

### Directors

The directors who served during the year were:

Apparao V Mallavarapu  
Thiruvengadam Parthasarathi

### Matters covered in the Strategic report

As permitted by Section 414c(11) of the Companies Act 2006, the directors have elected to disclose information, required to be in the directors' report by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008', in the strategic report.

### Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director 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.

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



**Apparao V Mallavarapu**  
Director

Date: 26<sup>TH</sup> MAY 2023

# **CENTUM ELECTRONICS UK LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 MARCH 2023**

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The directors are responsible for preparing the strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to 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.

# **CENTUM ELECTRONICS UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTUM ELECTRONICS UK LIMITED FOR THE YEAR ENDED 31 MARCH 2023**

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### **Opinion**

We have audited the financial statements of Centum Electronics (UK) Limited (the 'company') for the year ended 31 March 2023, which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes, 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 2023 and of its result 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 Auditor's 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 United Kingdom, including the Financial Reporting Council'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.

# **CENTUM ELECTRONICS UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTUM ELECTRONICS UK LIMITED (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023**

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### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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.

### **Opinion 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report 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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



# **CENTUM ELECTRONICS UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTUM ELECTRONICS UK LIMITED (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023**

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### **Auditor's 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 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 (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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if

## **CENTUM ELECTRONICS UK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CENTUM ELECTRONICS UK LIMITED (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023**

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any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **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 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.



Nicholas Winters (senior statutory auditor)

for and on behalf of  
**Blick Rothenberg Audit LLP**

Chartered Accountants  
Statutory Auditor

16 Great Queen Street  
Covent Garden  
London

WC2B 5AH

Date: 26<sup>TH</sup> MAY 2023

## CENTUM ELECTRONICS UK LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

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	Note	2023 €	2022 €
Turnover	4	22,903	23,758
Administrative expenses		(22,903)	(24,889)
<b>Operating profit/(loss)</b>	5	-	(1,131)
<b>Loss before taxation</b>		-	(1,131)
Tax on profit/(loss)	7	-	-
<b>Profit/(loss) for the financial year</b>		-	(1,131)

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There are no items of other comprehensive income for either the year or the prior year other than the profit/(loss) for the year. Accordingly, no statement of other comprehensive income has been presented.

**CENTUM ELECTRONICS UK LIMITED****BALANCE SHEET  
AS AT 31 MARCH 2023**

	Note	2023 €	2022 €
<b>Fixed assets</b>			
Investments	8	10,710,762	10,710,762
		<u>10,710,762</u>	<u>10,710,762</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	365,021	364,892
Bank and cash balances		1,169	2,957
		<u>366,190</u>	<u>367,849</u>
Creditors: amounts falling due within one year	10	(1,583,077)	(3,262,736)
<b>Net current liabilities</b>		<u>(1,216,887)</u>	<u>(2,894,887)</u>
<b>Total assets less current liabilities</b>		<u>9,493,875</u>	<u>7,815,875</u>
<b>Net assets</b>		<u>9,493,875</u>	<u>7,815,875</u>
<b>Capital and reserves</b>			
Called up share capital	11	9,543,000	7,865,000
Profit and loss account	12	(49,125)	(49,125)
<b>Total equity</b>		<u>9,493,875</u>	<u>7,815,875</u>

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

**Apparao V Mallavarapu**  
Director

Date: 26<sup>TH</sup> MAY 2023

The notes on pages 12 to 21 form part of these financial statements.

# CENTUM ELECTRONICS UK LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital €	Profit and loss account €	Total equity €
At 1 April 2021	7,865,000	(47,994)	7,817,006
Comprehensive income for the year			
Loss for the year	-	(1,131)	(1,131)
Total comprehensive income for the year	-	(1,131)	(1,131)
At 1 April 2022	7,865,000	(49,125)	7,815,875
Total comprehensive income for the year	-	-	-
Contributions by and distributions to owners			
Shares issued during the year	1,678,000	-	1,678,000
Total transactions with owners	1,678,000	-	1,678,000
At 31 March 2023	9,543,000	(49,125)	9,493,875

# **CENTUM ELECTRONICS UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

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### **1. General information**

The principal activity of the company during the year was that of a holding company.

Centum Electronics UK Limited is a private company limited by shares incorporated in England and Wales. The address of its registered office 16 Great Queen Street, Covent Garden, London, WC2B 5AH. Its principal place of business is 44, KHB Industrial Area, Yelahanka New Township, Bangalore - 560 106, India.

The financial statements are presented in Euros (€).

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

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

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

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- Section 3 Financial Statement Presentation paragraph 3.17(d) (inclusion of statement of cash flows);
- Section 7 Statement of Cash Flows (inclusion of statement of cash flows);
- Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) (disclosures relating to financial instruments);
- Section 33 Related Party Disclosures paragraph 33.7 (disclosure of key management personnel compensation).

The information is included in the consolidated financial statements of Centum Electronics Limited as at 31 March 2023 and these financial statements may be obtained from [www.centumelectronics.com/investor-relations/](http://www.centumelectronics.com/investor-relations/).

The financial statements have been prepared for the company and not its group as the company is exempt from the obligation to prepare and deliver group accounts under section 401 of the Companies Act 2006. This is on the basis that audited consolidated financial statements of the ultimate parent company, Centum Electronics Limited, a company incorporated in India, are available from [www.centumelectronics.com/investor-relations/](http://www.centumelectronics.com/investor-relations/).

The following principal accounting policies have been applied:

# **CENTUM ELECTRONICS UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

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### **2. Accounting policies (continued)**

#### **2.2 Going concern**

The directors have received a letter of support from its ultimate parent undertaking, Centum Electronics Limited, for a period of at least 12 months from the date on which these financial statements are signed.

Having considered the ongoing support of the ultimate parent undertaking, and after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, the directors continue to adopt the going concern basis 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.

#### **2.4 Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

#### **2.5 Cash and cash equivalents**

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.

# **CENTUM ELECTRONICS UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

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### **2. Accounting policies (continued)**

#### **2.6 Financial instruments**

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

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.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

##### **Financial assets**

Basic financial assets, including other debtors, cash and bank balances and intercompany financing, are initially recognised at transaction price, unless 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

##### **Financial liabilities**

Basic financial liabilities, including trade and other creditors, 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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



# **CENTUM ELECTRONICS UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

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### **2. Accounting policies (continued)**

#### **2.5 Financial instruments (continued)**

##### **Impairment of financial assets**

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets and financial liabilities**

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

##### **Offsetting of financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

#### **2.7 Share capital**

Ordinary shares are classified as equity.

# **CENTUM ELECTRONICS UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

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### **2. Accounting policies (continued)**

#### **2.8 Foreign currency translation**

##### **Functional and presentation currency**

The company's functional and presentational currency is Euros (€).

##### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

#### **2.9 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

# CENTUM ELECTRONICS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

#### Impairment of investments in subsidiary undertakings

The carrying amounts of the company's investment in subsidiaries, are reviewed at each balance sheet date to determine whether there is any indication of impairment as required by FRS 102 Section 27 Impairment of Assets. If any such indication exists, the recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the investment exceeds its recoverable amount. The recoverable amount is the greater of net realisable value and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate pre-tax discount rate. Impairment losses are recognised in the profit and loss account.

### 4. Turnover

An analysis of turnover by class of business is as follows:

	2023 €	2022 €
Rendering of services	<u>22,903</u>	<u>23,758</u>

Analysis of turnover by country of destination:

	2023 €	2022 €
Rest of the world	<u>22,903</u>	<u>23,758</u>

# CENTUM ELECTRONICS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 5. Operating profit/(loss)

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

	2023 €	2022 €
Fees payable to the company's auditor for the audit of the company's	5,982	5,476
Fees payable to the company's auditor for non-audit services	12,315	12,278
	<u>18,297</u>	<u>17,754</u>

### 6. Employees

Staff costs were as follows:

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

	2023 No.	2022 No.
Directors	<u>2</u>	<u>2</u>

### 7. Taxation

	2023 €	2022 €
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Total deferred tax</b>	<u>-</u>	<u>-</u>
<b>Tax on profit on ordinary activities</b>	<u>-</u>	<u>-</u>

# CENTUM ELECTRONICS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 7. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 -higher than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 €	2022 €
Profit/(loss) on ordinary activities before tax	-	(1,131)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 -19%)	-	(215)
Effects of:		
Tax losses carried forward	-	215
<b>Total tax charge for the year</b>	-	-

#### Factors that may affect future tax charges

The potential deferred tax asset of €9,000 as at 31 March 2023 remains fully impaired (at 31 March 2022: potential deferred tax asset of €9,000, fully impaired) on the basis that forecasts for the company indicate that the deferred tax asset, which relates entirely to carried forward losses, will not be realised in the foreseeable future.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% for companies with profits of over £250,000. A small profits rate will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. From this date companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate. This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

### 8. Fixed asset investments

	Investments in subsidiary companies €
<b>Cost or valuation</b>	
At 1 April 2022	10,710,762
At 31 March 2023	10,710,762

# CENTUM ELECTRONICS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 8. Fixed asset investments (continued)

#### Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Registered office	Class of shares	Holding
Centum Adetel Group SA	4, Chemin Du Ruisseau (69130) Ecully, Lyon, France.	Ordinary	77.77%

There is a put and call option in place relating to the majority of the remaining shares in the Centum Adetel Group SA, which has been reflected in the cost of the investment, which represents the consideration payable to purchase the remaining share capital. The deferred consideration is the directors' estimate of future consideration payable and is included in other creditors due within one year (Note 10). The company currently owns 77.77% of the share capital of Centum Adetel Group SA. The adjustment to purchase cost in the year noted above relates to the difference between the actual purchase cost under the option arrangement compared with the previous estimated value.

### 9. Debtors

	2023 €	2022 €
Amounts owed by group undertakings	<u>365,021</u>	<u>364,892</u>

Amounts owed by group undertakings are interest free, have no fixed repayment date and are repayable on demand.

### 10. Creditors: Amounts falling due within one year

	2023 €	2022 €
Other creditors	1,572,071	3,246,422
Accruals and deferred income	11,006	16,314
	<u>1,583,077</u>	<u>3,262,736</u>

### 11. Share capital

	2023 €	2022 €
<b>Allotted, called up and fully paid</b>		
8,018,900 (2022 - 6,630,900) Ordinary shares of £1 each	<u>9,543,000</u>	<u>7,865,000</u>

# **CENTUM ELECTRONICS UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

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### **11. Share capital (continued)**

The company issued 482,000 ordinary shares of £1 each on 2 January 2021, for consideration of £482,000, in order to increase the company's investment in its subsidiary group. The company issued 1,320,000 ordinary shares of £1 each on 06 June 2022, for consideration of £1,320,000, and a further 68,000 ordinary shares of £1 each on 17 November 2022, for consideration of £68,000, to further increase the company's investment in its subsidiary group.

### **12. Reserves**

#### **Profit and loss account**

The profit and loss account includes all current and prior period retained profits and losses.

### **13. Related party transactions**

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

### **14. Ultimate parent undertaking and controlling party**

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the company is a member is Centum Electronics Limited whose registered office is 44, KHB Industrial Area, Yelahanka New Township, Bangalore - 560 106, India. Copies of group financial statements are available to the public from the company's website ([www.centumelectronics.com/investor-relations](http://www.centumelectronics.com/investor-relations)).

The ultimate parent company is Centum Electronics Limited, a company incorporated in India.

In the opinion of the directors there is no ultimate controlling party.

CENTUM ELECTRONICS UK LIMITED  
DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2023

**These pages do not form part of the financial statements**



## CENTUM ELECTRONICS UK LIMITED

### DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

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	2023 €	2022 €
Turnover	22,903	23,758
<b>Less: overheads</b>		
Administration expenses	(22,903)	(24,889)
<b>Profit/(Loss) for the year</b>	<u>-</u>	<u>(1,131)</u>

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**CENTUM ELECTRONICS UK LIMITED**  
**SCHEDULE TO THE DETAILED ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

	2023	2022
	€	€
<b>Administration expenses</b>		
Legal and professional	12,315	13,646
Auditors' remuneration	5,982	5,476
Accountancy fees	-	4,632
Bank charges	3,009	1,135
Rates	1,597	-
	<u>22,903</u>	<u>24,889</u>