**Firstsource Solutions UK Limited**

Annual report and financial statements
Registered number 3999896

31 March 2024

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**CONTENTS**

## STRATEGIC REPORT

### Company details

Firstsource Solutions UK Limited (Registered number 3999896) having registered office address Lynton House, 7-12 Tavistock Square, London, United Kingdom, WC1H 9LT

### Statutory Auditor

Deloitte Ireland LLP
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

### Directors

Mr. Idnani, Ritesh Mohan*
Mr. Malhotra, Rajiv
Mr. Parekh, Utsav**
Mr. Agrawal, Anjani #
Mr. Khanna, Vipul ##
*Appointed as a Director w.e.f. 1 September 2023
**Appointed as a Director w.e.f. 6 April 2023
# Relinquished the office of Director w.e.f. 6 April 2023
## Relinquished the office of Director w.e.f. 31 August 2023

### Bankers

Barclays Bank
1 Churchill Place, Canary Wharf, London E14 5HP, United Kingdom

CITI Bank
Citigroup Centre, 33 Canada Square, London E14 5LB, United Kingdom

### Principal activities

The Group's principal activity continues to be that of providing Business Process Outsourcing (BPO) services to UK companies.

### Business review

Consolidated revenue increased from £190m to £198m, an increase of 4% over the previous financial year. Current year has a profit of £5.71m, whereas loss in the previous year was £ 2.07m. The group had a loss position on account of cost of growth in the business and employee attrition. Employee headcount has decreased from 5,596 in 2023 to 4,502 during the year. In terms of revenue, the client base is strong and consists of prestigious names in the industry.

The subsidiary company, Firstsource Solutions S.A, terminated the contract with its sole customer in July 2009. As a result, operations performed by the Argentinean company were transferred to a fellow Group company. The directors are actively seeking a buyer for this company.

The company, in the year ended March 2019, acquired interest in Firstsource BPO Ireland Limited by purchasing 100% investment in the company from its holding Company, Firstsource Solutions Limited. The transaction was effected on 26 March 2019. On 31 December 2014, Firstsource BPO Ireland Limited lost one of its key customers. The directors are actively seeking new contracts. Firstsource BPO South Africa (Pty) Limited a subsidiary of Firstsource Solutions UK Limited, incorporated under the laws of South Africa (incorporated w.e.f. September 27, 2023).

## Principal risks and uncertainties

*Revenue concentration risk*
The Group relies on a small number of clients for a large proportion of its income, and a loss of any of these clients could adversely affect profitability. Furthermore, major events affecting the Group's clients, such as bankruptcy, change of management, mergers and acquisitions, change in business models or environmental factors could adversely impact business.

The Group has recognised this risk and has undertaken multiple initiatives over the last few years to rebalance its business portfolio in terms of clients and industry exposure.

*Highly competitive environment*
The market for BPO services is rapidly evolving and is highly competitive. The Group expects that the competition it faces will continue to intensify. The Group faces competition from offshore third party BPO providers, BPO divisions of global IT companies and global "pure play" BPO providers. There are also a number of companies who choose to perform their own business processes internally through offshore captive business processing units established specifically for this purpose.

The Group understands that it needs to retain and grow its leadership position in the industry and to maintain this competitive edge, management realise that they need to be best in class in operations, delivery and quality, as well as ensuring that they have a focused marketing and sales team.

*Long selling cycle*
The Group has a long selling cycle for its BPO services, which requires significant investment of capital, resources and time by both clients and the Group. Before committing to use the Group's services, potential clients require management to expend substantial time and resources presenting to them the value of their services and assessing the feasibility of integrating the Group's systems and processes with their own. Therefore, the Group's selling cycle, which can range in duration from weeks to months, is subject to many risks and delays over which the Group has little or no control, including the clients' decision to choose alternatives to its services (such as other providers or in-house offshore resources), timing of its clients' budget cycles and approval processes.

## STRATEGIC REPORT *(CONTINUED)*

**Principal risks and uncertainties *(continued)***
The Group has clearly focused marketing and sales teams with clear goals who at all times work on a variety of opportunities along with an aggressive transition methodology that helps transition new wins fairly quickly into delivery mode. Most of the contracts with existing clients are on a long-term basis which ensures sustainable and scalable business from existing clients.

*Industry and macro-economic risks*
There seems to be a trend of Protectionism/ localisation being followed by most matured economies. Post Brexit, the UK is also expected to witness increased resistance from labour unions against the use of foreign labour. Since beginning, the Company has recognised this and developed operational capabilities across the globe. In the process, the Company has successfully transformed itself from an offshore (Business Process Management) BPM Player to a multi shore BPM player, with significant local operational presence in the UK which has helped in winning more business. The Company derives the majority of its revenues from onshore services. Today, the Company has 8 operations centres with 4,502 employees in the UK. The Company is one of the largest employers in the UK BPM sector.

### Competitive strengths

*Experienced management team*
The experience of the Group's management team is a key competitive advantage. The management team has a track record of managing high growth businesses, possesses domain knowledge in the industries the Group serves and has relevant experience in the geographies in which it operates.

*Strategic positioning in the target industry sectors*
The Group is strategically positioned to benefit from the growth opportunities in its key target industries – telecommunications and media. The Group's key strengths within these sectors are its size, deep domain expertise, proven track record, ability to provide end-to-end services, multi-shore capabilities and its marquee client base.

*Offshore BPO market leadership*
As an early mover in the BPO industry, the Group has been able to achieve critical mass, attract senior and middle-management talent, establish key client relationships and a track record of operational excellence as well as developing robust and scalable global delivery systems.

## STRATEGIC REPORT *(CONTINUED)*

*Continued investment in proprietary technology platforms*
The Group continues to believe that outsourcing companies with significant process and domain knowledge will be in the best position to provide efficient and effective outsourcing solutions to their customers. The Group intends to continue to invest in developing its own proprietary technology platforms and capabilities around technology platforms through strategic partnerships.

**Financial risk management**

Given the size of the Group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the Board of Directors are implemented by the Group's finance department.

*Liquidity risk*
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the directors have access to Group funding. Management has prepared cash flow forecasts which support the ability of the Group and Company to continue as a going concern, taking account of reasonable variations in trading performance. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

*Credit risk*
The Group's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debts.

**Section 172 statement**

Under section 172 of the Companies Act 2006, the directors of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole.

The Company embraces and promotes the Company's culture and vision: to serve the needs of our stakeholders, wherever they are, and to earn the trust of society. The culture and vision foster a strong regard for the key stakeholders of the Company and provide a framework through which the Directors can make key decisions that are most likely to promote the success of the Company, fulfilling their duties under section 172.
The directors report here notes how they have discharged their duties under Section 172 (1) of The Companies' Act 2006, to act in a way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to the matters set out in section 172 (1) (a) – (f) as mentioned below:

**172 (1)(a) the likely consequences of any decision in the long term**

The Company's core strategic purpose is to promote the Company vision and objectives and in doing so deliver the commercial success of the business. The Board considers the long-term impact of corporate actions and decisions on this strategic purpose and on the interests of the members and the Company's key stakeholders, through careful consideration of appropriate information, as provided by subject matter experts, to support decisions.

| Stakeholders and importance to the Group | Board approach to engagement | Stakeholder considerations |
|---|---|---|
| Shareholders of the group<br><br>The shareholders of the group are vital to the future success of the business, having provided investment to support the creation and growth of the Group. | The board considers it important to engage with its members on a regular basis.<br><br>The board provides an update to all members, providing a narrative on performance using several metrics as well as providing an updated view of future forecasts, where appropriate. | A strategy and narrative which can demonstrate: -<br><br>Sustainable year-on-year growth in revenue.<br><br>Sustainable year-on-year growth in profit and value for shareholders.<br><br>Strong and sustainable cash flow and Group liquidity.<br><br>Solid commitment to maintaining and further developing a positive reputation amongst other groups of stakeholders; |

**172 (1)(b) the interests of the Company's employees**

The Company is a responsible employer, focused on employee engagement and communication. It promotes a diverse and inclusive workforce and the continued development of its people in a safe working environment. The Company benefits from and promotes the company's employment and employee focussed initiatives.

| Stakeholders and importance to the Group | Board approach to engagement | Stakeholder considerations |
|---|---|---|
| Employees<br><br>We are, at our heart, a business founded on the talents and experience of our people, and their ability to deliver distinctive customer experiences; They are our most valuable asset. | Group sessions involving colleagues from all business areas provide a consistent temperature check. | Proving a fair, competitive and transparent approach to remuneration.<br><br>Providing development opportunities and platforms and a variety of internal career opportunities.<br><br>Providing an attractive and safe place to work and a responsiveness to individual needs arising from the shifting environment. |

**172 (1)(c) the need to foster the Company's business relationships with suppliers, customers and others**

In pursuit of it's vision, the Company and Directors act with commitment to suppliers, customer and others. The directors act and make decisions determining what suppliers to engage with that exhibit the Company's value and fulfil its objectives. The company also seek to enhance customer satisfaction.

| **Stakeholders and importance to the Group** | **Board approach to engagement** | **Stakeholder considerations** |
|---|---|---|
| Clients<br><br>Our core function is to provide the people, process, technologies, and platforms necessary to help our clients evolve and elevate the experience of their customers and brands.<br><br>Long-term strategic partnerships are the foundations upon which to build long-term shareholder value.<br><br>Trust, loyalty, and transparency are at the heart of our business principles, and underpin our approach to client engagement; | Board meetings include a review of customer dynamics and operational risks and opportunities, specific to each strategic client. | Building a control framework which allows the Group to respond with agility to the varying needs of its clients and their customers, measuring performance against a range of measures (KPIs) specific to each individual client.<br><br>In an evolving consumer landscape, ensuring on-going compliance with clients' own policies, procedures, controls, and protocols. |

**172 (1)(d) the impact of the Company's operations on the community and environment**

The Company is committed to leading the way in adopting and applying the highest standards of good governance, ethics and transparency in the industry. This includes employees volunteering with the community to do any required work from painting to gardening. The Company is committed to environmental sustainability.

| **Stakeholders and importance to the Group** | **Board approach to engagement** | **Stakeholder considerations** |
|---|---|---|
| Community and the environment<br><br>Being socially responsible is integral to the way we do business. We're proud of what we achieve in our local communities.<br><br>Reducing our impact on the environment is of importance to wider society; | The board strives to support and promote initiatives to reduce the carbon footprint of the Group; | Consistently evolving and applying the Group's approach to environmental policies and Adopting climate change mitigation as an integral part of business strategy. |

**172 (1)(e) the desirability of the Company maintaining a reputation for high standards of business conduct**

The Company and the Directors are guided by the Company's vision and values when they act and make decisions, thereby maintaining a reputation for quality and integrity. This approach and the operational infrastructure of the business as a result ensure maintaining a reputation for high standard of business conduct is a key consideration by the Directors when making key decisions. Additionally, employees are subject to a Code of Conduct with a confidential helpline available to all employees where employees can ask a question or voice a concern

**172 (1)(f) the need to act fairly as between members of the Company**

For the year under review the company continued to ensure regular communication through various corporate reporting channels. This is achieved through formal and informal meetings, publications on the company's intranet and regular internal mailshots.

**Future outlook**

The Group has a strong future outlook in the BPO sector. Management has secured contracts with two major customers contributing to largest portion of the revenue and providing good growth margin of which one has been successfully extended upto FY 2032-33. There is a strong business pipeline and the directors expect further contracts to be secured in the year ahead which in turn will result into profitable position.

By order of the Board

Rajiv Malhotra
*Director*

27 December 2024

## DIRECTORS' REPORT

The directors present their report and financial statements of Firstsource Solutions UK Limited ("the Group" or "the Company") for the year ended 31 March 2024.

### Results and dividends

The profit for the year after providing for depreciation and taxation amounted to £5.71 million (2023: Loss of £2.07 million).
No dividends were paid in the year (2023: £nil).

### Directors

The directors who held office during the year were as follows:

Mr. Idnani, Ritesh Mohan*
Mr. Malhotra, Rajiv
Mr. Parekh, Utsav**
Mr. Agrawal, Anjani #
Mr. Khanna, Vipul ##
*Appointed as a Director w.e.f. 1 September 2023
**Appointed as a Director w.e.f. 6 April 2023
# Relinquished the office of Director w.e.f. 6 April 2023
## Relinquished the office of Director w.e.f. 31 August 2023

In accordance with the Articles of Association, the directors retire by rotation and, being eligible, offer themselves for re-election.

### Charitable and political contributions

The Group and Company made no disclosable political or charitable donations or incurred any disclosable political expenditure during the year (2023: £nil).

### Post balance sheet events

There have been no significant events affecting the Group or Company since the year end.

### Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the Group as a whole. Communication with all employees continues through the in-house newspaper.

## DIRECTORS' REPORT *(CONTINUED)*

### Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### *Going concern disclosure*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the directors have access to Group funding. Management has prepared cash flow forecasts which support the ability of the Group and Company to continue as a going concern, taking account of reasonable variations in trading performance. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### Streamlined Energy and Carbon Reporting (SECR)

Our responsible and sustainable business approach is rooted in what matters to our wide range of stakeholders. The Corporate Responsibility team sets the strategic direction for meeting our commitment to society and supports the integration and implementation of programmes and nonfinancial reporting throughout the group. We have transitioned to energy-efficient technology within our offices to reduce our carbon footprint.

**Key initiatives**
Transition to electric vehicles (EV)
Energy-efficient data center
Refurbished IT system
Sensor-based low-energy LED lighting
Use of renewable energy certificates (RECs)
Installation of Smartracks in largest DC for minimizing power requirement

**Waste management**
All waste generated within our premises is segregated into individual waste streams and disposed of following local legislation. We are implementing a zero-waste-to-landfill policy globally.

**Water management**
We remain committed to practicing responsible water usage, although our operations have limited dependence on water resources.

Currently data on emissions and energy use are not available using the Company's existing systems however a project is underway to gather all the data required and use this information to minimise energy consumption and eliminate emission of carbon as a result of business activities. Consequently, the Company have not yct complied with disclosure requirements of the Streamlined-Energy and Carbon Regulations (SECR) however it is envisaged that reporting of this information will commence imminently and be in place for next year's financial statements.

**Auditor**

Pursuant to Section 485 of the Companies Act 2006, the Company has appointed Deloitte Ireland LLP as its auditor.

By order of the Board

Rajiv Malhotra
*Director*

27 December 2024

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 Group and Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under company law the directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's profit or loss for that year.

In preparing each of the Group and Company financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and which enable them to ensure that the financial statements of the Group comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

On behalf of the Board

Rajiv Malhotra
*Director*

27 December 2024

**Deloitte.**

Deloitte Ireland LLP
Chartered Accountants &
Statutory Audit Firm

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRSTSOURCE SOLUTIONS UK LIMITD

## *Report on the audit of the financial statements*

### *Opinion*

In our opinion the financial statements of Firstsource Solutions UK Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2024 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account and other comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 21.

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).

### *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 group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Conclusions relating to going concern*

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRSTSOURCE SOLUTIONS UK LIMITED

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

*Other information*
The 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.

*Responsibilities of directors*
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, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

*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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRSTSOURCE SOLUTIONS UK LIMITED

***Extent to which the audit was considered capable of detecting irregularities, including fraud***

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.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included health and safety, environmental regulations and Data Protection Act 2018, among others.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing correspondence with HMRC.

***Report on other legal and regulatory requirements***

***Opinions on other matters prescribed by the Companies Act 2006***

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

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**Deloitte.**

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- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

*Matters on which we are required to report by exception*

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in respect of these matters.

*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.

Sinead Lee

Sinead Lee (Senior Statutory Auditor)
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

27 December 2024

**Firstsource Solutions UK Limited**
**Consolidated Profit and Loss Account and Other Comprehensive Income**
***for the year ended 31 March 2024***

| | Notes | 2024 | 2023 |
|---|---|---|---|
| | | **£** | £ |
| Turnover | *2* | **198,275,985** | 189,893,758 |
| Cost of sales | | **(164,692,128)** | (166,118,737) |
| **Gross profit** | | **33,583,857** | 23,775,021 |
| Administrative expenses | | **(23,141,648)** | (25,121,113) |
| Other operating income | *3* | **42,259** | 37,015 |
| **Group operating Profit / (Loss)** | | **10,484,468** | (1,309,077) |
| (Loss) on sale of fixed assets | | **(370,300)** | (40,517) |
| Interest payable and similar charges | *7* | **(2,559,716)** | (1,719,166) |
| **Profit / (Loss) before taxation** | | **7,554,452** | (3,068,760) |
| Tax | *8* | **(1,839,742)** | 999,917 |
| **Profit / (Loss) for the financial year** | | **5,714,710** | (2,068,843) |
| **Other comprehensive income/(expense)** | | | |
| Foreign exchange differences on translation of foreign operations | | **(1,257)** | 6,080 |
| **Total comprehensive profit / (loss) for the year, net of tax** | | **5,713,453** | (2,062,763) |

The notes on pages 24 to 41 form part of these financial statements.

**Firstsource Solutions UK Limited**
**Consolidated Balance Sheet at 31 March 2024**

| | Notes | 2024 £ | 2023 £ |
|---|---|---|---|
| **Fixed assets** | | | |
| Tangible assets | *9* | **2,960,018** | 5,262,910 |
| Intangible assets | *10* | **86,154** | 147,227 |
| Investments | *11* | **53,397,500** | 53,397,500 |
| | | **56,443,672** | 58,807,637 |
| **Non-Current assets** | | | |
| Debtors: amounts falling due after one year | *13* | **19,284,034** | 17,123,128 |
| **Current assets** | | | |
| Debtors: amounts falling due within one year | *12* | **32,751,295** | 40,393,723 |
| Cash at bank and in hand | | **2,664,273** | 202,785 |
| | | **35,415,568** | 40,596,508 |
| **Creditors:** amounts falling due within one year | *15* | **(63,220,408)** | (74,317,860) |
| **Net current (liabilities)** | | **(27,804,840)** | (33,721,352) |
| **Total assets less current liabilities** | | **47,922,866** | 42,209,413 |
| **Creditors:** amounts falling due after more than one year | *16* | **-** | - |
| **Net assets** | | **47,922,866** | 42,209,413 |
| **Capital and reserves** | | | |
| Called up share capital | *17* | **2,834,672** | 2,834,672 |
| Profit and loss account | | **44,191,856** | 38,477,146 |
| Translation reserve | | **18,936** | 20,193 |
| Capital contribution reserve | | **877,402** | 877,402 |
| **Shareholders' funds** | | **47,922,866** | 42,209,413 |

These financial statements were approved by the board of directors on 27 December 2024 and signed on its behalf by:

Rajiv Malhotra
Director
Company registered number: 3999896

**Firstsource Solutions UK Limited**
**Company Balance Sheet at 31 March 2024**

| | Notes | 2024 £ | 2023 £ |
|---|---|---|---|
| **Fixed assets** | | | |
| Tangible assets | 9 | **2,960,018** | 5,262,910 |
| Intangible assets | 10 | **86,154** | 147,227 |
| Investments | 11 | **53,594,294** | 53,594,294 |
| | | **56,640,466** | 59,004,431 |
| Non-Current assets | | | |
| Debtors: amounts falling due after one year | 13 | **19,283,119** | 17,123,128 |
| **Current assets** | | | |
| Debtors: amounts falling due within one year | 12 | **32,751,295** | 40,393,723 |
| Cash at bank and in hand | | **2,503,254** | 42,367 |
| | | **35,254,549** | 40,436,090 |
| **Creditors:** amounts falling due within one year | 15 | **(63,183,107)** | (74,306,245) |
| **Net current (liabilities)** | | **(27,928,558)** | (33,870,155) |
| **Total assets less current liabilities** | | **47,995,027** | 42,257,404 |
| **Creditors:** amounts falling due after more than one year | 16 | **-** | - |
| **Net assets** | | **47,995,027** | 42,257,404 |
| **Capital and reserves** | | | |
| Called up share capital | 17 | **2,834,672** | 2,834,672 |
| Profit and loss account | | **44,298,359** | 38,560,736 |
| Capital contribution reserve | | **861,996** | 861,996 |
| **Shareholders' funds** | | **47,995,027** | 42,257,404 |

Firstsource Solutions UK Limited has taken advantage of Section 408 of the Companies Act, 2006 and has not included its own Profit and Loss Account in these financial statements. Firstsource Solution UK Limited's profit for the year was GBP 5.74 million (2023: Loss of GBP 2.04 million).

These financial statements were approved by the board of directors on 27 December 2024 and signed on its behalf by :

Rajiv Malhotra
Director
Company registered number: 3999896

**Firstsource Solutions UK Limited**
**Consolidated Statement of Changes in Equity** ***for the year ended 31 March 2024***
(Amount in £)

| | Called up share capital | Capital Contribution Reserve | Translation reserve | Profit & loss account | Total equity |
|---|---|---|---|---|---|
| Balance at 1 April 2022 | 2,834,672 | 877,402 | 14,113 | 40,545,989 | 44,272,176 |
| Net loss for the year | - | - | - | (2,068,843) | (2,068,843) |
| Other comprehensive expense | - | - | 6,080 | - | 6,080 |
| Total comprehensive income for the year | - | - | 6,080 | (2,068,843) | (2,062,763) |
| **Balance at 31 March 2023** | 2,834,672 | 877,402 | 20,193 | 38,477,146 | 42,209,413 |
| Balance at 1 April 2023 | 2,834,672 | 877,402 | 20,193 | 38,477,146 | 42,209,413 |
| Net profit for the year | - | - | - | 5,714,710 | 5,714,710 |
| Other comprehensive income | - | - | (1,257) | - | (1,257) |
| Total comprehensive profit for the year | - | - | (1,257) | 5,714,710 | 5,713,453 |
| **Balance at 31 March 2024** | **2,834,672** | **877,402** | **18,936** | **44,191,856** | **47,922,866** |

**Firstsource Solutions UK Limited**

**Company Statement of Changes in Equity** ***for the year ended 31 March 2024***

(Amount in £)

| | Called up share capital | Capital Contribution Reserve | Profit & loss account | Total equity |
|---|---|---|---|---|
| Balance at 1 April 2022 | 2,834,672 | 861,996 | 40,605,729 | 44,302,397 |
| Net loss for the year | - | - | (2,044,993) | (2,044,993) |
| Total comprehensive income for the year | - | - | (2,044,993) | (2,044,993) |
| **Balance at 31 March 2023** | 2,834,672 | 861,996 | 38,560,736 | 42,257,404 |
| Balance at 1 April 2023 | 2,834,672 | 861,996 | 38,560,736 | 42,257,404 |
| Net profit for the year | - | - | 5,737,623 | 5,737,623 |
| Total comprehensive loss for the year | - | - | 5,737,623 | 5,737,623 |
| **Balance at 31 March 2024** | **2,834,672** | **861,996** | **44,298,359** | **47,995,027** |

**Firstsource Solutions UK Limited**
**Consolidated Cash Flow Statement**
***for the year ended 31 March 2024***

| | 2024 | 2023 |
|---|---|---|
| | **£** | **£** |
| **Cash flows from operating activities** | | |
| Profit / (loss) for the financial year | 5,714,710 | (2,068,843) |
| *Adjustments for:* | | |
| Depreciation and amortisation | 2,089,684 | 2,569,870 |
| Interest payable and similar charges | 2,559,716 | 1,719,166 |
| Loss on sale of tangible fixed assets | 370,300 | 40,517 |
| Foreign currency exchange movements | 5,770 | 13,964 |
| Income taxes | 1,839,742 | (999,917) |
| | **12,579,922** | **1,274,757** |
| Decrease / (increase) in debtors | 4,641,223 | (3,779,527) |
| (Increase) / decrease in trade and other payables | (10,472,982) | 9,241,546 |
| **Net cash generated from operating activities before tax** | 6,748,163 | 6,736,776 |
| Tax refund /(paid) | 175,829 | - |
| **Net cash generated from operating activities** | **6,923,992** | **6,736,776** |
| **Cash flows from investing activities** | | |
| Payments for fixed assets acquired | (96,015) | (694,399) |
| **Net cash (used in) investing activities** | **(96,015)** | **(694,399)** |
| **Cash flows from financing activities** | | |
| Repayment of finance leases | (15,452) | (15,336) |
| Repayment of short term borrowings | (1,942,410) | (4,391,430) |
| Interest paid | (2,407,370) | (1,696,566) |
| Transfer to translation reserve | (1,257) | 6,080 |
| **Net cash generated from / *(used in)* financing activities** | **(4,366,489)** | **(6,097,252)** |
| **Net increase / (decrease) increase in cash and cash equivalents** | **2,461,488** | **(54,875)** |
| **Cash and cash equivalents at the beginning of the year** | 202,785 | 257,660 |
| **Cash and cash equivalents at the end of the year** | **2,664,273** | **202,785** |

**Notes**
*(forming part of the financial statements)*

## 1. Accounting policies

Firstsource Solutions UK Limited ("the Company") is a company limited by shares, incorporated, domiciled and registered in the UK. The registered number is 3999896 and the registered address is Lynton House, 7-12 Tavistock Square, London, United Kingdom, WC1H 9LT.

### *1.1 Basis of preparation*

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("*FRS 102*") as issued in March 2018 (Updated January 2018).

The Company's parent undertaking, Firstsource Solutions Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Firstsource Solutions Limited are available to the public and may be obtained from 5th Floor, Mindspace, New Link Road, Malad (W), Mumbai 400 064, India.

As the company is a wholly owned subsidiary of Firstsource Solutions Limited, the Company has taken advantage of the exemption contained in FRS 102 and has therefore not disclosed transactions with wholly owned subsidiaries which form part of the Group.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company cash flow statement with related notes is included; and
- Key management personnel compensation has not been included.

Firstsource Solutions UK Limited has taken advantage of Section 408 of the Companies Act, 2006 and has not included its own Profit and Loss Account in these financial statements. Firstsource Solution UK Limited's profit for the year was GBP 5.71 Million (2023: Loss of GBP 2.07 Million).

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

*Measurement convention*
The financial statements have been prepared on the historical cost basis.

### *1.2 Basis of consolidation*

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2024. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal. In the parent company financial statements investments in subsidiaries are carried at cost less impairment.

**Notes (continued)**
*(forming part of the financial statements)*

**Accounting policies (*continued*)**

### *1.3 Going concern*

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 2.

Management has prepared cash flow forecasts which support the ability of the Group and Company to continue as a going concern, taking account of reasonable variations in trading performance. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### *1.4 Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Leases in which the company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

The Group assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

- Leasehold improvements: lease term or the estimated useful life of the asset, whichever is shorter;
- Office equipment: 2 – 5 years;
- Computers: 2 - 4 years;
- Furniture and fixtures: 2 - 5 years
- Vehicles: 2 – 5 years

Notes *(continued)*

**Accounting policies *(continued)***

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

### *1.5 Intangible assets*

Intangible assets acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

*Amortisation*

Amortisation is charged to the profit and loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Computer software: 2 – 4 years

The Group reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

### *1.6 Investments*

Investments in subsidiary undertakings and other Investments are stated at cost less amounts written off. The carrying value of investments is reviewed for impairment on an annual basis or when events or changes in circumstances indicate that the carrying value of the investments may not be recoverable. An estimate is made by management of the carrying value of the investments and an impairment loss recognised when the carrying value of the investment exceeds the recoverable amount.

### *1.7 Basic financial instruments*

*Trade and other debtors / creditors*
Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

*Interest-bearing borrowings classified as basic financial instruments*
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

*Cash and cash equivalents*
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Notes *(continued)*

**Accounting policies** ***(continued)***

### *1.8 Impairment*

*Financial assets (including trade and other debtors)*
A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and the loss event that had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Group would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

### *1.9 Classification of financial instruments issued by the Group*

In accordance with FRS 102.22, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

(b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Notes *(continued)*

**Accounting policies *(continued)***

### *1.10 Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.
The assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rate. Profit and loss accounts of such undertakings are consolidated at the average rate of exchange during the year. Gains and losses arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

### *1.11 Leases*

*Operating lease*
Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

*Finance lease*
Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### *1.12 Turnover*

Revenue from contact centre and transaction processing services comprises both time/unit price and fixed fee-based service contracts. Revenue from time/unit price-based contracts is recognised on completion of the related services and is billed in accordance with the contractual terms specified in the customer contracts. Revenue from fixed fee-based service contracts is recognised on achievement of performance milestones specified in the customer contracts. Revenue is recognised as the services are rendered and billed in accordance with the respective contractual terms specified in the contracts.

Unbilled receivables represent costs incurred and revenues recognised on contracts to be billed in subsequent periods as per the terms of the contract.

Directly attributable costs incurred to fulfil a customer contract are capitalised as prepayment and amortised on a systematic basis over the period of the contract, consistent with the pattern of service to the customer.

Notes *(continued)*

**Accounting policies *(continued)***

### *1.13 Expenses*

*Interest receivable and interest payable*

Interest payable and similar expenses include interest payable, finance expenses on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currencies accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

### *1.14 Taxation*

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which 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. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the Group is able to control the reversal of the timing difference.

Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

Notes *(continued)*

**Accounting policies *(continued)***

***1.15 Employee benefits***

*Defined contribution plans and other long term employee benefits*

A defined contribution plan is a post-employment plan under which the company pays fixed contributions into a separated entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

***1.16 Judgements and key sources of estimation***

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amount of assets, liabilities, income and expenses. Actual amounts may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 1.16.1.

***1.16.1 Critical accounting estimates***

**Fixed assets**

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired, and are reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

**Impairment of Investments**

Investments are tested for impairment at each reporting period and whenever there is an indication that the recoverable amount of investments is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of investments is determined based on higher of enterprise value and fair value less cost to sell.

Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience.

**Recoverability of Trade Receivables**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

Notes (continued)

## 2. *Turnover*

All turnover of the Group for the year has been derived from its principal activity.

Revenue by geographical area is as follows:

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| UK | **151,219,085** | 151,215,356 |
| Rest of the World | **47,056,900** | 38,678,402 |
| | **198,275,985** | 189,893,758 |

## 3. Other Operating Income

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Grant income | **42,259** | 37,015 |
| | **42,259** | 37,015 |

Other Income relates to Grant Income amounting to £ 42,259 (2023: £ 37,015) under Tees Valley Business Support Scheme ( also referred to as "TVBSS" ). This Grant is given under Section 31 of the Local Government Act 2003 to help implement the Project to renovate and fit out of newly leased premises.

## 4. Expenses and auditor's remuneration

Included in profit/loss are the following:

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| (Loss) on disposal of tangible assets | **(370,300)** | (40,517) |
| Exchange gains | **5,770** | 13,964 |
| Depreciation and amortisation expense | **2,089,684** | 2,569,870 |
| Operating lease expense | **4,168,900** | 5,116,002 |
| *Auditor's remuneration* | | |
| Audit of these financial statements | **33,869** | 29,479 |

Notes (continued)

## 5. Staff Numbers

The average number of persons employed by the Group (including directors) during the year was:

| | 2024 No. | 2023 No. |
|---|---|---|
| Administration | **4,502** | 5,596 |

The aggregate staff costs of these persons were as follows:

| | 2024 £ | 2023 £ |
|---|---|---|
| Wages and salaries | **101,943,367** | 112,966,059 |
| Social security costs | **8,076,184** | 8,420,263 |
| Pension costs | **2,355,354** | 2,435,947 |
| | **112,374,905** | 123,822,269 |

## 6. Directors' emoluments

| | 2024 £ | 2023 £ |
|---|---|---|
| Directors' emoluments | **615,245** | 417,348 |
| Company contributions to money purchase pension schemes | **-** | 14,896 |
| | **615,245** | 432,244 |

The aggregate emoluments of the highest paid director were £615,245 (2023: £397,335) and company pension contributions of £Nil (2023: £14,896) were paid to a money purchase pension scheme on his behalf.

Retirement benefits are not accruing to any directors under money purchase scheme (2023 : two) .

## 7. Interest payable and similar charges

| | 2024 | 2023 |
|---|---|---|
| | **£** | £ |
| Interest on loans | **2,559,716** | 1,719,166 |

## 8. Taxation

| | 2024 | 2023 |
|---|---|---|
| *Total tax expense recognised in the profit and loss account, other comprehensive income & equity* | **£** | £ |
| *Current tax* | | |
| Current tax on income for the year | **1,175,273** | 123,473 |
| Total current tax | **1,175,273** | 123,473 |
| *Deferred tax* | | |
| Origination and reversal of timing difference | **681,036** | (589,905) |
| Adjustment in respect of prior years | **(16,567)** | (272,752) |
| Impact of change in tax rates | **-** | (260,733) |
| Total deferred tax (note 14) | **664,469** | (1,123,390) |
| Total tax on profit on ordinary activities | **1,839,742** | (999,917) |
| *Reconciliation of effective tax rate* | | |
| Profit excluding taxation | **7,554,452** | (3,068,760) |
| Tax using the UK corporation tax rate of 25% *(2023: 19%)* | **1,888,613** | (583,064) |
| *Effects of:* | | |
| Non-deductible expenses | **23,534** | (40,316) |
| Adjustment in respect of prior years | **(16,567)** | (149,278) |
| Others (including amounts related to impact of change in tax rates) | **(55,838)** | (227,259) |
| Total tax expense / (credit) expense included in profit and loss | **1,839,742** | (999,917) |

Notes (continued)

**9. Tangible fixed assets**

| **Group and Company** | **Leasehold property** | **Fixtures, fittings & equipment** | **Total** |
|---|---|---|---|
| | **£** | **£** | **£** |
| Cost | | | |
| At 1 April 2022 | 14,007,759 | 10,873,724 | 24,881,483 |
| Additions | 142,240 | 480,739 | 622,979 |
| Disposals | (3,854,763) | (3,835,582) | (7,690,345) |
| **At 31 March 2023** | **10,295,236** | **7,518,881** | **17,814,117** |
| *Depreciation* | | | |
| At 1 April 2022 | 8,236,675 | 9,484,367 | 17,721,042 |
| Charge for year | 1,815,793 | 664,200 | 2,479,993 |
| On disposals | (3,816,856) | (3,832,972) | (7,649,828) |
| **At 31 March 2023** | **6,235,612** | **6,315,595** | **12,551,207** |
| *Net book value* | | | |
| **At 31 March 2023** | **4,059,624** | **1,203,286** | **5,262,910** |
| **At 31 March 2022** | 5,771,084 | 1,389,357 | 7,160,441 |
| Cost | | | |
| At 1 April 2023 | 10,295,236 | 7,518,881 | 17,814,117 |
| Additions | - | 82,586 | 82,586 |
| Disposals | (2,702,687) | (425,493) | (3,128,180) |
| **At 31 March 2024** | **7,592,549** | **7,175,974** | **14,768,523** |
| *Depreciation* | | | |
| At 1 April 2023 | 6,235,612 | 6,315,595 | 12,551,207 |
| Charge for year | 1,500,127 | 522,618 | 2,022,745 |
| On disposals | (2,411,732) | (353,715) | (2,765,447) |
| **At 31 March 2024** | **5,324,007** | **6,484,498** | **11,808,505** |
| *Net book value* | | | |
| **At 31 March 2024** | **2,268,542** | **691,476** | **2,960,018** |
| At 31 March 2023 | 4,059,624 | 1,203,286 | 5,262,910 |

*Assets held under finance lease*

Included in the net book value of fixtures, fittings and equipment is £Nil (2023: £10,444) in respect of assets held under finance lease. Depreciation for the year on these assets was £10,444 (2023: £16,868).

Notes (continued)

**10. Intangible assets**

**Group and Company**

| | **Software** | **Total** |
|---|---|---|
| | **£** | **£** |
| Cost | | |
| At 1 April 2022 | 4,948,138 | 4,948,138 |
| Additions | 71,420 | 71,420 |
| Disposals | (1,835,185) | (1,835,185) |
| **At 31 March 2023** | **3,184,373** | **3,184,373** |
| *Amortisation* | | |
| At 1 April 2022 | 4,782,455 | 4,782,455 |
| Charge for year | 89,876 | 89,876 |
| On disposals | (1,835,185) | (1,835,185) |
| **At 31 March 2023** | **3,037,146** | **3,037,146** |
| *Net book value* | | |
| **At 31 March 2023** | **147,227** | **147,227** |
| At 31 March 2022 | 165,683 | 165,683 |
| **Cost** | | |
| At 1 April 2023 | 3,184,373 | 3,184,373 |
| Additions | 13,429 | 13,429 |
| Disposals | (139,693) | (139,693) |
| **At 31 March 2024** | **3,058,109** | **3,058,109** |
| *Amortisation* | | |
| At 1 April 2023 | 3,037,146 | 3,037,146 |
| Charge for year | 66,939 | 66,939 |
| On disposals | (132,130) | (132,130) |
| **At 31 March 2024** | **2,971,955** | **2,971,955** |
| *Net book value* | | |
| **At 31 March 2024** | **86,154** | **86,154** |
| At 31 March 2023 | 147,227 | 147,227 |

Notes (continued)

**11. Investments (in Group and Company)**

| | In subsidiary companies | In Firstsource Group USA, Inc. | Total |
|---|---|---|---|
| | £ | £ | £ |
| Balance as at 1 April 2022 | 196,794 | 53,397,500 | 53,594,294 |
| Balance as at 31 March 2023 | 196,794 | 53,397,500 | 53,594,294 |
| | | | |
| Balance as at 1 April 2023 | 196,794 | 53,397,500 | 53,594,294 |
| Balance as at 31 March 2024 | 196,794 | 53,397,500 | 53,594,294 |

Impairment loss is recognised on investment in Firstsource B.P.O. Ireland Limited. The recoverable amount of the investment has been determined based on fair value of net Assets less Liabilities.

The undertakings in which the parent company's interest is more than 20% are as follows:

| Company | Country of Incorporation | Principal activity | Class and percentage of shares held | Net Assets position for year ended 31 March 2024 (£) | (Loss) for financial year ended 31 March 2024 (£) |
|---|---|---|---|---|---|
| Firstsource Solutions S.A. | Argentina | Provision of BPO services to Argentinean companies, currently non-trading | 99.98% of ordinary share capital | - | - |
| Firstsource B.P.O. Ireland Limited | Ireland | Provision of BPO services, currently non-trading | 100% of ordinary share capital | 128,676 | (18,938) |
| Firstsource BPO South Africa (Pty) Limited | South Africa | Provision of BPO services | 100% of ordinary share capital | (3,893) | (3,976) |

(a) During the year ended 31 March 2020, the Company made an investment in Firstsource Group USA, Inc. at fair value, and became 15 per cent shareholder for Firstsource Group USA, Inc. These shares do not carry any voting rights.

**12. Debtors - amounts falling due within one year**

| | Group 2024 | Company 2024 | Group 2023 | Company 2023 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Trade debtors | **12,255,466** | **12,255,466** | 12,946,238 | 12,946,238 |
| Other Receivables | **600,000** | **600,000** | 600,000 | 600,000 |
| Accrued income | **14,242,841** | **14,242,841** | 19,839,583 | 19,839,583 |
| Prepayments | **5,129,026** | **5,129,026** | 5,643,641 | 5,643,641 |
| Deferred tax asset (note 14) | **523,962** | **523,962** | 1,188,431 | 1,188,431 |
| Corporation tax | - | - | 175,830 | 175,830 |
| | **32,751,295** | **32,751,295** | 40,393,723 | 40,393,723 |

**13. Debtors - amounts falling due after one year**

| | Group 2024 | Company 2024 | Group 2023 | Company 2023 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Prepayments | **19,284,034** | **19,283,119** | 17,123,128 | 17,123,128 |

Includes unamortised portion of directly attributable costs incurred to fulfil a customer contract of £ 18,219,445 (2023 £ 15,496,233) Unamortised portion of rebate offered to customer at the inception of contract of £ 612,506 (2023: £ 1,220,205) and prepaid expenses.

Notes (continued)

**14. Deferred Tax**

| | Group 2024 | Company 2024 | Group 2023 | Company 2023 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| At beginning of the year | **1,188,431** | **1,188,431** | 65,041 | 65,041 |
| Debit to the profit and loss account for the year | **(664,469)** | **(664,469)** | 1,123,390 | 1,123,390 |
| At end of year | **523,962** | **523,962** | 1,188,431 | 1,188,431 |

| | | | | |
|---|---|---|---|---|
| **Deferred tax on account of:** | | | | |
| Property, Plant & Equipment | **523,962** | **523,962** | 186,693 | 186,693 |
| Brought Forward Losses | **-** | **-** | 1,001,738 | 1,001,738 |
| **Total** | **523,962** | **523,962** | **1,188,431** | **1,188,431** |

**15. Creditors:** amounts falling due within one year

| | Group 2024 | Company 2024 | Group 2023 | Company 2023 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Trade creditors | **875,233** | **875,233** | 538,090 | 538,090 |
| Amounts owed to parent and fellow group undertakings | **30,683,435** | **30,660,195** | 24,423,710 | 24,423,710 |
| Corporation tax | **1,175,273** | **1,175,273** | - | - |
| Finance lease liability | **-** | **-** | 15,453 | 15,453 |
| Line of Credit and Bank Overdrafts | **7,000,000** | **7,000,000** | 8,942,410 | 8,942,410 |
| Other tax and social security | **6,010,247** | **6,010,646** | 8,269,306 | 8,269,306 |
| Other creditors | **9,316,077** | **9,316,077** | 22,454,718 | 22,454,718 |
| Accruals | **6,861,016** | **6,846,556** | 9,674,173 | 9,662,558 |
| Advance Receipt from customers | **1,299,127** | **1,299,127** | - | - |
| | **63,220,408** | **63,183,107** | 74,317,860 | 74,306,245 |

Amounts owed to parent and fellow group undertakings are unsecured, interest free and repayable on demand.

Finance lease liability carries interest in the range of 0.82% - 3.10% for a period from December 2017 to March 2024, repayable in quarterly installments.

Line of credit from bank carries interest in the range of 1% - 7.50%., these are working capital lines.

The amount due in respect of Other tax and social security is comprised as follows:

| | Group 2024 | Company 2024 | Group 2023 | Company 2023 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| VAT | **3,909,174** | **3,909,174** | 5,650,839 | 5,650,839 |
| Apprenticeship Levy | **39,373** | **39,373** | 64,390 | 64,390 |
| National Insurance Payable | **2,062,099** | **2,062,099** | 2,554,077 | 2,554,077 |
| | **6,010,646** | **6,010,646** | 8,269,306 | 8,269,306 |

**Notes** (continued)

**16. Creditors:** amounts falling due after more than one year

| | **Group 2024** | **Company 2024** | Group 2023 | Company 2023 |
|---|---|---|---|---|
| | **£** | **£** | £ | £ |
| Finance lease liability | - | - | - | - |
| | - | - | - | - |

The maturity of obligations under finance leases is as follows:

| | **Group 2024** | **Company 2024** | Group 2023 | Company 2023 |
|---|---|---|---|---|
| | **£** | **£** | £ | £ |
| Within one year | - | - | 15,453 | 15,453 |
| In the second to fifth years | - | - | - | - |
| | - | - | 15,453 | 15,453 |

Finance lease liabilities carry an interest rate in the range of 0.82% to 3.10% and are repayable in quarterly instalments of principal and interest.

Notes (continued)

## 17. Called up share capital

| **Group and company** | **2024** | 2023 |
|---|---|---|
| | **£** | £ |
| ***Authorised:*** | | |
| 3,500,000 ordinary shares of £1 each | **3,500,000** | 3,500,000 |
| ***Allotted, called up and fully paid - presented as equity:*** | | |
| 2,834,672 ordinary shares of £1 each | **2,834,672** | 2,834,672 |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at all meetings.

*Translation reserve*

The translation reserve reflects the exchange rate changes in the year on investments held by Firstsource Solutions UK Limited.

*Capital contribution reserve*

The capital contribution reserve relates to a capital contribution made by the shareholders to the Company in prior years.

Notes (continued)

## 18. Commitments

Operating lease rentals are payable as follows:

| | 2024<br>Land and buildings<br>£ | 2023<br>Land and buildings<br>£ |
|---|---|---|
| **Group** | | |
| Within one year | **3,329,369** | 3,437,047 |
| In the second to fifth years inclusive | **8,431,957** | 8,101,760 |
| Over five years | **1,066,480** | 2,416,438 |
| | **12,827,806** | 13,955,245 |

| | 2024<br>Land and buildings<br>£ | 2023<br>Land and buildings<br>£ |
|---|---|---|
| **Company** | | |
| Within one year | **3,329,369** | 3,437,047 |
| In the second to fifth years inclusive | **8,431,957** | 8,101,760 |
| Over five years | **1,066,480** | 2,416,438 |
| | **12,827,806** | 13,955,245 |

Notes (continued)

**19. Related party transactions**

The company has taken advantage of the exemptions conferred by FRS 102 not to disclose transactions with members of the group headed by Firstsource Solutions Limited ultimate parent on the grounds that the company is included in the consolidated financial statements. The below related parties are not wholly owned subsidiaries of the company.

| Name of the related party | Description | Transaction value during year | | Receivable / (Payable) at | |
|---|---|---|---|---|---|
| | | **March 31, 2024** | March 31, 2023 | **March 31, 2024** | March 31, 2023 |
| Firstsource Solutions Limited | Reimbursement of expenses | **7,543,643** | 10,580,668 | - | - |
| | Services rendered to business | **46,298,480** | 36,488,557 | - | - |
| | Recovery of expense | **266,532** | 79,694 | - | - |
| | Payable | - | - | **(30,587,875)** | (23,544,839) |
| Firstsource Group USA Inc | Reimbursement of expenses | **21,520** | 125,054 | - | - |
| | Recovery of expense | **5,198** | 73,558 | - | - |
| | Payable | - | - | **(15,463)** | (1,213) |
| Firstsource Health Plans and Healthcare Services, LLC | Reimbursement of expenses | **42,840** | 2,455 | - | - |
| | Payable | - | - | **(44,052)** | - |
| MedAssist Holding LLC | Reimbursement of expenses | **34,901** | - | - | - |
| | Payable | - | - | **(34,901)** | - |
| Firstsource Advantage LLC | Reimbursement of expenses | **5,335** | 5,961 | - | - |
| | Services rendered to business | **758,420** | 2,189,846 | - | - |
| | Recovery of expense | **41,595** | 51,793 | - | - |
| | Payable | - | - | **(990)** | (877,658) |

**20. Ultimate parent company**

The company is a subsidiary undertaking of Firstsource Solutions Limited, a company incorporated in India. The ultimate controlling party is RPSG Ventures Limited (formerly known as CESC Ventures Limited).

The largest group in which the results of the Company are consolidated is that headed by Firstsource Solutions Limited. The consolidated financial statements of this

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Mindspace
Link Road
Malad (West)
Mumbai - 400 064
India

**21. Subsequent events**

The Company evaluated subsequent events from the balance sheet date through 27 December 2024 and determined there are no material items to report.