

3i Infotech - Framework Limited

Report and Financial Statements

Year Ended

31 March 2013

Company Number 04022124



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3i Infotech - Framework Limited

Report and financial statements
for the year ended 31 March 2013

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Directors

C Attra
I Hallam
P Iyer
G Jagadeesh

Secretary and registered office

G Jagadeesh, Level 35, Mail Drop CGC 35-02, 25 Canada Square, Canary Wharf, London, E14 5LQ

Company number

04022124

Auditors

BDO LLP, 125 Colmore Row, Birmingham, B3 3SD

3i Infotech - Framework Limited

Report of the directors for the year ended 31 March 2013

The directors present their report together with the audited financial statements for the year ended 31 March 2013

Results and dividends

The profit and loss account is set out on page 6 and shows the loss for the year

The directors do not recommend the payment of a dividend

Principal activities

The company's principal activity is the provision of software and related services to companies that operate in the Private Equity and Alternative Assets sectors

Business Review

Revenues are generated from the licensing and maintenance of the Framework product, for which the intellectual property is owned by the company. The product needs to be implemented for use by a client, and implementation work is usually chargeable, either as a fixed price contract or as time and materials. Other sources of revenue are generated from the range of additional services that the company provides. Sometimes clients who use the Framework product need bespoke developments to support their business, and these are charged as either fixed price or as time and materials projects.

The major cost in the company is therefore the staff that creates and maintains the software products, or provides the services to customers. Costs include salary and bonus, travel and subsistence, as well as office accommodation and systems on which to work. In order to promote the products and services available, the company employs sales staff and runs a range of marketing including targeting the prospective clients.

Generally, the company provides products and services to the Financial Services industry, in the Western European market and following previous sales activity to the North American market.

3i Infotech - Framework Limited

Report of the directors for the year ended 31 March 2013 (*continued*)

Funding and going concern

The ultimate parent company continues to be under a Corporate Debt Restructuring process ("CDR"), a mechanism agreed by the Reserve Bank of India to allow and enforce the arrangements for a rescheduling of debt. The UK group's current banking facilities amount to £2 675m and are fully guaranteed by a third party bank in India. This guarantee is subject to the requirements of the CDR and under the CDR requirements the guarantee must be kept in place throughout the CDR process which can be extended to 2021 if necessary under the terms of the CDR. The group bank facilities are only made available under the protection of the guarantee and are due for renewal in January 2014. Should the group still be under the CDR at the renewal date the facility should be rolled forward with the continued guarantee.

The directors of the ultimate parent company are considering an exit from the CDR on a voluntarily basis through the agreement of new group foreign currency loan to enable the interest burden to be reduced that is currently being experienced under the CDR arrangements. If this happens the directors have received formal written confirmation from the directors of the ultimate parent company that they will provide a minimum funding of at least the £2 675m bank facility to the company to replace the current bank facility for a period of no less than 12 months from the date of approval of these financial statements.

The directors have prepared detailed profit and cash flow forecasts for the group for the period to 31 March 2015, which show that the group will be able to operate within the currently agreed and expected to be available £2 675m facilities or funding for at least the 12 months from the date of approval of these financial statements.

Based on directors' discussions with the directors of the ultimate parent company and their understanding of the CDR process the directors are satisfied that the appropriate guarantees to retain the current bank facilities are in place or that funding from the ultimate parent company will be made available to enable continued trading and the payment of debts as they fall due for the 12 months from the date of approval of these financial statements. On this basis the directors consider that it remains appropriate to prepare the financial statements on the going concern basis.

Directors

The directors of the company during the year were

C Attra (appointed 24 September 2012)
A Chintopanth (resigned 17 May 2012)
I Hallam
P Iyer (appointed 17 May 2012)
G Jagadeesh (appointed 24 September 2012)

3i Infotech - Framework Limited

Report of the directors for the year ended 31 March 2013 (*continued*)

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

On behalf of the board



I Hallam
Director

17/12/13

3i Infotech - Framework Limited

Independent auditor's report

To the member of 3i Infotech - Framework Limited

We have audited the financial statements of 3i Infotech - Framework Limited for the year ended 31 March 2013 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member 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 member 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 member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its loss 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

3i Infotech - Framework Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

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

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

Handwritten signature:
T L
18 Feb 2013

*Thomas Lawton (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

3i Infotech - Framework Limited

Profit and loss account for the year ended 31 March 2013

	Note	2013 £'000	2012 £'000
Turnover	2	1,696	2,466
Administrative expenses		2,025	3,162
		<hr/>	<hr/>
Loss on ordinary activities before and after taxation for the financial year		(329)	(696)
		<hr/>	<hr/>

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

The notes on pages 8 to 13 form part of these financial statements

3i Infotech - Framework Limited

Balance sheet at 31 March 2013

<i>Company number 04022124</i>	Note	2013 £'000	2013 £'000	2012 £'000	2012 £'000
Current assets					
Debtors	7	1,012		2,081	
Cash at bank and in hand		4		19	
		<u>1,016</u>		<u>2,100</u>	
Creditors: amounts falling due within one year					
	8	4,518		4,442	
		<u> </u>		<u> </u>	
Current assets less current liabilities			(3,502)		(2,342)
Creditors: amounts falling due after more than one year					
	9		1,387		2,218
			<u> </u>		<u> </u>
			(4,889)		(4,560)
			<u> </u>		<u> </u>
Capital and reserves					
Called up share capital	11		1		1
Profit and loss account	12		(4,890)		(4,561)
			<u> </u>		<u> </u>
Shareholder's deficit	13		(4,889)		(4,560)
			<u> </u>		<u> </u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements were approved by the board of directors and authorised for issue on 17/02/2013

I Hallam
Director



G Jagadeesh
Director



The notes on pages 8 to 13 form part of these financial statements

3i Infotech - Framework Limited

Notes forming part of the financial statements for the year ended 31 March 2013

1 Accounting policies

The financial statements have been prepared under the historical cost convention

The following principal accounting policies have been applied

Funding arrangements and going concern

The ultimate parent company continues to be under a Corporate Debt Restructuring process ("CDR"), a mechanism agreed by the Reserve Bank of India to allow and enforce the arrangements for a rescheduling of debt. The UK group's current banking facilities amount to £2 675m and are fully guaranteed by a third party bank in India. This guarantee is subject to the requirements of the CDR and under the CDR requirements the guarantee must be kept in place throughout the CDR process which can be extended to 2021 if necessary under the terms of the CDR. The group bank facilities are only made available under the protection of the guarantee and are due for renewal in January 2014. Should the group still be under the CDR at the renewal date the facility should be rolled forward with the continued guarantee.

The directors of the ultimate parent company are considering an exit from the CDR on a voluntarily basis through the agreement of new group foreign currency loan to enable the interest burden to be reduced that is currently being experienced under the CDR arrangements. If this happens the directors have received formal written confirmation from the directors of the ultimate parent company that they will provide a minimum funding of at least the £2 675m bank facility to the company to replace the current bank facility for a period of no less than 12 months from the date of approval of these financial statements.

The directors have prepared detailed profit and cash flow forecasts for the group for the period to 31 March 2015, which show that the group will be able to operate within the currently agreed and expected to be available £2 675m facilities or funding for at least the 12 months from the date of approval of these financial statements.

Based on directors' discussions with the directors of the ultimate parent company and their understanding of the CDR process the directors are satisfied that the appropriate guarantees to retain the current bank facilities are in place or that funding from the ultimate parent company will be made available to enable continued trading and the payment of debts as they fall due for the 12 months from the date of approval of these financial statements. On this basis the directors consider that it remains appropriate to prepare the financial statements on the going concern basis.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Revenue from licences are recognised upon delivery to a customer when there are no significant vendor obligations remaining and the collection of the resulting receivable is considered probable. In circumstances where a considerable vendor obligation exists, revenue recognition is delayed until the obligation has been satisfied. Service revenue comprises revenues for maintenance, transaction processing and professional services. Maintenance and support contracts are recognised rateably over the period of the contract. Where multiple element contracts are entered into and the constituent parts do not stand alone, all revenues are spread over the period of the contract. Electronic data interchange and remote processing services are recognised monthly as work is performed. Professional services, such as implementation, training and consultancy, are recognised, when the services are performed.

3i Infotech - Framework Limited

Notes forming part of the financial statements
for the year ended 31 March 2013 (*continued*)

1 Accounting policies (*continued*)

Deferred taxation

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 the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 2006.

Related party disclosures

The company is a wholly owned subsidiary of 3i Infotech Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with 3i Infotech Limited or other wholly owned subsidiaries within the group.

2 Turnover

The proportion of turnover that is attributable to markets outside the United Kingdom is 36% (2012 - 60%)

3 Operating loss

Audit fees in 2013 and 2012 were borne by the parent undertaking, 3i Infotech (Western Europe) Limited

3i Infotech - Framework Limited

Notes forming part of the financial statements
for the year ended 31 March 2013 (*continued*)

4 Employees

Staff costs (including directors) consist of

	2013 £'000	2012 £'000
Wages and salaries	1,306	1,908
Social security costs	142	199
Other pension costs	90	120
	<u>1,538</u>	<u>2,227</u>

The average number of employees (including directors) during the year was as follows

	2013 Number	2012 Number
Programming and support	18	35
Sales and marketing	-	2
Administration and management	-	1
	<u>18</u>	<u>38</u>

5 Directors' remuneration

Directors were remunerated in the year through the parent undertaking, 3i Infotech (Western Europe) Limited

3i Infotech - Framework Limited

Notes forming part of the financial statements
for the year ended 31 March 2013 (*continued*)

6 Taxation on loss on ordinary activities

The tax assessed for the year is different to that of the standard rate of corporation tax in the UK applied to loss before tax

	2013 £'000	2012 £'000
Loss on ordinary activities before tax	(329)	(696)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 24% (2012 - 26%)	(79)	(181)
Effect of		
Expenses not deductible for tax purposes	-	1
Losses carried forward	18	119
Group relief surrendered for nil payment	61	61
Current tax charge for the year	-	-

Factors that may affect future tax charges

The 2012 budget reduced the corporation tax rate to 23% applicable from 1 April 2013. This was substantively enacted on 3 July 2012. The Chancellor's Statement on 20 March 2013 announced that the UK corporation tax will reduce to 21% by 1 April 2014. These announcements will reduce the company's future current tax charge accordingly.

7 Debtors

	2013 £'000	2012 £'000
Trade debtors	74	172
Other debtors	938	1,909
	1,012	2,081

All amounts shown under debtors fall due for payment within one year

3i Infotech - Framework Limited

Notes forming part of the financial statements
for the year ended 31 March 2013 (*continued*)

8 Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Amounts owed to group undertakings	3,602	3,292
Taxation and social security	14	15
Accruals and deferred income	902	1,135
	<u>4,518</u>	<u>4,442</u>

The amounts due to parent company are unsecured and do not carry any interest. Although the amounts due are technically repayable within 12 months of the balance sheet date the directors do not expect that any significant repayments will be made in that period. As explained in note 1 the directors of the parent company have formally confirmed that the parent company will continue to support the Company and the Group for at least to the period 31 March 2015.

9 Creditors: amounts falling due after more than one year

	2013 £'000	2012 £'000
Accruals and deferred income	1,387	2,218
	<u>1,387</u>	<u>2,218</u>

10 Pensions

The company provides benefits to its employees through a group personal pension scheme with Scottish Equitable. The pension cost charge for the period represents contributions payable to the scheme and amounted to £90,000 (2012: £120,000).

There were no outstanding contributions at 31 March 2013 (2012: £nil).

11 Share capital

	2013 £'000	2012 £'000
<i>Allotted, called up and fully paid</i>		
1,000 ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>

3i Infotech - Framework Limited

Notes forming part of the financial statements
for the year ended 31 March 2013 (*continued*)

12 Reserves

	Profit and loss account £'000
At 1 April 2012	(4,561)
Loss for the year	(329)
	<hr/>
At 31 March 2013	(4,890)
	<hr/>

13 Reconciliation of movements in shareholder's deficit

	2013 £'000	2012 £'000
Loss for the year	(329)	(696)
Opening shareholder's deficit	(4,560)	(3,864)
	<hr/>	<hr/>
Closing shareholder's deficit	(4,889)	(4,560)
	<hr/>	<hr/>

14 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary of 3i Infotech (Western Europe) Limited, a company incorporated in the United Kingdom. The largest group in which the results of the company are consolidated is that headed by 3i Infotech Limited, a public company incorporated in India. The consolidated accounts of this company are available to the public and may be obtained from CFO office, 6th floor Akrut Centre Point, MIDC Central Road, next to Maori Telephone Exchange, Andheri (East), Mumbai 300 093 India. The smallest group in which they are consolidated is that headed by 3i Infotech (UK) Limited, incorporated in the United Kingdom.