

Registered Number: 2503575

**ROOM Solutions Limited
Annual Report and Financial Statements
For the year ended 31 March 2010**

ROOM Solutions Limited

Annual Report and Financial Statements for the year ended 31 March 2010

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ROOM Solutions Limited

Company Information

Directors

Arvind Thakur
Rajendra S Pawar
Arvind Mehrotra
Amit Sharma

Company secretary

ABOGADO Nominees Limited

Registered office

100 New Bridge Street
London
EC4V 6JA

Registered number

2503575

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Bankers

Natwest Bank
Reading Market Place
13 Market Place
Reading Berks
RG1 2EP

ROOM Solutions Limited

Directors' Report for the year ended 31 March 2010

The directors present their annual report and the audited financial statements of ROOM Solutions Limited ('the Company') for the year ended 31 March 2010. Figures are rounded to one decimal place.

Principal activities

The principal activity of the Company is the provision of software and services to the London and International Insurance Markets.

Business review and future developments

The results for the Company show a pre-tax profit of £0.7m (31 March 2009: £1.4m) for the year and sales of £13.7m (31 March 2009: £14.7m). The Company has net assets of £2.9m (2009: £2.3m).

No interim dividend was paid during the year (31 March 2009 £1.0m). The directors do not recommend a payment of a final dividend (31 March 2009).

The Company has recently secured a major order for a European based insurance platform. This will greatly increase our foothold in the European market, providing a firm base from which to pursue more business.

The Company plans to continue to focus closely on its customers, and expand the scope of services it provides them. Feedback from customers continues to show a substantial improvement in our delivery capabilities. The Company now plans to utilise its improved delivery achievements and build the quality and scope of its professional services organisation.

In the forthcoming financial year the Company will bring to market, offerings where the group reputation for excellence can be leveraged.

Key performance indicators (KPIs)

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties facing the Company

The market we serve, large commercial insurance and reinsurance, has been relatively strong during the difficulties of the last year. London market companies however are experiencing an unprecedented number of pressures at this time, these include regulatory change, globalisation and mergers & acquisitions. This will warrant substantial investments in new IT systems over the coming years. The Company is uniquely positioned with a strong market reputation and a unique combination of domain knowledge and IT skills to take advantage of such market conditions.

The Company will be progressively delivering more innovative ipf3 offerings during the coming year. In parallel we will be continually strengthening the existing product base.

Financial risk management

The Company's operations expose it to a variety of limited financial risks including the effects of changes in interest rates on debt, foreign currency exchange rates, credit risk and liquidity risk.

The Company does not use derivative instruments to manage these exposures.

The Company's principal financial instruments comprise sterling bank deposits and other loans together with trade debtors and trade creditors that arise directly from its operations.

ROOM Solutions Limited

Directors' Report for the year ended 31 March 2010 (continued)

The main risks arising from the Company's financial instruments can be analysed as follows:

Credit risk

The Company's principal financial assets are bank balances and trade debtors, which represent the Company's maximum exposure to credit risk in relation to financial assets.

The Company's credit risk is primarily attributable to its trade debtors. This risk is not felt to be significant as the market place which ROOM addresses consists of blue chip insurance companies and Lloyd's Syndicates.

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Liquidity risk

The Company has adequate capital to support its working capital requirements. Proactive receivables management results in a favourable working capital position. Management continue to focus on this area.

Foreign Exchange risk

A proportion of the Company's trading is conducted in Euros and US Dollars. However, any exposure to foreign exchange risk is the normal course of business and is deemed to be immaterial.

Interest rate cash flow risk

The Company's favourable liquidity situation did not warrant any significant borrowing in the current year. Policies in this regard will be reviewed regularly by the Directors.

Qualifying third party indemnity provision

The Company has a Directors and Officers Liability insurance policy. This is in force at the date of the balance sheet. The limit of indemnity is £1,000,000

Research and development

The Company continues to invest in researching and developing new and innovative products and services to help improve the efficiency of the insurance market.

Directors

The current directors of the Company are set out on page 1. All of the directors serving during the year and up to the date of signing the financial statements are listed below:

Marcus J Broome (Resigned 31 December 2009)
Arvind Thakur
Rajendra S Pawar
Arvind Mehrotra
Amit Sharma (Appointed 21 May 2009)

ROOM Solutions Limited

Directors' Report for the year ended 31 March 2010 (continued)

Statement of 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Disclosure of information to auditors

At the date of approving this report each of the company's directors, as set out on page 3, confirm the following:

- so far as each director is 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 in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Board Meeting.

On behalf of the Board

Arvind Thakur
Director

30 April 2010

ROOM Solutions Limited

Independent Auditors' Report to the Members of ROOM Solutions Limited

We have audited the financial statements of the company for the year ended 31 March 2010 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

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 2010 and of its profit 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 matter 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.

ROOM Solutions Limited

Independent Auditors' Report to the Members of ROOM Solutions Limited (continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Phil Sayers
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 April 2010

ROOM Solutions Limited

Profit and Loss account for the year ended 31 March 2010

	Note	2010		2009	
		£	INR	£	INR
Turnover	2	13,725,816	1,041,771,727	14,664,511	1,165,998,244
Cost of sales		(389,078)	(29,530,518)	(441,568)	(35,109,763)
Gross profit		13,336,738	1,012,241,209	14,222,943	1,130,888,481
Administrative expenses		(12,639,757)	(959,341,250)	(12,957,757)	(1,030,291,560)
Operating (loss)/profit	3	696,981	52,899,959	1,265,186	100,596,921
Interest receivable and similar income	4	16,216	1,230,773	91,564	7,280,397
Profit on ordinary activities before taxation		713,197	54,130,732	1,356,750	107,877,318
Tax on profit on ordinary activities	5	(127,626)	(9,686,649)	(344,501)	(27,391,814)
Profit for the financial year	14	585,571	44,444,083	1,012,249	80,485,504

The company's profits are derived entirely from continuing operations.

The company has no recognised gains and losses other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented.

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial years stated above, and their historical cost equivalents.

ROOM Solutions Limited

Balance Sheet as at 31 March 2010

	Note	2010		2009	
		£	INR	£	INR
Fixed assets					
Intangible assets	9	394,612	26,934,327	504,737	36,701,242
Tangible assets	10	208,046	14,200,225	441,026	32,068,586
		602,658	41,134,552	945,763	68,769,828
Current assets					
Debtors (including £70,500 (2009: £70,500) due after one year)	11	3,797,301	259,185,601	4,745,266	345,045,349
Cash at bank and in hand		3,862,564	263,640,141	1,503,569	109,329,907
		7,659,865	522,825,742	6,248,835	454,375,256
Creditors: amounts falling due within one year	12	(5,371,348)	(366,622,519)	(4,888,994)	(355,496,329)
Net current assets		2,288,517	156,203,223	1,359,841	98,878,927
Total assets less current liabilities		2,891,175	197,337,775	2,305,604	167,648,755
Net assets		2,891,175	197,337,775	2,305,604	167,648,755
Capital and reserves					
Called up share capital	13	12,557	857,081	12,557	913,065
Share premium account	14	1,749,257	119,395,915	1,749,257	127,194,765
Profit and loss account	14	1,129,361	77,084,779	521,078	37,889,455
Other reserves	15	-	-	22,712	1,651,471
Total equity shareholders' funds	16	2,891,175	197,337,775	2,305,604	167,648,755

The financial statements on pages 7 to 20 were approved by the Board on 30 April 2010 and signed on its behalf by:

Arvind Thakur
Director

Registered Number: **2503575**

ROOM Solutions Limited

Notes to the Financial Statements for the year ended 31 March 2010

1 Accounting policies

Basis of accounting

The financial statements are prepared on a going concern basis under the historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently with the prior year, are set out below.

Turnover

Turnover represents sales to customers, net of value added tax. Turnover is derived from the company's principal activity. All turnover relates to business activities in the United Kingdom.

Recognition of revenue

Revenue may be recognised in respect of a contract, which is defined herein to be either a single contract taken as a whole or an unbundled part of a contract. However an unbundled part may be considered only if the contractual obligations for completion of it can be met without any material dependency on other components of the bundled contract.

Some contracts are determined at the outset to be short term in nature. These generally relate to short studies, the supply of professional services on a time and materials basis, or the supply of products that are sold in a standard form without any material modification. All other contracts are deemed to be long-term contracts.

For any contract, revenue is recognised only when a signed contract exists and the collection of the associated receivable is considered probable.

For a short term contract, revenue is recognised when there is a right to consideration, when delivery to the customer has occurred and there are no significant vendor obligations remaining. For long term maintenance contracts, revenue is recognised in equal instalments over the period of the contract.

For all other long term contracts revenue is normally recognised on a 'percentage of completion' basis at the balance sheet date, with 'percentage completion' being measured by the costs to date as a percentage of the estimated costs to completion. Any loss on a contract is recognised in full as soon as a loss is foreseen by reference to the estimated cost to completion.

The amount by which turnover exceeds payments on account is shown under debtors as amounts recoverable on contracts.

The amount by which billings are made in advance, and revenue taken subsequently in line with other accounting policies is shown under creditors as deferred income.

ROOM Solutions Limited

Notes to the Financial Statements for the year ended 31 March 2010 (continued)

1 Accounting policies (continued)

Development costs (Intangible assets)

Development costs are stated at cost less a provision for amortisation and any provision for impairment.

Costs incurred during the development period of new software products, which substantially improve those products already offered by the company, are treated as development costs. These costs are capitalised and amortised over the life of the product. Costs that are capitalised comprise directly attributable incremental costs incurred during the development period, including wages and salaries of staff employed solely for the purpose of developing the new product, and third party costs.

Amortisation of the development costs occurs on a straight line basis over five years. Impairment reviews are performed annually to ensure the present value of estimated future income streams from the associated products, exceeds the capitalised cost.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected economic useful lives. Where there is evidence of impairment, fixed assets are written down to their recoverable amount. Any such write down would be charged to operating profit. The principal annual rates used are as follows:

Furniture and equipment	- 20%
Plant and machinery	- 33%

Leases

Assets held under finance leases are included in the balance sheet and depreciated in accordance with the company's normal accounting policy as shown above. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the balance of capital repayments outstanding

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the terms of the leases.

Stock options

In accordance with FRS 20, fair value calculations are derived using the Black-Scholes model. The total amount to be expensed over the vesting year is determined by reference to the fair value of the options granted. This is recognised as an expense over the vesting period, with a corresponding increase in other reserves. At each balance sheet date, the company revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the profit and loss account, with a corresponding adjustment to other reserves.

In the event that options are granted with an exercise price lower than the prevailing market price at grant date, NIIT Technologies Limited, India makes a recharge to the Company in respect of share options granted to the Company's employees. When incurred, these inter-company charges are offset in other reserves against the relevant capital contribution.

ROOM Solutions Limited

Notes to the Financial Statements for the year ended 31 March 2010 (continued)

1 Accounting policies (continued)

Deferred taxation

Deferred tax is provided, except as noted below, on timing differences that have arisen but not reversed by the balance sheet date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future. Timing differences arise because of differences between the treatment of certain items for accounting and taxation purposes.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax is measured at the average tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Pensions

Pension contributions to the defined contribution Room Solutions Limited Group Personal Pension Scheme are charged to the profit and loss account in the period in which contributions are incurred.

Foreign currency

Foreign currency transactions during the year are converted into sterling using the rate at the beginning of the month in which they occur. At the year end monetary assets and liabilities in foreign currency amounts have been converted at the exchange rate on the balance sheet date. All foreign exchange differences are taken to the profit and loss account in the period in which they arise.

Cash flow statement

The Company is a wholly owned subsidiary of a group headed by NIIT Technologies Limited, India, and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the company has taken advantage of the exemption within FRS 1 'Cash flow statements (revised 1996)' from preparing a cash flow statement.

2 Segmental reporting

The turnover of the Company has been derived from its principal activity for which a geographical analysis by destination is given below. The Company has only one main class of business.

	2010		2009	
	£	INR	£	INR
UK	11,156,738	846,782,021	13,369,413	972,138,080
Europe	2,136,732	162,175,202	552,767	40,193,676
Rest of the World	432,346	32,814,504	742,331	53,977,556
	13,725,816	1,041,771,727	14,664,511	1,066,309,311

ROOM Solutions Limited

Notes to the Financial Statements for the year ended 31 March 2010 (continued)

3 Operating profit

Operating profit is arrived at after charging/(crediting):

	2010		2009	
	£	INR	£	INR
Fees payable to company auditor for : The audit of the company pursuant to legislation	30,000	2,276,961	27,849	2,025,001
Tax services	11,600	880,425	12,405	902,012
Other services	8,700	660,319	3,000	218,141
Depreciation and amortisation: Owned tangible fixed assets	269,958	20,489,464	342,188	24,881,720
Research and development	110,125	8,358,345	45,885	3,336,463
Rentals under operating leases: Other	339,080	25,735,735	339,080	24,655,726
Plant & machinery	25,669	1,948,244	19,227	1,398,064
Loss/(Profit) on disposal of fixed assets	88	6,679	302	21,960
Foreign exchange (gain)/loss	6,110	463,741	(15,904)	(1,156,437)

4 Interest receivable and similar income

	2010		2009	
	£	INR	£	INR
Bank interest	16,216	1,230,773	55,739	4,431,895
Loan Interest from group companies			35,825	2,848,502
	16,216	1,230,773	91,564	7,280,397

ROOM Solutions Limited

Notes to the Financial Statements for the year ended 31 March 2010 (continued)

5 Tax charge on profit on ordinary activities

	2010		2009	
	£	INR	£	INR
Current tax:				
UK Corporation tax at 28%	191,738	14,552,667	319,467	25,401,322
Adjustments in respect of prior years	(25,249)	(1,916,367)	(23,015)	(1,829,959)
Total current tax charge	166,489	12,636,300	296,452	23,571,363
Deferred tax:				
Accelerated capital allowances				
	(22,375)	(1,698,234)	(30,947)	(2,460,644)
Short term timing differences				
	(16,488)	(1,251,418)	78,996	6,281,096
Total deferred tax debit/(credit)	(38,863)	(2,949,652)	48,049	3,820,451
Tax charge on profit on ordinary activities	127,626	9,686,649	344,501	27,391,814

The tax assessed for the year is lower (2009: Lower) than the standard rate of corporation tax in the United Kingdom 28% (2009: 28%). The differences are explained below:

Factors affecting tax charge for year/period

Profit on ordinary activities before tax	713,198	54,130,808	1,356,750	107,877,318
Profit on ordinary activities at the standard rate of UK corporation tax 28% (2009: 28%)	199,695	15,156,593	379,890	27,623,168
Depreciation in excess of capital allowance	22,453	1,704,154	19,884	1,445,837
Expenses not deductible for tax purposes	(52,266)	(3,966,922)	(19,404)	(1,410,935)
Other short term timing differences	21,856	1,658,842	(60,903)	(4,428,476)
Adjustments in respect of prior years	(25,249)	(1,916,367)	(23,015)	(1,673,503)
	166,489	11,363,743	296,452	21,556,091

The deferred taxation asset of £150,185 (2009: £111,322) has been recognised and is disclosed within debtors (see note 11)

	2010		2009	
	£	INR	£	INR
Accelerated capital allowances	150,385	10,264,561	128,010	9,308,067
Short-term timing differences	(14,203)	(969,429)	(36,744)	(2,671,788)
Pension provision	14,003	955,778	20,056	1,458,344
Deferred tax asset	150,185	10,250,910	111,322	8,094,623

ROOM Solutions Limited

Notes to the Financial Statements for the year ended 31 March 2010 (continued)

5 Tax charge on profit on ordinary activities (continued)

	2010		2009	
	£	INR	£	INR
Deferred tax asset as at 1 April 2009	111,322	8,094,623	159,371	12,685,932
Movement during the year	38,863	2,949,652	(48,049)	(3,820,451)
Currency Translation Reserve		(793,365)	-	(770,858)
Deferred tax asset as at 31 March 2010	150,185	10,250,910	111,322	8,094,623

Based on current capital investment plans, the company expects to continue to be able to claim capital allowances in excess of depreciation in future years at a similar level to the current year.

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements.

6 Employees

	2010		2009	
	£	INR	£	INR
Staff costs during the year (including directors)				
Wages and salaries	4,951,305	375,797,662	5,669,080	450,757,432
Social security costs	529,912	40,219,637	587,073	46,679,094
Other pension costs	740,469	56,200,642	736,745	58,579,749
Other staff costs	169,786	12,886,538	144,597	11,497,134
	-	-	23,985	
Costs associated with share based payments (see note 18)				1,907,085
	6,391,472	485,104,479	7,161,480	569,420,494

The average number of persons employed by the company during the year, and calculated using a monthly average, was:

	31 March 2010	31 March 2009
By activity		
Software development and support staff	74	94
Sales and marketing	10	10
Administrative Staff	8	9
	92	113

Pension costs

The company operates a Defined Contribution Scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The pension cost charge represents contributions payable by the company to the Room Solutions Limited Company Personal Pension Scheme and amounts to £740,469 (2009: £736,745). There is an accrual at the year end for the Company Personal Pension Scheme of £50,011 (2009: £71,630), representing one months contributions.

ROOM Solutions Limited

Notes to the Financial Statements for the year ended 31 March 2010 (continued)

7 Directors Emoluments

	2010		2009	
	£	INR	£	INR
Aggregate emoluments	91,770	6,965,225	152,652	12,137,600
Company contributions to money purchase pension schemes	23,652	1,795,156	18,396	1,462,695
	115,422	8,760,381	171,048	13,600,294

The emoluments and any options granted in respect of share schemes of Arvind Thakur, Arvind Mehrotra, Rajendra S Pawar and Amit Sharma were paid by other group companies, and they are deemed to be wholly attributable to the services of those companies. Accordingly, their emoluments are not disclosed in these financial statements.

Retirement benefits are accruing to Nil (2009: one) directors under a money purchase pension scheme.

During the year no directors (2009: nil) exercised share options of the Company or other group companies.

No directors (2009:nil) were entitled to shares under a long term incentive scheme.

8 Dividends

Declared and paid during the year	2010		2009	
	£	INR	£	INR
Ordinary Shares:				
Interim paid: 0.796p per 1p share (2008: 0.557p)	-	-	1,000,000	79,511,567

9 Intangible assets

Intangible assets	2010	
	£	INR
Cost		
At 1 April 2009	550,622	40,037,705
Currency Translation reserve		(2,454,881)
At 31 March 2010	550,622	37,582,824
Accumulated depreciation		
At 1 April 2009	45,885	3,336,463
Charged in the year	110,125	8,358,345
Currency Translation reserve		(1,046,312)
At 31 March 2010	156,010	10,648,496
Net book value		
At 31 March 2010	394,612	26,934,327
At 31 March 2009	504,737	36,701,242

ROOM Solutions Limited

Notes to the Financial Statements for the year ended 31 March 2010 (continued)

10 Tangible assets

	Furniture & Equipment		Plant & Machinery		Total	
	£	INR	£	INR	£	INR
Cost						
At 1 April 2009	385,994	28,067,011	2,583,580	187,861,389	2,969,574	215,928,401
Additions	5,102	387,235	32,664	2,479,155	37,766	2,866,391
Disposals	-	-	(1,289)	(97,833)	(1,289)	(97,833)
Currency Translation Reserve		(1,759,905)		(11,758,392)		(13,518,297)
At 31 March 2010	391,096	26,694,342	2,614,955	178,484,319	3,006,051	205,178,661
Accumulated depreciation						
At 1 April 2009	366,423	26,643,934	2,162,125	157,215,881	2,528,548	183,859,815
Charged in the year	8,277	628,214	261,681	19,861,250	269,958	20,489,464
Disposals	-	-	(501)	(38,025)	(501)	(38,025)
Currency Translation Reserve		(1,696,918)		(11,635,900)		(13,332,817)
At 31 March 2010	374,700	25,575,230	2,423,305	165,403,207	2,798,005	190,978,436
Net book value						
At 31 March 2010	16,396	1,119,113	191,650	13,081,112	208,046	14,200,225
At 31 March 2009	19,571	1,423,078	421,455	30,645,508	441,026	32,068,586

11 Debtors

	2010		2009	
	£	INR	£	INR
Trade debtors	3,011,978	205,583,210	3,723,446	270,745,144
Amounts recoverable on contracts	99,462	6,788,800	393,884	28,640,722
Deferred tax asset (see note 5)	150,185	10,250,910	111,322	8,094,623
Corporation tax debtor	15,665	1,069,218	-	-
Other debtors	184,318	12,580,665	98,384	7,153,854
Prepayments	335,693	22,912,798	418,230	30,411,007
	3,797,301	259,185,601	4,745,266	345,045,349

Other Debtors include £70,500 (2009, £70,500) which represents a deposit required under the lease agreement for the offices at The Walbrook Building.

ROOM Solutions Limited

Notes to the Financial Statements for the year ended 31 March 2010 (continued)

12 Creditors: amounts falling due within one year

	2010		2009	
	£	INR	£	INR
Trade creditors	263,893	18,012,074	361,343	26,274,548
Amount due to group undertakings	306,065	20,890,533	368,433	26,790,088
Corporation tax payable	-	-	48,263	3,509,376
Other taxes and social security creditors	558,527	38,122,381	595,097	43,271,642
Other creditors	55,128	3,762,774	85,028	6,182,692
Accruals	592,321	40,428,998	522,606	38,000,561
Deferred income	3,595,414	245,405,760	2,908,224	211,467,422
	5,371,348	366,622,519	4,888,994	355,496,329

Amounts owed to group undertakings represent trade balances and are unsecured, non interest bearing and have no fixed terms of repayment.

13 Called up share capital

	No of shares	2010		2009	
		£	INR	£	INR
Authorised					
Ordinary shares of 1p each	5,000,000	50,000	3,412,761	50,000	3,635,680
Allotted, called up and fully paid					
Ordinary shares of 1p each	1,255,720	12,557	857,081	12,557	913,065

14 Reserves

	Share premium account		Profit and loss account	
	2010		2010	
	£	INR	£	INR
At 1 April 2009	1,749,257	127,194,765	521,078	37,889,455
Profit for the financial year	-	-	585,571	44,444,083
Transfer from other reserves	-	-	22,712	1,550,212
Currency Translation Reserve		(7,798,850)	-	(6,798,971)
At 31 March 2010	1,749,257	119,395,915	1,129,361	77,084,779

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Notes to the Financial Statements for the year ended 31 March 2010 (continued)

15 Other reserves

The ultimate parent company, NIIT Technologies Limited, India, operates equity-settled, share-based compensation plans. Certain employees of the company are awarded options over the shares in the ultimate parent. The fair value of the employee services received using the Black-Scholes option pricing model in exchange for these grants of options is recognised as an expense, with a corresponding increase in Other reserves.

During the year, the company recognises the impact of the options granted in the profit and loss account, with a corresponding adjustment to Other reserves.

	£	INR
At 1 April 2009	22,712	1,550,212
Transfer to reserves	-22,712	(1,550,212)
At 31 March 2010	-	-

16 Reconciliation of movements in shareholder's funds

	2010		2009	
	£	INR	£	INR
Profit for the year	585,571	44,444,083	1,012,249	80,485,504
Dividends paid during the year	-	-	(1,000,000)	(79,511,567)
Other reserves	-	-	23,985	1,744,036
Currency Translation Reserve		(4,475,808)		(83,268)
Net change to shareholder's funds	585,571	39,968,275	36,234	2,634,704
Opening equity shareholder's funds	2,305,604	167,648,755	2,269,370	180,641,852
Currency Translation Reserve		(10,279,256)		(15,627,801)
Closing equity shareholder's funds	2,891,175	197,337,775	2,305,604	167,648,755

17 Financial commitments

At 31 March 2010 the company had annual commitments under non-cancellable operating leases expiring as follows:

	2010		2009	
	£	INR	£	INR
(i) Land and buildings, leases expiring				
Within two to five years	339,080	23,143,979	339,080	24,655,726
	339,080	23,143,979	339,080	24,655,726
(ii) Other, leases expiring				
Within one year	4,337	296,023	-	-
Within two to five years	9,480	647,059	25,669	1,866,485
	13,817	943,082	25,669	1,866,485

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Notes to the Financial Statements for the year ended 31 March 2010 (continued)

18 Share based payments

NIIT Technologies Limited, India, which is the ultimate holding company of Room Solutions Limited, operates the Employees Stock Option Plan (ESOP 2005). The remuneration committee of the holding company can grant options over shares in the holding company to employees of the group. Options are granted with a fixed exercise price. Awards under the ESOP are generally reserved for employees at senior management level. In the current year the holding company has issued grants on 19 October 2009. Exercise of an option is subject to continued employment. The fair market value of the shares was valued using the Black-Scholes option-pricing model. The fair value per option granted and the assumptions used in the calculation are as follows:

Grant Date	19 October 2009	28 July 2008	20 June 2007
Share price at grant date	INR 127.20	INR 107.40	INR 523.50
Exercise price	INR 127.20	INR 108.00	INR 523.50
Number of Employees	-	1	2
Options granted	-	15,000	27,840
Vesting Year	1 2	1	1
Volatility	66.17% 64.78%	65.62%	51.13%
Risk free interest rate	6.83% 7.01%	9.24%	7.93%
Option Life	3.5 3.5	4	4
Time to Maturity (years)	2.5 3.5	2.5	2.5
Dividend Yield	3.12% 3.12%	3.13%	3.63%
Option Fair Value	INR 50.24 INR 56.16	INR 43.78	INR 168.11

The expected volatility is considered as 66.17% and 64.78% for options with vesting periods of 1 and 2 years respectively for the options granted during the current financial year and is based on historical volatility in the share price movement of the ultimate holding company. The expected life is the average of the minimum and maximum life of the options. The risk free rate of return has been assumed at 6.83% and 7.01% for options with vesting periods of 1 and 2 years respectively based on long term Indian government securities. A reconciliation of option movements over the year to 31 March 2010 is shown below:

	2010 Number	2009 Number	2008 Number
Options outstanding at 1 April	7,904	27,840	-
Options Granted	-	15,000	18,560
Bonus options granted	-	-	9,280
Options lapsed	(7,904)	(19,936)	-
Outstanding at 31 March 2010	-	22,904	27,840
Exercisable at 31 March 2010	-	7,904	-

The net charge for the year relating to employee share based payment plans was £ Nil (2009: £23,985) all of which related to equity share based payment transactions.

ROOM Solutions Limited

Notes to the Financial Statements for the year ended 31 March 2010 (continued)

19 Related party transactions

The company has taken advantage of the exemption in paragraph 3 of FRS 8 'Related Party Disclosures' from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company, NIIT Technologies Limited, India. The consolidated financial statements published by the parent company are publicly available.

20 Ultimate holding company and controlling party

NIIT Technologies Limited, which is incorporated and registered in the UK, is the immediate parent company. The ultimate parent Company and controlling party is NIIT Technologies Limited, India a Company registered in India, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

NIIT Technologies Limited, India prepares group financial statements and copies can be obtained from B 234, Okhla Ph 1, New Delhi 110 020, India. Full consolidated financial statements can also be obtained for NIIT Technologies Limited, India, website at the following address, <http://www.niit-tech.com/financial-report.aspx?path=9/32&cnt=1>