UTI INTERNATIONAL LIMITED

3/31/2020

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

CONSOLIDATED FINANCIAL STATEMENTS

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MANAGEMENT AND ADMINISTRATION

Directors	Praveen Jagwani (CEO & Executive Director)
	Imtaiyazur Rahman (Non-Executive Director)
	Christopher M W Hill (Non-Executive Director)
Registered Office	Kingsway House, Havilland Street, St. Peter Port, Guernsey, Channel Islands.
Branches	*UK Branch* UTI International Limited 120 New Cavendish Street, London W1W 6XX, Tel: 020 3371 0303.
Subsidiaries	*UTI Investment Management Company (Mauritius) Limited* 3rd Floor, 355 NEX, Rue du Savoir Cybercity, Ebene 72201, Mauritius. *UTI International (Singapore) Private Limited* 3, Raffles Place # 08-02 Bharat Building, Singapore – 048617
Administrator and Secretary	*Cannon Asset Management Limited* Kingsway House, Havilland Street, St. Peter Port, Guernsey, Channel Islands.
Independent Auditor	*Ernst & Young LLP* Royal Chambers, St. Julian's Avenue, St Peter Port, Guernsey, Channel Islands.

DIRECTORS' REPORT

The Directors present their report and the audited Consolidated Financial Statements for the year ended 31 March 2020.

PRINCIPAL ACTIVITIES

UTI International Limited (the 'Company', the 'Group' or 'UTI International') is a 100% subsidiary of UTI Asset Management Company Limited, a company incorporated in India ('UTI AMC'). UTI International operates from its head office (HO) in Guernsey and its branch in London. UTI International has two wholly owned subsidiaries - UTI Investment Management Company (Mauritius) Limited ('UTI Mauritius') in Mauritius and UTI International (Singapore) Private Limited ('UTI Singapore') in Singapore. The Company, UTI Mauritius and UTI Singapore collectively form the UTI International Group (the 'Group').

The principal activities of the Group are the management and marketing of the Mauritius, Cayman and Ireland domiciled offshore funds setup by the erstwhile Unit Trust of India ('UTI') or UTI AMC and its subsidiaries, marketing of the domestic mutual fund schemes of UTI AMC in overseas markets and acting as Manager / Advisor to those entities investing in India through the Foreign Portfolio Investor ('FPI') route / regime. The Company manages The UTI India Fund Limited ('India Fund'), The India Pharma Fund Limited. ('Pharma Fund'), The India Debt Opportunities Fund Limited (IDOF). However, IDOF now stands redeemed as of March 19, 2019. UTI Mauritius acts as an investment Manager to Shinsei UTI India Fund (Mauritius) Limited ('Shinsei Fund'), The UTI Rainbow Fund Limited ('Rainbow Fund'), and UTI Wealth Creator Fund 4. UTI Singapore acts as manager to UTI Spectrum Fund Limited ('Spectrum Fund'), South African Rand Money Market Fund, UTI Indian Fixed Income Fund Plc, UTI Phoenix Fund SPC, UTI Chronos Fund SPC, UTI Goldfinch Funds Plc, Indian Credit Opportunities Fund Pte. Ltd. and acts as sub-manager to United China India Dynamic Growth Fund, Emirates Islamic India Equity Fund, KB India Growth Fund, India Dynamic Equity Fund and India Balanced Fund.

GOING CONCERN

The directors have, at the time of approving the financial statements, assessed the potential impact of the COVID-19 global pandemic on the Company and the Group. They consider that the Company and the Group have adequate financial resources to continue in operational existence for the foreseeable future and therefore, continue to adopt the going concern basis of accounting in preparing the financial statements. Refer to note 2.1.1 for detailed disclosure on going concern.

RESULTS AND DIVIDEND

The Group's results for the period are set out in the consolidated statement of comprehensive income. The result of UTI International Group shows a loss of (GBP 5,769,234) (2019: profit of GBP 4,638,722). The Directors recommend the payment of GBP Nil as dividend in respect of the current year (2019 GBP 3,850,502).

Directors' Report (continued)

DIRECTORS

The Company's Directors who served during the period and to the date of this report are listed on page 2.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Financial Statements in accordance with applicable Guernsey law and International Financial Reporting Standards (IFRS). Guernsey Company Law requires the Directors to prepare Financial Statements for each financial year, which 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 Consolidated Financial Statements, the Directors should:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Ensure that applicable accounting standards have been followed subject to any material departure disclosed and explained in the financial statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to assume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with Companies (Guernsey) Law, 2008 and the Protection of Investors (Bailiwick of Guernsey) Law, 1987. Furthermore, the Directors are responsible for ensuring under Rule 2.2.4 of The Licensees (Capital Adequacy) Rules 2010 that the Company has sufficient gross capital to meet its commitments and to withstand the risks to which its business is subject.

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. So far as each of the Directors is aware, there is no relevant audit information of which the Company's auditor is unaware, and each has taken all the steps 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.

The directors have, at the time of approving the financial statements, assessed the potential impact of the COVID-19 global pandemic on the Company and the Group. Refer to note 2 for the detailed disclosure.

Ernst & Young LLP has indicated its willingness to continue in office and offers itself for re-appointment at the forthcoming Annual General Meeting.

Director Director

Date:

INDEPENDENT AUDITOR'S REPORT

To the members of UTI International Limited

Opinion

We have audited the consolidated financial statements (the "financial statements") of UTI International Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 March 2020, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and the related notes 1 to 26, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards.

In our opinion, the financial statements:

► give a true and fair view of the state of the Group's affairs as at 31 March 2020 and of the Group's loss for the year then ended;

► have been properly prepared in accordance with International Financial Reporting Standards; and

► have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008 and the Protection of Investors (Bailiwick of Guernsey) Law, 1987.

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 below. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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.

Emphasis of Matter – Effects of COVID-19

We draw attention to Notes 2 and 26 of the financial statements, which describe the economic disruption the Group and the Company are facing as a result of COVID-19, which is impacting financial markets. This includes the possibility of greater volatility in reported revenues as a result of potential volatility of assets under management, upon which the management fee income of the Group is determined. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

► the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

► the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

INDEPENDENT AUDITOR'S REPORT

To the members of UTI International Limited - continued

Other information

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

► proper accounting records have not been kept by the Group, or proper 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 company's accounting records and returns; or

► we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that the financial statements, are prepared in all material respects, in accordance with the applicable accounting standards and present fairly the state of the Group's affairs as at 31 March 2020, 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 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 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.

To the members of UTI International Limited – continued

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. 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.

Ernst & Young LLP
Guernsey, Channel Islands
Date:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Note No.	31 March 2020	31 March 2019
		GBP	GBP
Revenue			
Revenue from operations	5	6,201,311	6,523,355
Other income	5	1,194,010	1,318,784
Operating revenue		7,395,321	7,842,139
Net (losses)/gains on financial assets at fair value through profit or loss		(6,087,480)	3,227,082
Net income		**1,307,841**	**11,069,221**
Expenses			
Advisory, Management and Trailer fees	6	2,595,078	2,393,090
Other expenses	7	4,416,344	4,015,686
Total expenses		**7,011,422**	**6,408,776**
(Loss)/profit before tax		**(5,703,581)**	**4,660,445**
Income tax expense	8	(65,653)	(21,723)
(Loss)/profit for the period		**(5,769,234)**	**4,638,722**
Other comprehensive income			
Exchange differences on translation of foreign operations		124,694	600,387
Total other comprehensive income		**124,694**	**600,387**
Total Comprehensive (loss)/ income for the period (attributable to equity holders of the parent)		**(5,644,540)**	**5,239,109**
The above results are all in respect of continuing operations of the Company			

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note No.	31 March 2020	31 March 2019
		GBP	GBP
ASSETS			
Non - current assets			
Property, plant and equipment	10	19,726	15,718
Right of use asset	11	191,129	-
Financial assets at fair value through profit or loss	9	22,720,428	28,636,205
Deferred tax asset	8	93,548	71,672
		23,024,831	**28,723,595**
Current Assets			
Trade and other receivables	12	2,173,264	1,620,263
Other current financial assets	13	247,858	204,319
Cash and cash equivalents	14	11,829,683	11,880,993
		14,250,805	**13,705,575**
TOTAL ASSETS		**37,275,636**	**42,429,170**
EQUITY & LIABILITIES			
Equity			
Issued capital	15	6,758,062	6,758,062
Share premium		10,391,285	10,391,285
Retained earnings		16,643,233	22,412,467
Foreign currency translation reserve		1,230,032	1,105,338
		35,022,612	**40,667,152**
Non Current Liabilities			
Lease Liabilities	18	88,375	-
		88,375	**-**
Current Liabilities			
Trade and other payables	16	939,334	173,330
Other current liabilities	17	1,122,332	1,588,688
Lease Liabilities	18	102,983	-
		2,164,649	**1,762,018**
TOTAL EQUITY & LIABILITIES		**37,275,636**	**42,429,170**

The financial statements on pages 8 to 43 were approved and authorised for issue to the shareholders by the Board of Directors of UTI International Limted on ________ and signed on the Board's behalf by _____

The notes on pages 12 to 43 are integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

Particulars	31 March 2020	31 March 2019
	GBP	GBP
Share Capital		
As at 1 April	6,758,062	6,758,062
As at 31 March 2020	**6,758,062**	**6,758,062**
Share Premium		
As at 1 April	10,391,285	10,391,285
As at 31 March 2020	**10,391,285**	10,391,285
Retained Earning		
As at 1 April	22,412,467	14,191,181
Impact of adoption of IFRS 9	-	7,433,066
Restated opening balance under IFRS 9	22,412,467	21,624,247
(Loss)/profit for the period	(5,769,234)	4,638,722
Dividend	-	(3,850,502)
As at 31 March 2020	**16,643,233**	**22,412,467**
Fair value reserves		
As at 1 April	-	7,433,066
Reclassification of investments from available for sale to fair value through profit or loss	-	(7,433,066)
As at 31 March 2020	**-**	**-**
Translation Reserve on consolidation of subsidiaries		
As at 1 April	1,105,338	504,951
Movement during the period	124,694	600,387
As at 31 March 2020	**1,230,032**	**1,105,338**
TOTAL EQUITY	**35,022,612**	**40,667,152**
The notes on pages 12 to 43 are integral part of these financial statements.		

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

Particulars	31 March 2020	31 March 2019
	GBP	GBP
Cash Flow from Operating Activities		
(Loss)/profit before tax	(5,703,581)	4,660,445
Adjustment for:		
Interest on Rights to use Assets	1,028	-
Depreciation	26,042	5,515
Fair value Exchange Loss/(Gain) on Investments	6,087,480	(3,227,082)
Interest income	(84,686)	(115,431)
Unrealised foreign exchange gain	(171,703)	-
Operating Profit Before Working Capital Changes	**154,580**	**1,323,447**
Adjustment for changes in working capital:		
Increase in other current financial assets	(43,539)	(93,422)
(Increase) / decrease in trade and other receivables	(553,001)	230,211
Increase/(decrease) in trade & other payables	766,004	(563,353)
(Decrease)/increase in other current financial liabilities	(466,356)	340,085
	(296,892)	**(86,479)**
Cash (used in)/generated from Operations	**(142,312)**	**1,236,968**
Less : Income tax paid	(87,529)	(16,982)
Net cash (used in)/generated from operating activitie	**(229,841)**	**1,219,986**
Cash flow from Investing Activities		
Purchase of property, plant & equipment	(12,959)	(10,534)
Payment of principal portion of lease liabilities	(17,890)	-
Purchase of non current investment	-	(2,078,451)
Interest income	84,686	115,431
Net cash generated from/(used in) investing activitie	**53,837**	**(1,973,554)**
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend distribution	-	(3,850,502)
Net cash used in financing activities	**-**	**(3,850,502)**
Net Decrease in cash and cash equivalent	**(176,004)**	**(4,604,070)**
Effect of foreign exchange fluctuations	124,694	600,387
Opening cash and cash equivalents	**11,880,993**	**15,884,676**
Closing cash and cash equivalents	**11,829,683**	**11,880,993**

The notes on pages 11 to 41 are integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. Corporate information

UTI International Limited (the 'Company' or 'UTI International') is a 100% subsidiary of UTI Asset Management Company Limited, a company incorporated in India ('UTI AMC'). UTI International operates from its head office (HO) in Guernsey and its branch in London. UTI International has two wholly owned subsidiaries UTI Investment Management Company (Mauritius) Limited ('UTI Mauritius') in Mauritius and UTI International (Singapore) Private Limited ('UTI Singapore') in Singapore. The Company, UTI Mauritius and UTI Singapore collectively form the UTI International Group (the 'Group').

The Group is principally engaged in administration and marketing of the Mauritius domiciled offshore funds setup by the erstwhile Unit Trust of India ('UTI') or UTI AMC, marketing of the offshore funds and the domestic mutual fund schemes of UTI AMC in overseas markets and acting as Manager / Advisor to those entities investing in India through the Foreign Portfolio Investor ('FPI') route / regime.

The Company is licensed by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (the "POI Law") to carry on the restricted activities of promotion, subscription, registration, dealing, management, administration and advising in connection with Collective Investment Schemes and the restricted activities of promotion, subscription, dealing, management, administration, advising and custody in connection with General Securities and Derivatives.

The Company's registered office has been disclosed on page 2.

2. Basis of accounting and significant accounting policies

2.1. Basis of accounting

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The consolidated financial statements have been prepared on a historical cost basis, except for non-current financial assets which have been measured at fair value. The consolidated financial statements are presented in British Pounds (GBP) and no rounding of the amounts has been made, except when otherwise indicated.

2.1.1 Going concern

On January 30, 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") to be a public health emergency of international concern. This coronavirus outbreak has severely restricted the level of economic activity around the world. In response to this coronavirus outbreak, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes

The full extent to which the COVID-19 pandemic may impact the Group and Company's results, operations or liquidity is uncertain. The Group's business may be impacted by falling revenues as a result of decreases in the NAVs

2 Basis of accounting and significant accounting policies – continued

2.1.1 Going concern - Continued

of the underlying funds on which the management fees for the Group are calculated. Business continuity plans have been invoked to help ensure the safety and well-being of staff thereby retaining the ability to maintain business operations following lockdowns in India, Singapore and Mauritius. These actions help to ensure business resilience. The situation is changing so rapidly that the full impact cannot yet be understood, but the Company will continue to monitor the situation closely.

Management has performed a COVID -19 impact analysis as part of their going concern assessment using information available to the date of issue of these financial statements. In their assessment of the going concern of the Company, the Directors have considered the Company's principal risks and uncertainties together with the Company's income and expenditure projections. The Directors also noted the significant cash balance and relatively liquid nature of the Company's investment portfolio which could be utilised to meet funding requirements, if necessary. As part of its strategic planning, the Board considered financial scenarios of the next two years. The financial projections have been expanded to reflect a sluggishness in the market for the next two consecutive years and the impact this may have on AUM levels. The results of these financial projections showed that the Company would be able to withstand the impact occurring over the two year period.

Having performed this analysis management believes regulatory capital requirements continue to be met and have sufficient liquidity to meet its liabilities for the for the next 12 months and that the preparation of the financial statements on a going concern basis remains appropriate as the Group and Company expects to be able to meet their obligations as and when they fall due for the foreseeable future.

2.2. Basis of consolidation

The consolidated financial statements comprise the financial statements of UTI International Limited and its subsidiaries for the year ended 31 March 2020 and 31 March 2019.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The consolidated financial statements incorporate the financial statements of UTI International Limited ("the Parent Company") and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent Company together with its subsidiaries constitute the Group. Control refers to power over relevant activities of the investee, exposure, or rights, to variable returns from the company's involvement with the investee and the ability to use its power over the investee to affect the amount of the company's returns.

2 Basis of accounting and significant accounting policies – continued

2.2. Basis of consolidation - continued

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies.

Where the Company holds management shares in underlying offshore funds (The UTI India Fund Limited ('India Fund'), The India Pharma Fund Limited ('Pharma Fund'), The India Debt Opportunities Fund Limited (IDOF) (IDOF now stands redeemed as of March 19, 2019), UTI Rainbow Fund Limited ('Rainbow Fund'), Shinsei UTI India Fund (Mauritius) Limited ('Shinsei Fund'), Wealth Creator Funds 1 to 6 ('Wealth Creator Funds') and UTI Spectrum Fund Limited). It has the power over relevant activities of the investee entities but does not have exposure or rights to variable returns from these, as such these entities are not consolidated in these Consolidated Financial Statements as per IFRS 10.

2.3. Summary of Significant Accounting policies

The following are the significant accounting policies applied by the Group in preparing its consolidated financial statements:

2.3.1. Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

2 Basis of accounting and significant accounting policies - continued

2.3. Summary of Significant Accounting policies - continued

2.3.1. Current versus non-current classification - continued

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.3.2 Revenue recognition

The Company provides investment management services to the funds in consideration for investment management fees. Revenue is recognised when the service is delivered to the customer at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for the service. The major revenue i.e. investment management fees the Company is entitled to, are calculated based on predetermined percentages with reference to the Asset Under Management of the respective funds. As a result, investment management fee represents variable consideration and is recognised once it is highly probable that it will not be subject to significant reversal and is allocated to the distinct service periods. Management fees are recognised over time in the period in which the services are rendered as the customer simultaneously receives and consumes the benefits provided by the Company. Interest is recognised using the effective interest rate method.

2 Basis of accounting and significant accounting policies - continued

2.3. Summary of Significant Accounting policies – continued

2.3.3. Foreign currencies

Functional and presentation currency

The Group's consolidated financial statements are presented in British Pound, which is also the parent company's functional currency. For each entity, the Group determines the functional currency based on primary economic environment in which the entity operates. Accordingly, the most faithful currency that represents the economic effects of the underlying transactions, events and conditions is used for preparing the financial statements. The Group uses the direct method of consolidation and on disposal of a foreign operation; the gain or loss that is reclassified to Statement of comprehensive income reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company and its subsidiaries at its functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss shall be recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss shall be recognised in profit or loss.

2.3.4. Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2 Basis of accounting and significant accounting policies - continued

2.3. Summary of Significant Accounting policies – continued

2.3.4. Taxes - continued

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and other carrying amounts for financial reporting purposes at the reporting date. The principal temporary difference arises from tax losses carried forward. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be offset.

2.3.5. Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost and are recognised as an asset if, it is probable that future economic benefits associated with the items will flow to the Company. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment loss.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

Depreciation on tangible assets is calculated at 25% to 33% in respect of computers, fixtures and fittings and office equipment on a straight-line basis so as to write off the cost of fixed assets on a pro rata basis over their anticipated useful lives.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure the amounts, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodies in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses arising on derecognition of the asset is included in profit or loss in the financial year the asset is derecognised.

2.3.6 Leases

Leases (Policy applicable before 1 April 2019)

The Group has entered into operating lease agreements for Office premises in London and Singapore. Operating lease payments are recognized as an expense in consolidated statement of comprehensive income on a straight line

basis over the lease term. The aggregate benefits of incentives provided by the lessor are recognized as a reduction of rental expense over the lease term on a straight line basis.

2 Basis of accounting and significant accounting policies - continued

2.3. Summary of Significant Accounting policies – continued

2.3.6 Leases - continued

The Group has adopted IFRS 16 with effect from 1st April 2019 using the modified retrospective approach. The Group has entered into lease agreements for office premises in London and Singapore, lease term for London premises being for more than 2 years and Singapore premises being less than 1 year.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, deferred lease components of security deposits and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of- use assets are subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

2 Basis of accounting and significant accounting policies – continued

2.3. Summary of Significant Accounting policies – continued

2.3.6 Leases – continued

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is premeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1st April 2016, the Group has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are of low value. Lease payments on short term leases and leases of low value assets are recognized as expense in the statement of comprehensive income.

2.3.7 Financial Instruments

(i) Financial assets

Initial recognition and measurement:

Financial assets are classified, at initial recognition at fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables (i.e management fee receivable) that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. In order for a debt instrument to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

2 Basis of accounting and significant accounting policies - continued

2.3. Summary of Significant Accounting policies – continued

2.3.7 Financial Instruments - continued

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include investment in redeemable shares, cash banks, trade receivable and other current financial assets.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

The Company includes in this category trade receivables, other current financial assets (excluding prepayments) and cash at bank. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to expected credit loss. Interest is recognized using the effective interest (EIR) method. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The losses arising from expected credit loss are recognised in the profit or loss.

2 Basis of accounting and significant accounting policies - continued

2.3. Summary of Significant Accounting policies – continued

2.3.7 Financial Instruments - continued

Financial assets at fair value through profit and loss (equity instruments)

The Company includes in this category investments made in funds. IFRS 9 requires all equity instruments to be carried at FVPL, unless an entity chooses on initial recognition, to present fair value changes in other comprehensive income. Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Financial assets at fair value through profit or loss

A financial asset meeting the definition of debt instrument is measured at fair value through profit or loss if:

(a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding or;

(b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell or;

(c) At initial recognition, it is irrevocably measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Company includes in this category debt instruments that comprise of investments in redeemable shares at the option of the holder that are held under a business model to manage them on a fair value basis for investment income and fair value gains.

After initial measurement, the Company measures financial instruments which are classified as at fair value through profit or loss at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets at fair value through profit or loss in the consolidated statement of comprehensive income. Dividends earned or paid on these instruments are recorded separately in dividend revenue or expense in the consolidated statement of comprehensive income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or

2 Basis of accounting and significant accounting policies - continued

2.3. Summary of Significant Accounting policies – continued

2.3.7 Financial Instruments – continued

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay. Also, the gains or losses on derecognition are recorded as Net gains or losses as the case may be at fair value through profit or loss in the consolidated statement of comprehensive income.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all receivables with third parties. ECLs are based on the difference between the contractual cash flows due and all the cash flows that the Company expects to receive.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). The Company does not have such instruments.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company determined based on historical experience and expectations that the ECL on its trade receivable is insignificant and was not recorded.

2 Basis of accounting and significant accounting policies - continued

2.3. Summary of Significant Accounting policies – continued

2.3.7 Financial Instruments – continued

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities at amortised cost are recognised initially at fair value net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and other current liabilities which are classified as financial liabilities at amortised cost and are initially recognised at fair value net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

After initial recognition, the financial liabilities other than those classified at fair value through profit or loss are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is recognised in profit or loss.

2 Basis of accounting and significant accounting policies - continued

2.3. Summary of Significant Accounting policies – continued

2.3.7 Financial Instruments – continued

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

2.3.8. Cash and cash equivalents

Cash in the consolidated statement of financial position mainly comprise of cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2.3.9. Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources, embodying economic benefits, will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. There is no legal or constructive obligation by or against the company for which any provision needs to be created.

2.3.10. Employee benefits

Defined contributions plans

The Company participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Company makes contributions to the Central Provident Fund (“CPF”) scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the financial period in which the related service is performed.

2.3.11. Expenses

All expenses are accounted for in profit or loss on the accrual basis.

2.3.12. Related parties

Related parties are individuals and companies where the individual or the company has the ability directly or indirectly to control the other party or exercise significant influence over the other party in making financial and operating decisions.

3. Standards, amendments and interpretations to existing that are effective and have been adopted by the company

The standards and interpretations that are issued and are effective, up to the date of issuance of the Company's financial statements are disclosed below.

New or revised Standards

	Effective for accounting period beginning on or after
IFRS 16 Leases	1 April 2019
IFRIC Interpretation 23 Uncertainty over Income Tax Treatments	1 April 2019

The adoption of the standards listed above did not have any material impact on the financial statements.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Management has assessed that there are no significant accounting judgements, estimates and assumptions applied in preparing the consolidated financial statements. Fair Valuation of Investments has been classified under Level 1 as discussed in Note 21, page 35 – Fair value Measurement therefore no judgements applied.

5. Revenue

Particulars	31 March 2020	31 March 2019
	GBP	GBP
Management fees	6,151,687	5,627,966
Marketing service fees	-	844,179
Investor service fees	49,567	51,210
Advisory fees	57	-
Total revenue from operations	**6,201,311**	**6,523,355**
Bank Interest	84,686	115,431
Foreign exchange gain	471,731	527,574
Business support service fees	555,629	629,202
Other income	81,964	46,577
Total other income	**1,194,010**	**1,318,784**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

6. Advisory, Management and Trailer fees

Particulars	31 March 2020	31 March 2019
	GBP	GBP
Expenses relating to offshore funds:		
Investment advisory fees	387,178	361,448
Management and Trail fees	2,207,900	1,941,946
Operating expenses (IDOF)	-	89,696
Total Advisory, Management and Trailer fees	**2,595,078**	**2,393,090**

7. Other expenses

Particulars	31 March 2020	31 March 2019
	GBP	GBP
Salaries and wages	2,295,495	2,153,700
Contribution to provident and other funds	124,504	111,172
Gratuity expense	90,172	91,727
Staff related expenses	176,181	112,335
Total Staff Cost	**2,686,352**	**2,468,934**
Office administration and secretarial expenses	464,720	403,901
Legal and professional fees	432,842	384,669
Travel expenses	241,713	196,580
Office rental costs	147,544	154,068
Audit fees	120,309	119,108
Sales promotion	106,561	96,858
Insurance	91,126	92,985
Directors' fees	51,617	51,296
Telephone expenses	46,490	41,772
Depreciation	8,951	5,515
Depreciation charge for right of use asset	17,091	-
Interest on lease liability	1,028	-
Total other expenses	**4,416,344**	**4,015,686**

8. Taxation

UTI International Limited is taxed at the Guernsey company standard rate of 0%. There is no Guernsey tax liability in respect of the Company for the year ended 31 March 2020. As estimated by the management, there is no tax liability in respect of London Branch.

UTI Mauritius being the holder of a category 1 global business license is classified as a tax incentive Company and under the current laws and regulations is liable to pay Income Tax on its profits, as adjusted for tax purposes, at the rate of 15%. It is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered and 80% of Mauritian tax payable in respect of foreign source income. The capital gains of UTI Mauritius are exempt from tax in Mauritius. The foregoing is based on current interpretation and practice and is subject to any future changes in Indian or Mauritian tax laws and in the treaty between India and Mauritius. During the year ended 31 March 2020 and 31 March 2019 UTI Mauritius has a tax expense of GBP 25,452 and GBP 24,098 respectively.

UTI Singapore was granted the Financial Sector Incentive Award (Fund Management or Investment Advisory Services) ("FSI"), effective from 29 April 2016 to 28 April 2021. Under the FSI, the company is entitled to a concessionary rate of tax of 10% on qualifying transactions under the provision of Concessionary Rate of Tax for Financial Sector Incentive Companies in section 43Q of the Income Tax Act (Chapter 134).

Further UTI Singapore has unabsorbed tax losses and capital allowances that are available for offset against future taxable profits, for which taxable profits are expected in the foreseeable future hence deferred tax is recognized. UTI Singapore has a tax expense and deferred tax asset of GBP 40,200 and GBP 93,548 respectively for the period ended 31 March 2020 and GBP 91350 and GBP 71,672 for the period ended 31 March 2019 respectively.

For UTI International Limited – UK Branch there is no tax expense for both the periods Tax expense:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

8. Taxation-continued

The components of the income tax expense for the year ended 31 March 2020 and 2019 are as follows:

	31 March 2020	31 March 2019
	GBP	GBP
Tax expense attributable to profit is made up of:		
- Current income tax	147,889	154,608
- (Under)/Over provision in respect of previous year	50,766	(44,521)
- Deferred tax on temporary differences	(22,123)	7,924
- Tax credit	(110,879)	(96,288)
	65,653	**21,723**

Deferred tax asset movement for the year ended 31 March 2020 and 31 March 2019 are as follows:

	31 March 2020	31 March 2019
	GBP	GBP
- Opening deferred tax asset	71,672	76,414
- Current year's impact	22,123	(7,924)
- Other (Foreign exchange adjustment)	(247)	3,182
	93,548	**71,672**

The tax charge shown in the consolidated statement of comprehensive income differs from the tax charge that would apply if all profits had been charged at the blend rates taking into consideration the UK, Mauritius and Singapore corporate rates. A reconciliation between the tax expense and the accounting profit multiplied by the blended tax rate for the years ended 31 March 2020 and 2019 is, as follows:

Particulars	31 March 2020 (GBP)	31 March 2019 (GBP)
Profit before tax per the financial statements	(5,703,581)	4,660,445
Adjust for:		
Taxable at 0% in Guernsey	4,170,298	(4,611,511)
Deductible at 0% in Guernsey	1,635,498	970,703
Profit before tax attributable to tax in various jurisdictions	102,215	1,019,637
Tax at blended rate of (2020: 3.29%) (2019:15.64%)	3,364	159,448
Effect of:		
Expenses not deductible for tax purpose	116,000	11,612
Income not subject to taxation	(1,014)	(18,320)
Deemed foreign tax credit	(110,879)	(96,288)
Effect of partial tax exemption, tax relief & tax rebate	30,697	14,810
Benefits of previously unrecognized tax losses and capital allowances	(1,141)	(1,144)
Under/(Over) provision in respect of previous years	50,766	(44,521)
Deferred tax on temporary differences	(22,123)	7,925
Others	(17)	(11,799)
Income tax expense	**65,653**	**21,723**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

9. Financial assets at fair value through profit or loss

Particulars	31 March 2020	31 March 2019
	GBP	GBP
Investment in management shares		
Shinsei UTI India Fund (Mauritius) Limited	432	432
The India Pharma Fund Limited	62	62
The India Debt Opportunities Fund Limited	58	58
UTI Rainbow Fund Limited	68	68
India Fund Limited	2	2
Wealth Creator 1 100 shares of US$1.00	70	70
Wealth Creator 2 100 shares of US$1.00	70	70
Wealth Creator 3 100 shares of US$1.00	70	70
Wealth Creator 4 100 shares of US$1.00	70	70
Wealth Creator 5 100 shares of US$1.00	70	70
Wealth Creator 6 100 shares of US$1.00	70	70
UTI Spectrum Fund 100 shares of US$1.00	70	70
Investment in quoted securities		
UTI India Dynamic Equity Fund		
Balance as at April 1	26,655,384	23,329,559
Fair value adjustments *	(5,746,984)	3,325,825
Balance as at March 31	**20,908,400**	**26,655,384**
UTI India Balanced Fund		
Balance as at April 1	1,979,709	-
Purchase/ (Sale) during the period	-	1,984,579
Fair value adjustments *	(168,793)	(4,870)
Balance as at March 31	**1,810,916**	**1,979,709**
Total financial assets at fair value through profit or loss	**22,720,428**	**28,636,205**

* Fair value adjustments also includes foreign exchange adjustments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

10. Property, plant and equipment

	Fixtures and Fittings	Office Equipment	Computer	Total
	GBP	GBP	GBP	GBP
Cost				
At 1 April 2019	81,860	17,907	138,920	238,687
Acquired during the year	378	1,886	10,604	12,868
Translation reserve	84	30	223	337
At 31 March 2020	**82,322**	**19,823**	**149,747**	**251,892**
Depreciation				
At 1 April 2019	81,860	17,140	123,969	222,969
Charge for the year	62	556	8,333	8,951
Translation reserve	83	23	140	246
At 31 March 2020	**82,005**	**17,719**	**132,442**	**232,166**
Net Book Value – 31 March 2020	**317**	**2,104**	**17,305**	**19,726**
Net Book Value – 31 March 2019	-	767	14,951	15,718

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

11. Right of use asset

	Leased Premises
	GBP
Cost	
At 1 April 2019	-
Acquired during the year	208,220
Translation reserve	-
At 31 March 2020	**208,220**
Depreciation	
At 1 April 2019	-
Charge for the year	17,091
Translation reserve	-
At 31 March 2020	**17,091**
Net Book Value – 31 March 2020	**191,129**
Net Book Value – 31 March 2019	-

12. Trade and other receivables

Particulars	31 March 2020	31 March 2019
	GBP	GBP
Management fee receivable	629,141	420,920
Other receivables	136,098	150,519
Receivable due from related party	1,408,025	1,048,824
Total trade and other receivables	**2,173,264**	**1,620,263**

The amounts due from related party are not secured, interest free and are repayable on demand.

13. Other current financial assets

Particulars	31 March 2020	31 March 2019
	GBP	GBP
Prepayments	177,894	116,027
Deposits	53,994	47,076
Interest accrued	15,970	41,216
Total other current financial assets	**247,858**	**204,319**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

14. Cash and cash equivalents

Particulars	31 March 2020	31 March 2019
	GBP	GBP
Cash at banks and on hand	6,621,813	4,361,641
Short term deposits	5,207,870	7,519,352
Total cash and cash equivalents	**11,829,683**	**11,880,993**

15. Issued Capital

Particulars	31 March 2020	31 March 2019
	GBP	GBP
Alloted, called and fully paid :		
6,758,062 ordinary shares of GBP 1 each	6,758,062	6,758,062
No. of shares at the beginning of the period	6,758,062	6,758,062
Add: Shares issued during the period/ year	-	-
Less: Shares redeemed during the period/ year	-	-
No. of shares at the end of the period	6,758,062	6,758,062

16. Trade and other payables

Particulars	31 March 2020	31 March 2019
	GBP	GBP
Management & advisory fee payable	97,550	87,283
Other accruals	694,781	86,047
Payable to UTI AMC Ltd.	147,003	-
Total	**939,334**	**173,330**

The amounts due to related party are not secured, interest free and are repayable on demand.

17. Other current liabilities

Particulars	31 March 2020	31 March 2019
	GBP	GBP
Tax liability	26,911	41,667
Audit fees payable	116,715	120,035
Payroll accruals	978,706	1,022,340
Accruals for expenses	-	404,646
Total other current liabilities	**1,122,332**	**1,588,688**

18. Lease liabilities

Particulars	31 March 2020	31 March 2019
	GBP	GBP
Current	102,983	-
Non Current	88,375	-
Total Lease liabilities	**191,358**	**-**

19. Related Party Transactions

During the current year, the Group has entered into transactions with the following related parties.

Significant Influence over the Holding Company	T Rowe Price International Ltd (26.00%) *
Holding Company	UTI Asset Management Company Limited
Key Management Personnel (KMP)	Praveen Jagwani (CEO) Imtaiyazur Rahman (Non – Executive Director) Christopher M W Hill (Non – Executive Director)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

19. Related Party Transactions - continued

The amounts due to and due from the related parties are not secured, interest free , unclaimed and are repayable on demand. The details of the transactions with related parties included in the statement of comprehensive income are as follows:

Nature of Transaction	Controlling Companies of the Ultimate Holding Company	Holding Company	Key Management Personnel	Total
	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19
	GBP	GBP	GBP	**GBP**
Income				
Fee income	-	555,629	-	**555,629**
	-	629,202	-	**629,202**
Bank Interest	25,024	-	-	**25,024**
	34,056	-	-	**34,056**
Expenses				
Fund Management fees	-	541,272	-	**541,272**
	-	475,510	-	**475,510**
Salary and allowances				
- Praveen Jagwani	-	-	523,130	**523,130**
	-	-	600,107	**600,107**
Directors fees	-	-	-	-
(Refer foot note below)	-	-	-	-
Dividend	-	-	-	-
	-	3,850,502	-	**3,850,502**

Nature of Transaction	31-Mar-20	31-Mar-19
	GBP	GBP
Director's Fees		
Christopher M W Hill	11,912	11,538
	11,912	**11,538**

No remuneration is paid to Mr. Imtaiyazur Rahman by UTI International Ltd as he is the Acting CEO (ACEO) of UTI AMC Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

19. Related Party Transactions – continued

Details of related parties' balances included in the statement of financial position are as follows:

Nature of Transaction	Controlling Companies of the Ultimate Holding Company	Holding Company	Key Management Personnel	Total
	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19
	GBP	GBP	GBP	GBP
Outstanding balances				
Cash and deposits	1,726,182	-	-	**1,726,182**
	203,179	-	-	**203,179**
Trade & other receivables	9,543	125,860	-	**135,403**
	5,314	152,939	-	**158,253**
Trade & other payables	-	147,003	-	**147,003**
	-	81,637	-	**81,637**

20. Commitments

At the end of the reporting period, the Group has office rental and office equipment commitments under non-cancellable operating leases with a term within one financial year. The minimum lease payments that will become due were as follows:

Particulars	31 March 2020 GBP	31 March 2019 GBP
Within one year	--	24,453

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

21. Fair Value Measurement

Investments in managed funds are valued at fair value according to IFRS as described in Note 2. The Company's other assets and liabilities include cash and cash equivalents and other payables (excluding accruals) which are realised or settled within a short-term period and excludes prepayments. The carrying amounts of these assets and liabilities approximate their fair values.

The table below provides reconciliation of the line items in the Company's statement of financial position to the categories of financial instruments:

	Investments at fair value	Financial assets at amortised cost	Other financial liabilities	Total carrying amount
31 March 2020	GBP	GBP	GBP	GBP
Financial assets at fair value through profit or loss	22,720,428			**22,720,428**
Trade receivables and other assets		2,227,258		**2,227,258**
Cash at bank		11,829,683		**11,829,683**
Trade and other payables			(2,253,024)	**(2,253,024)**
31 March 2019	GBP	GBP	GBP	GBP
Financial assets at fair value through profit or loss	28,636,205			**28,636,205**
Trade receivables and other assets		1,667,339		**1,667,339**
Cash at bank		11,880,993		**11,880,993**
Trade and other payables			(1,762,018)	**(1,762,018)**

31 March 2020	Level 1	Level 2	Level 3	Total
	GBP	GBP	GBP	GBP
Financial assets at fair value through profit or loss	22,720,428	-	-	**22,720,428**

31 March 2019	Level 1	Level 2	Level 3	Total
	GBP	GBP	GBP	GBP
Financial assets at fair value through profit or loss	28,636,205	-	-	**28,636,205**

Determination of fair values

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Quoted price (unadjusted in an active market for an identical instrument.)
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e, derived from prices). This category includes instruments valued using: quoted prices in active markets for similar instruments: quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques for which all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation technique using significant unobservable inputs. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quota prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair value is calculated on the basis of daily rates posted on the Bloomberg website (Level 1).

22. Financial Risk Management Objectives & Policies

The Directors consider that their main risk management objective is to monitor and mitigate material risks, which they consider including credit risk, liquidity risk, interest rate risk, market price risk and foreign currency risk.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020.

Financial Risk Management Objectives & Policies - continued

Several procedures are in place to enable material risks to be adequately managed. These include preparation and review of annual forecasts and monthly management accounts. For the current period there is no concentration of risk observed by the management.

The key risks are summarised below:

(a) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. IFRS 9 requires impairment loss allowances to be recognised at an amount equal to either 12-month expected credit loss (ECL) ('stage 1 ECLs) or lifetime ECLs. 12 months ECLs are the ECLs that result from all possible default events that are possible within 12 months after reporting date. 'Stage 2' ECLs are lifetime ECLs that are recognised where there has been a significant increase in credit risk of the financial instrument and 'stage 3' ECLs are lifetime ECLs that are recognised where the financial instruments is considered to be credit impaired.

(i) Exposure to credit risk

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

(ii) Financial assets that are neither past due nor credit impaired

Trade and other debtors that are neither past due nor credit impaired are with credit worthy debtors with good payment record with the Company. The Company derives its main source of revenue from providing fund management services to its affiliates. Exposure to credit risk arising from related party transactions is minimal as these affiliates are of good credit standing. Cash and bank balances of the group comprises of cash and deposits placed with major international banks.

(iii) Financial assets that are either past due or impaired

There is no financial asset that is either past due or credit impaired or would be otherwise require a material loss allowance under the ECL model as 31 March 2020 and 31 March 2019.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

(b) Liquidity risk - continued

The Company's policy on liquidity risk management is to maintain sufficient cash and the availability of funding. Cash balances and forecast cash movements are reviewed on a regular basis, bank reconciliations are prepared and reviewed daily and management accounts are prepared and reviewed monthly to ensure that the Company maintains adequate working capital. The Company's financial assets are short-term in nature which mitigates the risk of default on financial obligations. At the end of the reporting period, all of the Company's financial liabilities will mature in less than one year based on the carrying amount reflected in the financial statements.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

(Amounts in GBP)

	Less than 3 months / On demand	**3 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**
Year ended 31 March 2020					
Trade & other payables	2,087,110	77,539	88,375		**2,253,024**
Year ended 31 March 2019					
Trade & other payables	1,762,018	-	-	-	**1,762,018**

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company's interest-bearing assets are cash deposits placed with banks of GBP 5,207,870 as at 31 March 2020 and GBP 7,519,352 as at 31 March 2019 and cash at bank of GBP 6,621,813 as at 31 March 2020 and GBP 4,361,641 as at 31 March 2019. The Company's policy is to maximise the returns on these interest-bearing assets. The Company does not have any borrowings. Directors have deemed the sensitivity risk to be immaterial.

(d) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's financial exposure is denominated in various other currencies shown in the currency profile below. Consequently, the Company is exposed to the risk that the exchange rate of these currencies relative to GBP may change in a manner, which has a material effect on the reported values of its assets denominated in GBP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

22. Financial Risk Management Objectives & Policies – Continued

(d) Currency risk – continued

The currency risk profile of the Company's net financial exposure is summarised below:

	Financial exposure	
	31 March 2020 GBP	31 March 2019 GBP
United States Dollar (USD)	10,971,196	112,729
Indian Rupee (INR)	-	-
Japanese Yen (JPY)	409,274	297,900

Sensitivity analysis for currency risk:

The sensitivity analysis shows how the value of a financial instrument will fluctuate due to changes in foreign exchange rates against the GBP, the functional currency of the Company.

		Effect on profit before tax	
Currency	**Change in currency** +/-	**31 March 2020** GBP	**31 March 2019** GBP
USD	5%	443,693	431,197
INR	5%	-	-
JPY	10%	305	206

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. The Company is exposed to equity price risk arising from its investment in quoted equity securities. These instruments are classified as financial assets at fair value through

profit or loss. The Company's objective is to manage investment returns and equity price risk using a mix of investment grade shares with steady dividend yield and noninvestment grade shares with higher volatility.

Sensitivity analysis for equity price risk:

At the end of the reporting period, if the share prices of the equity securities had been 10% higher/lower with all other variables held constant, the Company's income statement would have been GBP 2,271,932 as at 31 March 2020 and GBP 2,863,509 as at 31 March 2019 higher/lower, arising as a result of an increase/decrease in the fair value of equity securities classified as financial assets at fair value through profit or loss.

23. Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit position and healthy capital ratios in order to support its business and maximize shareholder value.

23. Capital Management - Continued

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, or issue shares, or extend the payment period for the supplier (Investment Advisors) or accelerate receipt from the debtors (Funds which the Company manages). The Group's total equity comprises of share capital, share premium and retained earnings which amounted to GBP 33,792,580 as at 31 March 2020 and GBP 39,561,814 as at 31 March 2019.

24. Immediate and Ultimate Holding Company

The Group's immediate holding company is UTI Asset Management Company Limited, a Company incorporated in Mumbai, India. The shareholders of the immediate holding company are State Bank of India, Bank of Baroda, Life Insurance Corporation of India, Punjab National Bank, each with 18.24% holding and T Rowe Price International Ltd (26%). Neither the entity owners nor any other have the power to amend the financial statements after its issuance.

25. Other Matters

SEBI has issued show cause notices dated (i) June 26, 2019 under the SEBI Act ("First SCN"); (ii) September 13, 2019 under the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 ("Inquiry Rules SCN"); and (iii) September 13, 2019 under the SEBI Intermediaries Regulations ("Intermediaries Regulations SCN"), and together with the First SCN and the Inquiry Rules SCN, the "SCNs"), to India Debt Opportunities Fund ("IDOF"), a fund managed by UTI International Limited, which is registered as a Category II FPI under the SEBI FPI Regulations, in relation to the India Debt Opportunities Fund Scheme ("IDOF Scheme").

IDOF has responded to the First SCN and the Intermediaries Rules SCN, among others, denying all the allegations. Further, IDOF has responded to the Inquiry Rules SCN requesting SEBI to provide legible copies of certain documents and requesting that the proceedings under the Inquiry Rules SCN be kept in abeyance until the conclusion of the proceedings under the First SCN. Pursuant to the SCNs, SEBI has directed IDOF to, among others, show cause as to why directions to disgorge the allegedly undue profit of INR 244.34 million should not be issued to IDOF, and why action under the SEBI Intermediaries Regulations and the Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 should not be taken against IDOF. Order is yet to be passed. IDOF Ltd. has through its lawyers filed detailed replies to the SCNs denying all the allegations including any non-compliances. In the assessment of the management of IDOF Ltd., the SCNs including the proposed penalties/actions should not sustain. Therefore, no provision or contingent liability has been recorded in the financial statements of UTI International Ltd as management have assessed the probability of there being an outflow of economic resources for UTI International Ltd as remote. No SCNs have been issued to UTI International.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

26. Events after reporting date

No significant events have been identified which require adjustment within the financial statements. In reaching this assessment, we have considered the impact of the recent outbreak of the novel coronavirus (COVID-19) and included this within the Directors' report. For further discussion concerning the management assessment of COVID 19 impact on the Group and Company refer to Note 2.