# Report of the Director and

# Financial Statements for the Year Ended 31 March 2026

for

Capillary Technologies Europe Limited
(Company registration number:03297240)

Contents of the Financial Statements
for the Year Ended 31 March 2026

# Company Information
# for the Year Ended 31 March 2026

| | |
|---|---|
| **DIRECTOR:** | Anant Choubey |
| **REGISTERED OFFICE:** | Office 3.09.B- Fora 1 Lyric Square,<br>Lyric Square Hammersmith,<br>London, England<br>United Kingdom<br>W6 0NB |
| **REGISTERED NUMBER:** | 03297240 (England and Wales) |
| **AUDITORS:** | PBG Associates (London) Ltd<br>Chartered Certified Accountants<br>and Statutory Auditors<br>77, HolyHead Road,<br>Birmingham<br>England<br>B21 0LG |
| **BANKERS:** | ICICI Bank UK<br>Thomas More Square, One,<br>London E1W 1YN,<br>United Kingdom |

Report of the Director
for the Year Ended 31 March 2026

The director presents his report with the financial statements of the company for the year ended 31 March 2026.

**PRINCIPAL ACTIVITY**
The principal activities of the Company are those of providing cloud based intelligent customer engagement software solutions to retail chain operators.

**DIRECTOR**
The director who has served during the year were as follows:
Anant Choubey

**THIRD PARTY INDEMNITY PROVISIONS**
A qualifying third-party indemnity provision as defined in section 234(2) of the companies Act 2006 is in force for the benefit of the Director in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which Director may not be indemnified, the Company maintained a director's and officers' liability insurance policy throughout the financial year.

**DIVIDENDS**
The director does not recommend payment of a dividend for the current year (2025 - £Nil)

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**
The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

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

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**
So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he 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 auditors are aware of that information.

**AUDITORS**
Under section 487(2) of the Companies Act 2006, PBG Associates (London) Ltd will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

**EVENTS AFTER THE REPORTING PERIOD**
Subsequent events have been evaluated till the date on which is the financial statements were issued. There are no subsequent events which have impact on the financial statements.

**SMALL COMPANY PROVISIONS**
This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

Anant Choubey
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Anant Choubey - Director

Date: 4 May 2026

Report of the Independent Auditors to the Members of
Capillary Technologies Europe Limited

**Opinion**
We have audited the financial statements of Capillary Technologies Europe Limited (the 'company') for the period ended 31 March 2026 which comprise the Income Statement, Statement of Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 including the provisions of section 1A "Small Entities", 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 March 2026 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.

**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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

**Conclusions relating to going concern**
In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**
The director is responsible for the other information. The other information comprises the information in the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

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

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Director have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Director.

**Responsibilities of director**
As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determine 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 director are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so

**Auditors' 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 a Report of the Auditors 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.

***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance of the Company. Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that related to laws and regulations which are considered to have a direct effect on the financial statements include UK financial reporting standards (FRS 102 and the Companies Act 2006), relevant direct and indirect tax laws and regulations, Pensions legislation, Employee Related Laws and distributable profits legislation in the United Kingdom.

- We enquired of management and those charged with governance, concerning the company's policies and procedures relating to:
    - the identification, evaluation and compliance with laws and regulations;
    - and the detection and response to the risks of fraud.

In doing so, we considered areas involving significant judgement and estimates, complex transactions that could increase the likelihood of material misstatement.

**Auditors' responsibilities for the audit of the financial statements- continued**

- We enquired of management and those charged with governance and corroborated this through a review of supporting documents and board minutes, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

- We assessed the susceptibility of the Company's financial statements to material misstatement, including risks arising from fraud, in particular management override of controls and the presumed risk of fraud in revenue recognition. Audit procedures performed by the engagement team included:
    - Tested the appropriateness of entries in the nominal ledger on sample basis, including journal entries, reviewed transactions around the reporting period end;
    - Assessed the design and implementation of controls over revenue and performed substantive procedures;
    - performed analytical procedures to identify unexpected movements in account balances that may be indicative of fraud;
    - Performed procedures to assess whether the disclosures in the financial statements comply with the requirements of the applicable accounting standards.

- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's: Understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation; and Knowledge of the industry in which the company operates.

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

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

Opinder Sawhney (Senior Statutory Auditor)
for and on behalf of PBG Associates (London) Ltd
Chartered Certified Accountants
and Statutory Auditors
77, Holyhead Road,
Birmingham
England
B21 0LG

Date: 5th May 2026.

Capillary Technologies Europe Limited

Income Statement
for the Year Ended 31 March 2026

| | Notes | 31.3.26<br>£ | 31.3.25<br>£ |
|---|---|---|---|
| **TURNOVER** | 3 | 9,566,320 | 8,504,185 |
| Cost of sales | | (7,322,824) | (7,299,477) |
| **GROSS PROFIT** | | 2,243,496 | 1,204,708 |
| Administrative expenses | | (1,957,257) | (954,339) |
| **OPERATING PROFIT** | 5 | 286,239 | 250,369 |
| Interest receivable and similar income | 6 | 25,003 | 4,757 |
| **PROFIT BEFORE TAXATION** | | 311,242 | 255,126 |
| Tax on profit | 7 | (81,368) | (15,383) |
| **PROFIT FOR THE FINANCIAL YEAR** | | 229,874 | 239,743 |

The notes form part of these financial statements

## Statement of Other Comprehensive Income for the Year Ended 31 March 2026

| | Notes | 31.3.26<br>£ | 31.3.25<br>£ |
|---|---|---|---|
| **PROFIT FOR THE YEAR** | | 229,874 | 239,743 |
| **OTHER COMPREHENSIVE INCOME** | | - | - |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | 229,874 | 239,743 |

The notes form part of these financial statements

Capillary Technologies Europe Limited (Registered number: 03297240)

Balance Sheet
As at 31 March 2026

| | Notes | 31.3.26 £ | £ | 31.3.25 £ | £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 8 | | 5,255 | | 10,809 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 9 | 2,609,778 | | 2,065,702 | |
| Cash at bank | | 1,821,066 | | 395,105 | |
| | | 4,430,844 | | 2,460,807 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 10 | (3,318,313) | | (1,626,524) | |
| **NET CURRENT ASSETS** | | | 1,112,531 | | 834,283 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 1,117,786 | | 845,092 |
| **CAPITAL AND RESERVES** | | | | | |
| Called up share capital | 11 | | 389,409 | | 389,409 |
| Capital contribution from Parent company | 12 | | 161,189 | | 118,369 |
| Retained earnings | 12 | | 567,188 | | 337,314 |
| **SHAREHOLDERS' FUNDS** | | | 1,117,786 | | 845,092 |

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

The financial statements were approved by the director and authorised for issue on 4 May 2026 and were signed by:

Anant Choubey

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Anant Choubey – Director

Date: 4 May 2026

## Statement of Changes in Equity for the Year Ended 31 March 2026

| | Called up share capital £ | Retained earnings £ | Capital contribution from Parent company £ | Total equity £ |
|---|---|---|---|---|
| **Balance at 1 April 2024** | 389,409 | 97,571 | 54,834 | 541,814 |
| **Changes in equity** | | | | |
| Share based payment (refer note 14) | - | - | 63,535 | 63,535 |
| Total comprehensive income | - | 239,743 | - | 239,743 |
| **Balance at 31 March 2025** | 389,409 | 337,314 | 118,369 | 845,092 |
| **Changes in equity** | | | | |
| Share based payment (refer note 14) | - | - | 42,820 | 42,820 |
| Total comprehensive income | - | 229,874 | - | 229,874 |
| **Balance at 31 March 2026** | 389,409 | 567,188 | 161,189 | 1,117,786 |

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

Capillary Technologies Europe is a private company, limited by shares, registered in England and Wales. The company's registered number is 03297240 and address of registered office is Office 3.09, B - Fora 1, Lyric Square, Hammersmith, London, England, United Kingdom, W6 0NB.

The principal activities of the Company are those of providing cloud based intelligent customer engagement software solutions to retail chain operators.

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in sterling (£), which is the functional currency of the company.
Monetary amounts in these financial statements are rounded to the nearest £.

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

**Going concern**
The director has formed the opinion that sufficient facilities are available and will remain so for the 12 months from the date of signing this report and that the company is able to generate positive cash flows. On this basis, the director considers that it is appropriate to prepare the financial statements on a going concern basis.

**Cash flow exemption**
The company, being a small company, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 102.

**Related Party Disclosures**
The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Revenue**
Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised service to the customer. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

**Rendering of services**
**Retainer services/ License services (recurring revenue)** -The Company is engaged in the business of providing cloud based intelligent customer engagement software solutions to customers. Revenue is recognized over the period as and when services are rendered in accordance with the arrangement with the customers, i.e., from the time the ready-to-use software is subscribed to by the customers.

**Campaign services (consumables)** - The Company provides campaign services and recognises revenue from such campaigns based on the usage of messaging services.



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2. **ACCOUNTING POLICIES - continued**

**Revenue - Continued**

**Installation services (Set-up)** - The Company provides one-time installation services, which are distinct from the license services being provided to the customers and recognises revenue from installation services over time because the customer simultaneously receives and consumes the benefits provided to them. The Company uses an input method in measuring progress of the installation services because there is a direct relationship between the Company's efforts and the transfer of service to the customer. The Company recognises revenue on the basis of the milestone achieved which correlates with hours expended relative to the total expected hours to complete the service.
Company generally recognizes revenue from subscriptions for the products and solutions over the term of the subscription and generally recognize revenue from customers over a term of 12 to 36 months. As a result, most of the revenue company report in each quarter is the result of continued and new contracts during previous quarters.

If the Company provides the services to a customer before the customer pays agreed consideration or before payment is due, a contract asset. i.e., unbilled revenue is recognised for the earned consideration that is conditional. Such contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognized as and when the performance obligation is satisfied. Similarly, if a payment is received or a payment is due (whichever is earlier) from a customer before the Company performs the services. Contract liabilities. Unearned income is recognised by the Company.

**Tangible fixed assets**
Fixed assets are initially recognized at cost when it is probable that future economic benefits will flow to the Company and the cost can be measured reliably. Cost includes purchase price and all directly attributable expenses required to bring the asset to its intended use.

Depreciation is charged to allocate the cost of assets less their residual value over their estimated useful lives, using the written down value method.

Depreciation is provided on the following basis:

| | |
|---|---|
| Computer Equipment | 3 years |
| Office equipment | 5 years |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**Financial instruments**
The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments. Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

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



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2. **ACCOUNTING POLICIES - continued**

**Financial instruments - continued**

**Financial assets**
Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate. Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

**Financial liabilities**
Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

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

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

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

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

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

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

**Offsetting of financial assets and financial liabilities**
Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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## 2. ACCOUNTING POLICIES - continued

**Cash and cash equivalents**
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

**Share capital**
Ordinary shares are classified as equity.

**Share-Based Payment**
The cost of these equity-settled share-based payment transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in income statement, with a corresponding increase in the share-based payment reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of options that will ultimately vest. The charge or credit to income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense/other expense.

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

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

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

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Provisions**
Provisions are recognized when the company has an obligation at the balance sheet date because of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

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2. **ACCOUNTING POLICIES - continued**

**Foreign currency translation functional and presentation currency**
The company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

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

**Operating leases: the company as lessee**
Rentals paid under operating leases are charged to profit 'or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**Pensions**
Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

**SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

**Fair value of stock option plan**
Significant estimates are involved in determining the share-based payments expenses. The share-based payments are recognized based on their respective grant date fair values. The fair value of each employee stock option is estimated on the date of grant using the Black Scholes model. The determination of the fair value of share-based payment awards using the Black Scholes model is affected by the stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends. The Company believes that its current assumptions generate a representative estimate of fair value. For details refer note 14.

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## 3. TURNOVER

The turnover and profit before taxation are attributable to the principal activity of the company.

**Turnover analysed by Geographical Market**

| | 31.3.26 | 31.3.25 |
|---|---|---|
| | £ | £ |
| United Kingdom | 7,039,043 | 7,213,069 |
| Rest of the World | 2,527,277 | 1,291,116 |
| | 9,566,320 | 8,504,185 |

## 4. EMPLOYEES AND DIRECTOR

The average monthly number of employees, including director, during the year was 8 (2025 :13).

Their aggregate costs comprised:

| | 31.3.26 | 31.3.25 |
|---|---|---|
| | £ | £ |
| Wages, salaries and Bonus | 1,279,180 | 955,331 |
| Pension costs | 87,210 | 129,831 |
| Social Security costs | 158,196 | 195,881 |
| | 1,524,586 | 1,281,043 |

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension liabilities represent contributions payable by the Company to the fund amounted to GBP 11,417 (2025: GBP 12,719) at year end.

There is no remuneration paid to director during the current year (2025: £ NIL).

## 5. OPERATING PROFIT

The operating profit is stated after charging:

| | 31.3.26 | 31.3.25 |
|---|---|---|
| | £ | £ |
| Remuneration payable to auditors | 10,000 | 10,000 |
| Share based payment costs | 42,820 | 63,535 |
| Cost Recharges from Group Entities –Wages, Salaries and Bonus | 1,102,445 | 862,432 |
| Loss on disposal of tangible assets | 631 | 2,786 |
| Foreign exchange loss | 91,219 | 129,016 |
| Depreciation on tangible assets | 4,923 | 17,504 |

## 6. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 31.3.26 | 31.3.25 |
|---|---|---|
| | £ | £ |
| Interest Income on deposits | 25,003 | 4,757 |



continued...

## 7. TAXATION

**Analysis of the tax credit**
The tax charge on the profit for the year was as follows:

| | 31.3.26 | 31.3.25 |
|---|---|---|
| | £ | £ |
| **Deferred Tax:** | | |
| Deferred tax Credit for current Year: | (10,408) | - |
| Deferred tax Credit for the prior period | (29,592) | - |
| **Current tax:** | | |
| Current Year | 90,000 | - |
| Prior period | 31,368 | 15,383 |
| **Total tax** | **81,368** | **15,383** |

**Factors affecting the tax charges**

| | 31.3.26 | 31.3.25 |
|---|---|---|
| | £ | £ |
| Profit/(Loss) on ordinary activities before tax | 311,242 | 255,126 |
| Loss on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 25% (2025:25%) | 77,811 | 63,782 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 2,773 | 1,013 |
| Depreciation in excess of capital allowances on which Deferred Tax is not created | 1,231 | 4,375 |
| Short Provision for prior year recorded in current Year | 31,368 | - |
| Prior year deferred tax recorded in current year | (29,592) | - |
| Other differences | (2,223) | - |
| Brought forward of losses | - | (51,120) |
| Marginal relief | - | (2,667) |
| **Total tax charge** | 81,368 | 15,383 |

## 8. TANGIBLE FIXED ASSETS

| | Office equipment | Computer equipment | Totals |
|---|---|---|---|
| | £ | £ | £ |
| **COST** | | | |
| At 1 April 2025 | 3,852 | 46,186 | 50,038 |
| Disposals | - | (10,943) | (10,943) |
| At 31 March 2026 | 3,852 | 35,243 | 39,095 |
| **DEPRECIATION** | | | |
| At 1 April 2025 | 1,927 | 37,302 | 39,229 |
| Charge for year | 1,547 | 3,376 | 4,923 |
| Eliminated on disposal | - | (10,312) | (10,312) |
| At 31 March 2026 | 3,474 | 30,366 | 33,840 |
| **NET BOOK VALUE** | | | |
| At 31 March 2026 | 378 | 4,877 | 5,255 |
| At 31 March 2025 | 1,925 | 8,884 | 10,809 |

continued...

9. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| | 31.3.26 | 31.3.25 |
|---|---|---|
| | £ | £ |
| *Trade debtors* | *1,528,286* | *998,763* |
| *Provision for doubtful debts* | *(11,726)* | *(1,265)* |
| Net Trade Receivables | 1,516,560 | 997,498 |
| Amounts owed by group undertakings | - | 141,516 |
| Deferred Tax Assets | 40,000 | - |
| Other debtors | 278,935 | 280,945 |
| Prepayments | 88,775 | 117,584 |
| Accrued Income | 685,508 | 528,159 |
| | 2,609,778 | 2,065,702 |

10. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| | 31.3.26 | 31.3.25 |
|---|---|---|
| | £ | £ |
| Trade creditors | 265,857 | 326,757 |
| Amounts owed to group undertakings* | 771,419 | 139,195 |
| Corporation tax payable | 90,000 | 15,383 |
| Social security and other taxes | 11,417 | 12,719 |
| VAT | 198,220 | 282,101 |
| Other creditors | 1,279,226 | 374,189 |
| Accrued expenses | 390,692 | 231,419 |
| Deferred Revenue | 311,482 | 244,761 |
| | 3,318,313 | 1,626,524 |

Amounts owed to group undertakings are interest free amounts payable on demand.

11. **CALLED UP SHARE CAPITAL**

Ordinary shares of £ 1 each

| | Number | £ |
|---|---|---|
| Allotted called up and fully paid | | |
| At 1 April 2025 | 389,409 | 389,409 |
| Issued during the year | - | - |
| At 31 March 2026 | 389,409 | 389,409 |

12. **RESERVES**

| | Retained earnings | Capital contribution from Parent company | Totals |
|---|---|---|---|
| | £ | £ | £ |
| At 1 April 2025 | 337,314 | 118,369 | 455,683 |
| Profit for the year | 229,874 | | 229,874 |
| Share based payments | - | 42,820 | 42,820 |
| At 31 March 2026 | 567,188 | 161,189 | 728,377 |



continued...

## 13. PARENT UNDERTAKING

The ultimate parent company is Capillary Technologies International Pte Ltd, incorporated in Singapore. The Company's immediate parent company is Capillary Pte Ltd incorporated in Singapore and company's intermediate parent company is Capillary Technologies India Limited incorporated in India. Capillary Technologies India Limited prepares consolidated accounts which are publicly available.

## 14. SHARE BASED PAYMENTS

During the year the Company had share-based payment arrangements as follows:

| | | |
|---|---|---|
| Type of arrangement | Employee Stock Option Scheme 2021 (ESOP 2021) | |
| | Grant I | Grant II |
| Date of grant | 1 April 2024 | 1 July 2024 |
| Number granted | 16,674 Options | 13,672 Options |
| Maximum term | 5.5 years | 5.5 years |
| Settlement type | Equity shares of Parent Company | Equity shares of Parent Company |

Vesting conditions:
There shall be a minimum period of one (1) year between the Grant of Options and Vesting of Options, with a maximum period of ten (10) years from the date of Grant of such Options. Vesting of Options would be subject to continued employment with the Company and thus the Options would vest on passage of time on a quarterly basis.

The number and weighted average exercise prices of share options during the year are as follows:

| | March 2026 | | March 2025 | |
|---|---|---|---|---|
| | Number | Weighted average exercise price (£) | Number | Weighted average exercise price (£) |
| Outstanding at beginning of year | 43,839 | - | 35,348 | - |
| Granted during the period | 195,942 | - | 30,346 | - |
| Forfeited during the period | (13,895) | - | (21,855) | - |
| Exercised during the period | - | - | - | - |
| Expired during the period | - | - | - | - |
| Outstanding at end of year | 225,886 | - | 43,839 | - |
| Exercisable at end of year | - | - | - | - |

The Black-Scholes option pricing model was used to value the equity-settled share-based payment as it was considered that this approach would result in materially accurate estimate of the fair value of options granted.

The total expense recognised during the year in respect of share-based payments totalled £ 42,820 (March 2025 -£ 63,535). Liabilities arising from share-based payments transactions totalled £ 161,189 (March 2025 - £ 118,369).

## 15. EVENTS AFTER THE END OF THE REPORTING PERIOD

Subsequent events have been evaluated till the date on which is the financial statements were issued. There are no subsequent events which have impact on the financial statements.



continued...

Capillary Technologies Europe Limited

Trading and Profit and Loss Account
for the Year Ended 31 March 2026

| | 31.3.26 | | 31.3.25 | |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Sales** | | 9,566,320 | | 8,504,185 |
| **Cost of sales** | | | | |
| Salaries, wages and employer's costs | 1,524,586 | | 1,281,043 | |
| Cost Recharges from Group Entities | 1,102,445 | | 862,432 | |
| Call center cost | 1,404,982 | | 1,715,691 | |
| Share based payment expenses | 42,820 | | 63,535 | |
| Software subscription | 438,358 | | 692,202 | |
| Staff welfare & insurance | 26,586 | | 40,421 | |
| Telecommunication expenses | 333,267 | | 371,365 | |
| Data storage (server) charges | 349,812 | | 444,515 | |
| Inter company management recharge | 608,058 | | 1,418,744 | |
| Tech &Server Cost | 1,491,910 | | 409,529 | |
| | | (7,322,824) | | (7,299,477) |
| **GROSS PROFIT** | | 2,243,496 | | 1,204,708 |
| **Other income** | | | | |
| Other Income | | 25,003 | | 4,757 |
| | | 2,268,499 | | 1,209,465 |
| **Expenditure** | | | | |
| Rent office | 96,297 | | 85,716 | |
| Rates & Taxes | 1,654 | | 2,545 | |
| Telecommunication expenses | 301 | | 1,980 | |
| Travelling Expenses | 71,609 | | 74,911 | |
| General office expenses | 17,875 | | 8,333 | |
| Sundry expenses | 3,306 | | 1,552 | |
| Recruitment and Training | 11,863 | | 7,423 | |
| Advisory and consultancy fees | 178,316 | | 181,159 | |
| Bank charges | 2,977 | | 2,715 | |
| Professional Fees | 583,687 | | 134,056 | |
| Legal fees | 90,301 | | 42,658 | |
| Auditors' remuneration | 10,000 | | 10,000 | |
| Foreign exchange loss/(gains) | 91,219 | | 129,016 | |
| Depreciation of tangible fixed assets | 4,923 | | 17,504 | |
| Loss on disposal on tangible | 631 | | 2,786 | |
| Provision for bad debts | 10,461 | | 1,265 | |
| Business promotion, Sales-and Marketing | 781,837 | | 250,720 | |
| | | (1,957,257) | | (954,339) |
| **NET PROFIT** | | 311,242 | | 255,126 |

This page does not form part of the statutory financial statements