

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**  
**FOR**  
**HEXAWARE TECHNOLOGIES UK LIMITED**

---

**HEXAWARE TECHNOLOGIES UK LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**DIRECTORS:**

A Singh  
S Ramakarthikeyan

**SECRETARY:**

R Visvanathan

**REGISTERED OFFICE:**

C/O Butler & Co. LLP  
3rd Floor  
126-134 Baker Street  
London  
W1U 6UE

**REGISTERED NUMBER:**

03647007 (England and Wales)

**AUDITORS:**

Butler & Co LLP  
Chartered Accountants  
& Statutory Auditor  
Third Floor  
126-134 Baker Street  
London  
W1U 6UE

---

**HEXAWARE TECHNOLOGIES UK LIMITED**

**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their strategic report for the year ended 31 December 2018.

**REVIEW OF BUSINESS**

Revenue for the year amounted to £46,623,690 an increase of 29.8% from 2017, and the profit after tax on ordinary activities for the year amounted to £103,768 before exceptional items of £1,409,636..

The company office is at Canary Wharf, London, UK. It has branches in Hungary, Latvia, Estonia and Poland to serve its local customers.

The directors were satisfied with the performance of the company. The company's aggressive sales strategies have helped increase the revenues during the year. The company continued focus on offshore model of delivery and provides solution based delivery to its clients. The Revenue growth was achieved from volume and new customer acquisitions , adopting corporate's Goto market business strategy of " Automate everything, Cloudify everything and Transform Customer experience".

**ON BEHALF OF THE BOARD:**



A Singh - Director

24 January 2019

---

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
HEXAWARE TECHNOLOGIES UK LIMITED**

**Opinion**

We have audited the financial statements of Hexaware Technologies UK Limited (the 'company') for the year ended 31 December 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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**

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 company'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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, 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 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 this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Strategic Report or the Report of the Directors.

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
HEXAWARE TECHNOLOGIES UK LIMITED**

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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.

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](http://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.

S Phadke (Senior Statutory Auditor)  
for and on behalf of Butler & Co LLP  
Chartered Accountants  
& Statutory Auditor  
Third Floor  
126-134 Baker Street  
London  
W1U 6UE

  

---

24 January 2019

**HEXAWARE TECHNOLOGIES UK LIMITED**

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
<b>TURNOVER</b>	3	46,623,690	35,907,651
Cost of sales		<u>37,603,007</u>	<u>28,735,991</u>
<b>GROSS PROFIT</b>		9,020,683	7,171,660
Administrative expenses		<u>10,040,639</u>	<u>5,963,640</u>
		(1,019,956)	1,208,020
Other operating income		<u>8,681</u>	<u>1,242</u>
<b>OPERATING (LOSS)/PROFIT</b>	5	(1,011,275)	1,209,262
Interest receivable and similar income		<u>3,907</u>	<u>2,736</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(1,007,368)	1,211,998
Tax on (loss)/profit	7	<u>298,500</u>	<u>240,000</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<u>(1,305,868)</u>	<u>971,998</u>

The notes form part of these financial statements

---

**HEXAWARE TECHNOLOGIES UK LIMITED**

**OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
(LOSS)/PROFIT FOR THE YEAR		(1,305,868)	971,998
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(1,305,868)</u>	<u>971,998</u>

The notes form part of these financial statements

---

**HEXAWARE TECHNOLOGIES UK LIMITED (REGISTERED NUMBER: 03647007)**

**BALANCE SHEET  
31 DECEMBER 2018**

	Notes	2018		2017	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8		58,038		56,002
Investments	9		<u>19,514</u>		<u>23,914</u>
			77,552		79,916
<b>CURRENT ASSETS</b>					
Debtors	10	14,093,659		10,283,717	
Cash at bank		<u>4,282,796</u>		<u>2,625,588</u>	
		18,376,455		12,909,305	
<b>CREDITORS</b>					
Amounts falling due within one year	11	<u>13,894,271</u>		<u>7,123,617</u>	
<b>NET CURRENT ASSETS</b>			<u>4,482,184</u>		<u>5,785,688</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,559,736</u>		<u>5,865,604</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		2,167,000		2,167,000
Retained earnings	14		<u>2,392,736</u>		<u>3,698,604</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>4,559,736</u>		<u>5,865,604</u>

The financial statements were authorised for issue by the Board of Directors on 24 January 2019 and were signed on its behalf by:



A Singh - Director

The notes form part of these financial statements



**HEXAWARE TECHNOLOGIES UK LIMITED**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2017</b>	2,167,000	2,726,606	4,893,606
<b>Changes in equity</b>			
Total comprehensive income	-	971,998	971,998
<b>Balance at 31 December 2017</b>	<u>2,167,000</u>	<u>3,698,604</u>	<u>5,865,604</u>
<b>Changes in equity</b>			
Total comprehensive income	-	(1,305,868)	(1,305,868)
<b>Balance at 31 December 2018</b>	<u>2,167,000</u>	<u>2,392,736</u>	<u>4,559,736</u>

The notes form part of these financial statements

---

**HEXAWARE TECHNOLOGIES UK LIMITED**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	1,997,099	484,178
Tax paid		<u>(303,003)</u>	<u>(624,133)</u>
Net cash from operating activities		<u>1,694,096</u>	<u>(139,955)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(45,195)	(5,484)
Sale of fixed asset investments		4,400	-
Interest received		<u>3,907</u>	<u>2,736</u>
Net cash from investing activities		<u>(36,888)</u>	<u>(2,748)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of year	2	1,657,208	(142,703)
		<u>2,625,588</u>	<u>2,768,291</u>
Cash and cash equivalents at end of year	2	<u>4,282,796</u>	<u>2,625,588</u>

The notes form part of these financial statements

---

**HEXAWARE TECHNOLOGIES UK LIMITED**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. **RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2018	2017
(Loss)/profit before taxation	£	£
Depreciation charges	(1,007,368)	1,211,998
Finance income	43,160	41,113
	<u>(3,907)</u>	<u>(2,736)</u>
Increase in trade and other debtors	(968,115)	1,250,375
Increase in trade and other creditors	(3,809,943)	(2,137,385)
	<u>6,775,157</u>	<u>1,371,188</u>
<b>Cash generated from operations</b>	<u>1,997,099</u>	<u>484,178</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2018**

	31/12/18	1/1/18
Cash and cash equivalents	£	£
	<u>4,282,796</u>	<u>2,625,588</u>

**Year ended 31 December 2017**

	31/12/17	1/1/17
Cash and cash equivalents	£	£
	<u>2,625,588</u>	<u>2,768,291</u>

The notes form part of these financial statements

---

## **HEXAWARE TECHNOLOGIES UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **1. STATUTORY INFORMATION**

Hexaware Technologies UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

#### **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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a consistent basis in accordance with applicable Accounting Standards in the United Kingdom, and in compliance with the Companies Act 2006. A summary of the principal accounting policies is set out below.

##### **Turnover**

Turnover represents the invoiced amounts of services provided and it is stated net of Value Added Tax.

Revenue for software services is recognised on the basis of services rendered. In case of time and material contracts, invoices are raised on the basis of customer approved timesheets. In case of fixed price projects, invoices are raised for prescribed milestones achieved on the basis of acceptance / sign-off received from customer. Revenue on fixed price contracts is recognised on percentage completion method until an invoice is raised to the customer.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- over the lease term
Plant and machinery	- 20% on cost
Fixtures and fittings	- 12.5% on cost
Computer equipment	- 33.33% on cost

##### **Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

##### **Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

##### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

##### **Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

---

continued...

**HEXAWARE TECHNOLOGIES UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

2. **ACCOUNTING POLICIES - continued**

**Going concern**

The directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The Directors consider it appropriate to adopt the going concern basis in preparing the annual financial statements.

3. **TURNOVER**

The turnover and loss (2017 - profit) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2018	2017
	£	£
Banking and Financial Services	7,935,608	7,146,710
Global Travel & Transportation	5,368,042	3,571,472
Healthcare & Insurance	23,130,373	16,957,468
Manufacturing & Others	10,189,667	8,232,001
	<u>46,623,690</u>	<u>35,907,651</u>

An analysis of turnover by geographical market is given below:

	2018	2017
	£	£
UK	31,238,724	25,089,957
Belgium	8,685,230	7,015,094
Switzerland	1,353,192	1,883,548
Netherlands	1,108,511	1,509,759
Poland	1,974,824	-
Sweden	829,306	409,293
Luxembourg	1,134,249	-
Finland	113,080	-
US	186,574	-
	<u>46,623,690</u>	<u>35,907,651</u>

4. **EMPLOYEES AND DIRECTORS**

	2018	2017
	£	£
Wages and salaries	12,350,077	9,094,901
Social security costs	141,451	805,724
Other pension costs	160,826	100,050
	<u>12,652,354</u>	<u>10,000,675</u>

The average number of employees during the year was as follows:

	2018	2017
Office Management	27	25
Software consultants	<u>145</u>	<u>136</u>
	<u>172</u>	<u>161</u>

	2018	2017
	£	£
Directors' remuneration	<u>323,640</u>	<u>239,278</u>

continued...

**HEXAWARE TECHNOLOGIES UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018****4. EMPLOYEES AND DIRECTORS - continued**

Information regarding the highest paid director is as follows:

	2018	2017
	£	£
Emoluments etc	<u>323,640</u>	<u>239,278</u>

**5. OPERATING (LOSS)/PROFIT**

The operating loss (2017 - operating profit) is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation - owned assets		
Auditors' remuneration	43,159	41,114
Audit-related assurance services	20,000	20,000
Taxation compliance services	14,150	11,500
Other non- audit services	21,246	12,999
Foreign exchange differences	873	3,146
	<u>(123,656)</u>	<u>135,756</u>

**6. EXCEPTIONAL ITEMS**

	2018	2017
	£	£
Exceptional items	<u>(1,409,636)</u>	<u>-</u>

This represents a provision against the amounts due from Hexaware Technologies Romania SRL, a wholly owned subsidiary of the company. The provision is on the basis that there are no prospects of recovery in the foreseeable future.

**7. TAXATION****Analysis of the tax charge**

The tax charge on the loss for the year was as follows:

	2018	2017
	£	£
Current tax:		
UK corporation tax	<u>298,500</u>	<u>240,000</u>
Tax on (loss)/profit	<u>298,500</u>	<u>240,000</u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2018	2017
	£	£
(Loss)/profit before tax	<u>(1,007,368)</u>	<u>1,211,998</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.250%)	(191,400)	233,310
Effects of:		
Excess of capital allowance over depreciation	1,116	5,957
Expenses disallowed for tax purposes	8,763	9,743
Exceptional adjustment	267,831	-
Other adjustments	<u>212,190</u>	<u>(9,010)</u>
Total tax charge	<u>298,500</u>	<u>240,000</u>

continued...

**HEXAWARE TECHNOLOGIES UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018****8. TANGIBLE FIXED ASSETS**

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>					
At 1 January 2018	76,900	12,018	24,838	129,727	243,483
Additions	-	-	-	45,195	45,195
At 31 December 2018	<u>76,900</u>	<u>12,018</u>	<u>24,838</u>	<u>174,922</u>	<u>288,678</u>
<b>DEPRECIATION</b>					
At 1 January 2018	50,676	7,265	17,931	111,609	187,481
Charge for year	<u>16,562</u>	<u>2,107</u>	<u>1,046</u>	<u>23,444</u>	<u>43,159</u>
At 31 December 2018	<u>67,238</u>	<u>9,372</u>	<u>18,977</u>	<u>135,053</u>	<u>230,640</u>
<b>NET BOOK VALUE</b>					
At 31 December 2018	<u>9,662</u>	<u>2,646</u>	<u>5,861</u>	<u>39,869</u>	<u>58,038</u>
At 31 December 2017	<u>26,224</u>	<u>4,753</u>	<u>6,907</u>	<u>18,118</u>	<u>56,002</u>

**9. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2018	23,914
Disposals	<u>(4,400)</u>
At 31 December 2018	<u>19,514</u>
<b>NET BOOK VALUE</b>	
At 31 December 2018	<u>19,514</u>
At 31 December 2017	<u>23,914</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**Hexaware Technologies DO Brazil Limited**

Registered office:

Nature of business: Software development and IT consultancy services

Class of shares:	% holding
Ordinary	100.00

	2018 £	2017 £
Aggregate capital and reserves	-	44,031
Profit for the year	<u>-</u>	<u>5,869</u>

The investment was disposed during the year.

continued...

**HEXAWARE TECHNOLOGIES UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018****9. FIXED ASSET INVESTMENTS - continued****Hexaware Technologies Romania SRL**

Registered office: Hexaware Technologies Romania SRL Str.Grigore Cobalcescu, nr.46, et.2, Sector 1, Bucharest , Romania

Nature of business: Software development and IT consultancy services

Class of shares:	% holding	2018	2017
Ordinary	90.00	£	£
Aggregate capital and reserves		(956,709)	(487,931)
Loss for the year		<u>(461,714)</u>	<u>(484,318)</u>

As at 31 December 2018, the amount due from the subsidiary in Romania is £1,409,636 (2017 £909,052).

These financial statements contain information about Hexaware Technologies UK Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 401 of the Companies Act 2006 as the company itself is a subsidiary undertaking and its parent undertaking is not established under the law of an EEA state. The company is included in consolidated accounts of its parent company.

**10. DEBTORS**

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	8,824,561	6,997,225
Amounts owed by group undertakings	1,020,109	1,788,093
Other debtors	297,958	138,802
Accrued income	3,659,734	1,122,708
Prepayments	<u>216,297</u>	<u>161,889</u>
	<u>14,018,659</u>	<u>10,208,717</u>
Amounts falling due after more than one year:		
Other debtors	<u>75,000</u>	<u>75,000</u>
Aggregate amounts	<u>14,093,659</u>	<u>10,283,717</u>

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

	2018 £	2017 £
Trade creditors	1,211,896	459,683
Amounts owed to group undertakings	6,091,321	1,979,263
Tax	43,650	48,153
Social security and other taxes	291,203	273,761
VAT	742,904	674,754
Other creditors	1,367,079	972,953
Deferred income	668,578	55,607
Accrued expenses	<u>3,477,640</u>	<u>2,659,443</u>
	<u>13,894,271</u>	<u>7,123,617</u>

continued...



**HEXAWARE TECHNOLOGIES UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

12. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	110,775	189,900
Between one and five years	-	110,775
	<u>110,775</u>	<u>300,675</u>

13. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018	2017
			£	£
2,167,000	Ordinary	£1	<u>2,167,000</u>	<u>2,167,000</u>

14. **RESERVES**

	Retained earnings
	£
At 1 January 2018	3,698,604
Deficit for the year	<u>(1,305,868)</u>
At 31 December 2018	<u>2,392,736</u>

15. **PENSION COMMITMENTS**

At the year end the amount payable towards pension is £201,886 (2017: £19,279).

16. **ULTIMATE PARENT COMPANY**

Ultimate Holding Company and its subsidiaries - Baring Private Equity Asia GP V. LP, Cayman Island.

- The Baring Asia Private Equity Fund V, LP, Cayman Island.
- Baring Private Equity Asia V Mauritius Holding (4) Limited, Mauritius.
- Parel Investment Holding Limited, Mauritius.
- HT Global IT solutions Holding Limited, Mauritius.

Holding Company - Hexaware Technologies Limited, India.

17. **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 other group undertakings in these financial statements.

The company is a wholly owned subsidiary of Hexaware Technologies Limited, a company incorporated in India and is included in the consolidated financial statements of that company. Copies of the group financial statements can be obtained from: Hexaware Technologies Ltd, Building NO 152, Sector -III, Millenium Business Park, A Block, TTC Industrial Area, Mahape, Navi Mumbai - 400710, India.

18. **BANK GUARANTEE**

The company's bankers, Royal Bank of Scotland Plc, have given a guarantee to a third party of £ 75,000 and has a lien on a deposit with the bank of a similar amount.

**HEXAWARE TECHNOLOGIES UK LIMITED****TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018		2017	
	£	£	£	£
<b>Sales</b>		46,623,690		35,907,651
<b>Cost of sales</b>				
Purchases	26,854,593		18,492,343	
Wages	6,937,428		5,917,411	
Social security	97,951		459,588	
Pensions	75,046		47,701	
Other direct costs	3,637,989		3,787,456	
Discount allowed	-		31,492	
		<u>37,603,007</u>		<u>28,735,991</u>
<b>GROSS PROFIT</b>		9,020,683		7,171,660
<b>Other income</b>				
Sundry receipts	8,681		1,242	
Deposit account interest	3,907		2,736	
		<u>12,588</u>		<u>3,978</u>
		9,033,271		7,175,638
<b>Expenditure</b>				
Directors' salaries	323,640		239,278	
Directors' social security	43,500		31,894	
Directors' pensions paid	6,240		6,300	
Wages	5,082,769		2,931,912	
Social security	-		314,242	
Pensions	85,780		52,349	
Rent & Rates	400,667		242,473	
Insurance	64,397		43,215	
Subscriptions	47,311		40,081	
Telephone	114,844		90,353	
Post and stationery	13,793		9,830	
Travelling	1,170,694		819,786	
Repairs and renewals	95,687		88,044	
Sundry expenses	82,203		1,493	
Staff welfare expenses	90,012		87,763	
Other professional fees	99,974		27,005	
Staff recruitment	114,084		102,258	
Legal & Professional fees	137,648		95,375	
Auditors' remuneration	20,000		20,000	
Auditors' remuneration for non audit work	36,269		27,645	
Foreign exchange losses/gains	(123,656)		135,756	
Advertising & Marketing	435,530		423,482	
Entertainment	46,121		50,612	
Bad debts	164,491		20,632	
Exceptional items	1,409,636		-	
		<u>9,961,634</u>		<u>5,901,778</u>
		(928,363)		1,273,860
<b>Finance costs</b>				
Bank charges		<u>35,845</u>		<u>20,749</u>
Carried forward		(964,208)		1,253,111

This page does not form part of the statutory financial statements

**HEXAWARE TECHNOLOGIES UK LIMITED**

**TRADING AND PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018		2017	
	£	£	£	£
Brought forward		(964,208)		1,253,111
<b>Depreciation</b>				
Short leasehold				
Plant and machinery	16,563		16,563	
Fixtures and fittings	2,107		2,534	
Computer equipment	1,046		1,046	
	<u>23,444</u>		<u>20,970</u>	
		<u>43,160</u>		<u>41,113</u>
<b>NET (LOSS)/PROFIT</b>		<u>(1,007,368)</u>		<u>1,211,998</u>

This page does not form part of the statutory financial statements

---