

**Strategic Report, Report of the Directors and**  
**Audited Financial Statements for the Year Ended 31 December 2017**  
**for**  
**HEXAWARE TECHNOLOGIES UK LIMITED**

**HEXAWARE TECHNOLOGIES UK LIMITED**

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**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**HEXAWARE TECHNOLOGIES UK LIMITED**

**Company Information**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

<b>DIRECTORS:</b>	P R Chandrasekar A Singh S Ramakarthikeyan
<b>SECRETARY:</b>	R Visvanathan
<b>REGISTERED OFFICE:</b>	C/O Butler & Co. LLP 3rd Floor 126-134 Baker Street London W1U 6UE
<b>REGISTERED NUMBER:</b>	03647007 (England and Wales)
<b>AUDITORS:</b>	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 2017**

The directors present their strategic report for the year ended 31 December 2017.

**REVIEW OF BUSINESS**

Revenue for the year amounted to £35,907,651 an increase of 12.6 % over 2016, and the profit after tax for the year amounted to £971,998 an increase of 9.2% from 2016.

The company office is at Canary Wharf, London, UK. It has got a branches in Hungary and Latvia 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.

**ON BEHALF OF THE BOARD:**



.....  
A Singh - Director

Date: 31st Jan 2018.....

## **HEXAWARE TECHNOLOGIES UK LIMITED**

### **Report of the Directors** **FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of Software development and IT consultancy services.

#### **DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2017.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

P R Chandrasekar  
A Singh  
S Ramakarthikeyan

#### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The company's financial instruments comprise cash and liquid resources, balances with group undertakings and various items such as trade debtors, trade creditors etc, that arise directly from its operations. The company's activities expose it to various risks like foreign currency risk and interest rate risk, credit risk and liquidity risk. The company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the company's financial performance.

##### **Foreign currency risk**

The company's transactions are predominantly in Pound Sterling and incurs foreign currency risk on transactions that are denominated in currency other than Pound Sterling, such as Euro and United States Dollars. The company does not hedge any currency exposures.

##### **Interest rate risk**

The company finances its operations through retained profits. The company has no significant exposure to market risk for changes in interest rates.

##### **Liquidity risk**

The company has no overdraft facilities or requirement, and manages its liquidity risk mainly through funds generated from operations.

##### **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The major classes of financial assets of the company are bank deposits, trade receivables and amounts owed by group companies. The company manages its credit risk through credit checks, and rigorous debt collection procedures.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**HEXAWARE TECHNOLOGIES UK LIMITED**

**Report of the Directors**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are 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 each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Butler & Co LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



.....  
A Singh - Director

Date: 31 January 2018

**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 2017 on pages seven to eighteen. 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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**

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 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, 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 Statement of Directors' Responsibilities 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.

**Our 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.

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



Date: .....

31 January 2018



**HEXAWARE TECHNOLOGIES UK LIMITED****Income Statement  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
<b>TURNOVER</b>	3	35,907,651	31,882,316
Cost of sales		<u>28,735,991</u>	<u>25,517,730</u>
<b>GROSS PROFIT</b>		7,171,660	6,364,586
Administrative expenses		<u>5,963,640</u>	<u>5,299,868</u>
		1,208,020	1,064,718
Other operating income		<u>1,242</u>	<u>953</u>
<b>OPERATING PROFIT</b>	5	1,209,262	1,065,671
Interest receivable and similar income		<u>2,736</u>	<u>2,390</u>
<b>PROFIT BEFORE TAXATION</b>		1,211,998	1,068,061
Tax on profit	6	<u>240,000</u>	<u>178,000</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>971,998</u></u>	<u><u>890,061</u></u>

The notes form part of these financial statements

**HEXAWARE TECHNOLOGIES UK LIMITED**

**Other Comprehensive Income**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
PROFIT FOR THE YEAR		971,998	890,061
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>971,998</u>	<u>890,061</u>

The notes form part of these financial statements

**HEXAWARE TECHNOLOGIES UK LIMITED (REGISTERED NUMBER: 03647007)****Balance Sheet  
31 DECEMBER 2017**

	Notes	2017 £	£	2016 £	£
<b>FIXED ASSETS</b>					
Tangible assets	7		56,002		91,632
Investments	8		23,914		23,914
			<u>79,916</u>		<u>115,546</u>
<b>CURRENT ASSETS</b>					
Debtors	9	10,283,717		8,185,510	
Cash at bank		2,625,588		2,768,291	
		<u>12,909,305</u>		<u>10,953,801</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	10	7,123,617		6,175,741	
		<u>7,123,617</u>		<u>6,175,741</u>	
<b>NET CURRENT ASSETS</b>			<u>5,785,688</u>		<u>4,778,060</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>5,865,604</u>		<u>4,893,606</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		2,167,000		2,167,000
Retained earnings	13		3,698,604		2,726,606
			<u>5,865,604</u>		<u>4,893,606</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>5,865,604</u>		<u>4,893,606</u>

The financial statements were authorised for issue by the Board of Directors on 31st Jan 2018 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 2017**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	2,167,000	1,836,545	4,003,545
Changes in equity			
Total comprehensive income	-	890,061	890,061
Balance at 31 December 2016	<u>2,167,000</u>	<u>2,726,606</u>	<u>4,893,606</u>
Changes in equity			
Total comprehensive income	-	971,998	971,998
Balance at 31 December 2017	<u><u>2,167,000</u></u>	<u><u>3,698,604</u></u>	<u><u>5,865,604</u></u>

The notes form part of these financial statements

**HEXAWARE TECHNOLOGIES UK LIMITED****Cash Flow Statement  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	484,178	1,034,553
Tax paid		(624,133)	32,284
Net cash from operating activities		<u>(139,955)</u>	<u>1,066,837</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(5,484)	(36,862)
Purchase of fixed asset investments		-	(23,256)
Sale of tangible fixed assets		-	(1)
Interest received		2,736	2,390
Net cash from investing activities		<u>(2,748)</u>	<u>(57,729)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(142,703)</u>	<u>1,009,108</u>
Cash and cash equivalents at beginning of year	2	2,768,291	1,759,183
Cash and cash equivalents at end of year	2	<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 Cash Flow Statement  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2017	2016
	£	£
Profit before taxation	1,211,998	1,068,061
Depreciation charges	41,113	43,056
Loss on disposal of fixed assets	-	802
Finance income	(2,736)	(2,390)
	<u>1,250,375</u>	<u>1,109,529</u>
Increase in trade and other debtors	(2,196,520)	(438,307)
Increase in trade and other creditors	1,430,323	363,331
	<u>484,178</u>	<u>1,034,553</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 2017**

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

**Year ended 31 December 2016**

	31/12/16	1/1/16
	£	£
Cash and cash equivalents	<u>2,768,291</u>	<u>1,759,183</u>

The notes form part of these financial statements

## **HEXAWARE TECHNOLOGIES UK LIMITED**

### **Notes to the Financial Statements** **FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **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.

## HEXAWARE TECHNOLOGIES UK LIMITED

### Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 DECEMBER 2017

#### 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 profit before taxation are attributable to the one principal activity of the company.

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

	2017	2016
	£	£
Banking and Financial Services	7,146,710	7,658,914
Global Travel & Transportation	3,571,472	3,385,231
Healthcare & Insurance	16,957,468	12,422,710
Manufacturing & Others	8,232,001	8,415,461
	<u>35,907,651</u>	<u>31,882,316</u>

An analysis of turnover by geographical market is given below:

	2017	2016
	£	£
UK	25,089,957	21,439,464
Belgium	7,015,094	5,220,128
Switzerland	1,883,548	2,623,664
Netherlands	1,509,759	2,184,408
Ireland	-	8,038
Sweden	409,293	405,114
US	-	1,500
	<u>35,907,651</u>	<u>31,882,316</u>

#### 4. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Wages and salaries	9,088,601	9,189,221
Social security costs	805,724	694,785
Other pension costs	106,350	101,568
	<u>10,000,675</u>	<u>9,985,574</u>

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

	2017	2016
Office Management	25	29
Software consultants	136	130
	<u>161</u>	<u>159</u>
	2017	2016
	£	£
Directors' remuneration	<u>239,278</u>	<u>250,263</u>



**HEXAWARE TECHNOLOGIES UK LIMITED****Notes to the Financial Statements - continued  
FOR THE YEAR ENDED 31 DECEMBER 2017****4. EMPLOYEES AND DIRECTORS - continued**

Information regarding the highest paid director is as follows:

	2017	2016
	£	£
Emoluments etc	<u>239,278</u>	<u>250,263</u>

**5. OPERATING PROFIT**

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

	2017	2016
	£	£
Depreciation - owned assets	41,114	43,056
Loss on disposal of fixed assets	-	802
Auditors' remuneration	20,000	19,000
Audit-related assurance services	11,500	9,600
Taxation compliance services	12,999	11,780
Other non- audit services	3,146	1,000
Foreign exchange differences	<u>135,756</u>	<u>(455,448)</u>

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

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

	2017	2016
	£	£
Current tax:		
UK corporation tax	<u>240,000</u>	<u>178,000</u>
Tax on profit	<u>240,000</u>	<u>178,000</u>

UK corporation tax has been charged at 19.25% (2016 - 20%).

**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:

	2017	2016
	£	£
Profit before tax	<u>1,211,998</u>	<u>1,068,061</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.250% (2016 - 20%)	233,310	213,612
Effects of:		
Excess of capital allowance over depreciation	5,957	2,432
Expenses disallowed for tax purposes	9,743	13,921
R&D Tax credit	-	(51,965)
Other adjustments	<u>(9,010)</u>	<u>-</u>
Total tax charge	<u>240,000</u>	<u>178,000</u>

UK corporation tax has been charged @ 20% from January to March 2017 and at 19% from April to December 2017.

**HEXAWARE TECHNOLOGIES UK LIMITED**

**Notes to the Financial Statements - continued  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**7. TANGIBLE FIXED ASSETS**

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>					
At 1 January 2017	76,900	11,620	24,838	124,641	237,999
Additions	-	398	-	5,086	5,484
At 31 December 2017	<u>76,900</u>	<u>12,018</u>	<u>24,838</u>	<u>129,727</u>	<u>243,483</u>
<b>DEPRECIATION</b>					
At 1 January 2017	34,113	4,731	16,884	90,639	146,367
Charge for year	16,563	2,534	1,047	20,970	41,114
At 31 December 2017	<u>50,676</u>	<u>7,265</u>	<u>17,931</u>	<u>111,609</u>	<u>187,481</u>
<b>NET BOOK VALUE</b>					
At 31 December 2017	<u>26,224</u>	<u>4,753</u>	<u>6,907</u>	<u>18,118</u>	<u>56,002</u>
At 31 December 2016	<u>42,787</u>	<u>6,889</u>	<u>7,954</u>	<u>34,002</u>	<u>91,632</u>

**8. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2017 and 31 December 2017	<u>23,914</u>
<b>NET BOOK VALUE</b>	
At 31 December 2017	<u>23,914</u>
At 31 December 2016	<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

	% holding	2017 £	2016 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		44,031	35,172
Profit for the year		<u>5,869</u>	<u>17,384</u>

As at 31 December 2017, the amount due from the subsidiary in Brazil is £10,936 (2016 : £11,178).

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.

**HEXAWARE TECHNOLOGIES UK LIMITED****Notes to the Financial Statements - continued  
FOR THE YEAR ENDED 31 DECEMBER 2017****8. FIXED ASSET INVESTMENTS - continued****Hexaware Technologies Romania SRL**

Registered office:

Nature of business: Software development and IT consultancy services

	%		
Class of shares:	holding	2017	2016
Ordinary	90.00	£	£
Aggregate capital and reserves		(487,931)	(3,413)
Loss for the year		<u>(484,318)</u>	<u>(23,574)</u>

As at 31 December 2017, the amount due from the subsidiary in Romania is £909,052 (2016 £327,368).

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.

**9. DEBTORS**

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	6,997,225	6,314,388
Amounts owed by group undertakings	1,788,093	393,434
Other debtors	138,802	247,121
Prepayments and accrued income	1,122,708	962,989
Prepayments	161,889	192,578
	<u>10,208,717</u>	<u>8,110,510</u>
Amounts falling due after more than one year:		
Other debtors	<u>75,000</u>	<u>75,000</u>
Aggregate amounts	<u>10,283,717</u>	<u>8,185,510</u>

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

	2017	2016
	£	£
Trade creditors	459,683	387,807
Amounts owed to group undertakings	1,979,263	1,053,922
Tax	48,153	432,284
Social security and other taxes	273,761	229,433
VAT	674,754	696,446
Other creditors	972,953	578,957
Accruals and deferred income	55,607	597,633
Accrued expenses	2,659,443	2,199,259
	<u>7,123,617</u>	<u>6,175,741</u>

## HEXAWARE TECHNOLOGIES UK LIMITED

### Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 DECEMBER 2017

#### 11. LEASING AGREEMENTS

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

	2017	2016
	£	£
Within one year	189,900	189,900
Between one and five years	110,775	300,676
	<u>300,675</u>	<u>490,576</u>

#### 12. CALLED UP SHARE CAPITAL

Number:	Class:	Nominal value:	2017	2016
			£	£
2,167,000	Ordinary	£1	<u>2,167,000</u>	<u>2,167,000</u>

#### 13. RESERVES

	Retained earnings
	£
At 1 January 2017	2,726,606
Profit for the year	971,998
At 31 December 2017	<u>3,698,604</u>

#### 14. PENSION COMMITMENTS

At the year end the amount payable towards pension is £19,279 (2016: £ 29,404).

#### 15. 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.

#### 16. RELATED PARTY DISCLOSURES

In accordance with Financial Reporting Standard No. 102, transactions with other group undertakings have not been disclosed in these financial statements.

#### 17. 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 2017**

	2017		2016	
	£	£	£	£
<b>Sales</b>		35,907,651		31,882,316
<b>Cost of sales</b>				
Purchases	18,492,343		16,104,875	
Wages	5,917,411		5,679,958	
Social security	459,588		372,167	
Pensions	47,701		40,114	
Other direct costs	3,787,456		3,267,336	
Discount allowed	31,492		53,280	
		<u>28,735,991</u>		<u>25,517,730</u>
<b>GROSS PROFIT</b>		7,171,660		6,364,586
<b>Other income</b>				
Sundry receipts	1,242		953	
Deposit account interest	2,736		2,390	
		<u>3,978</u>		<u>3,343</u>
		7,175,638		6,367,929
<b>Expenditure</b>				
Directors' salaries	239,278		250,263	
Wages	2,931,912		3,259,000	
Social security	346,136		322,618	
Pensions	58,649		61,454	
Rent & Rates	242,473		241,514	
Insurance	43,215		28,538	
Subscriptions	40,081		63,595	
Telephone	90,353		118,811	
Post and stationery	9,830		9,149	
Travelling	819,786		597,364	
Repairs and renewals	88,044		73,796	
Sundry expenses	1,493		(2)	
Staff welfare expenses	87,763		73,590	
Other professional fees	27,005		96,551	
Staff recruitment	102,258		56,069	
Legal & Professional fees	95,375		96,264	
Auditors' remuneration	20,000		19,000	
Auditors' remuneration for non audit work	27,645		22,380	
Foreign exchange losses/gains	135,756		(455,448)	
Profit/loss on sale of tangible fixed assets	-		802	
Advertising & Marketing	423,482		205,064	
Entertainment	50,612		69,603	
Bad debts	20,632		29,752	
		<u>5,901,778</u>		<u>5,239,727</u>
		1,273,860		1,128,202
<b>Finance costs</b>				
Bank charges		20,749		17,085
Carried forward		<u>1,253,111</u>		<u>1,111,117</u>

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**HEXAWARE TECHNOLOGIES UK LIMITED**

**Trading and Profit and Loss Account  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017		2016	
	£	£	£	£
Brought forward		1,253,111		1,111,117
<b>Depreciation</b>				
Short leasehold	16,563		15,559	
Plant and machinery	2,534		2,210	
Fixtures and fittings	1,046		967	
Computer equipment	20,970		24,320	
		<u>41,113</u>		<u>43,056</u>
<b>NET PROFIT</b>		<u>1,211,998</u>		<u>1,068,061</u>

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