

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**  
**FOR**  
**HEXAWARE TECHNOLOGIES UK LIMITED**

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**HEXAWARE TECHNOLOGIES UK LIMITED**

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**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**HEXAWARE TECHNOLOGIES UK LIMITED**

**COMPANY INFORMATION**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**DIRECTORS:**

A Singh  
S Ramakarthikeyan

**SECRETARY:**

R Visvanathan

**REGISTERED OFFICE:**

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

**BUSINESS ADDRESS:**

Level 19, 40 Bank Street  
Canary Wharf  
London  
E14 5NR

**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 2021**

The directors present their strategic report for the year ended 31 December 2021.

#### **REVIEW OF BUSINESS**

Revenue for the year amounted to £101,338,585 an increase of 34% from 2020 [2020: +27.09%] , and the profit after tax on ordinary activities for the year amounted to £2,898,409 . [2020: £2,322,892].

The company office is at Canary Wharf, London, UK. It has branches in Hungary, Latvia, Estonia, Poland and Denmark 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 Go to market business strategy of" Automate everything, Cloudify everything and Transform Customer experience".

#### Key Performance Indicators

Year ended	Turnover £	EBITDA £	Net profits after tax £	Net Cashflow £	Net assets £
2021	101,338,585	3,868,289	2,898,409	(17,644,779)	10,202,391
2020	75,594,369	2,933,338	2,322,892	22,024,259	7,303,982
2019	59,478,785	818,576	421,354	(4,028,632)	4,981,090
2018	46,623,690	(964,208)	(1,305,868)	1,657,208	4,559,736
2017	35,907,651	1,253,111	971,998	(142,703)	5,865,604



## **HEXAWARE TECHNOLOGIES UK LIMITED**

### **STRATEGIC REPORT** **FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **SECTION 172(1) STATEMENT AND STATEMENTS ON ENGAGEMENT WITH EMPLOYEES SUPPLIERS, CUSTOMERS AND OTHERS**

We report here on how the Company's directors have performed their duty under Section 172 (S.172) of the Companies Act 2006. S.172 sets out a series of matters to which the directors' must have regard in performing their duty to promote the success of the Company for the benefits of its shareholders while also having due regard to other stakeholders.

Stakeholder	Why are they important to us	Our approach
Customers	They are the reasons why we exist. Understanding their needs is key to our long term success	The management receives regular information on customer requirements and customer feed-back and monitors these metrics
Our people	Our staff are the key to providing a cost effective and efficient service to customers	There is employee engagement through staff reviews, employee forums, project meetings and rewards structures.
Suppliers	Strong and reliable supplier relationships are vital to enable us to provide an efficient service to customers	Regular assessments of protocols in procurement and out-sourcing are done. There is adherence to anti-slavery Policy.
Communities	Our customers and staff are part of the UK and global community we operate in. A reputation of being ethical, diverse and eco- friendly is vital to our success.	The management encourages the use of eco-friendly work policies. The board regularly monitors company policies for matters like diversity and ethical behaviour.
Regulators	We are not subject to specific protocols in terms of a defined Regulator. However, compliance in all statutory matters is a culture that provides good governance.	The management reviews regular updates on all compliance issues and time limits
Shareholders	We are part of a group that is ultimately controlled by PE firm shareholders.	The management provides regular updates to the Group Board on all matters that impact this company.
Long term sustainability	The long-term sustainability of the Company is at the forefront of decision-making, particularly in response to the challenging business conditions and, since the year end, the Coronavirus pandemic.	The management aims to balance the need of the employees, the customers and other stakeholders to ensure good and healthy relationship. The management aims to make sufficient Profit to sustain the entity's commercial vitality.

This report was approved by the Board of directors and signed on its behalf by:

#### **ON BEHALF OF THE BOARD:**



.....  
A Singh - Director

Date: 2<sup>nd</sup> February 2022

## **HEXAWARE TECHNOLOGIES UK LIMITED**

### **REPORT OF THE DIRECTORS** **FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

#### **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 2021.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

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 thorough credit checks, and rigorous debt collection procedures.

## **HEXAWARE TECHNOLOGIES UK LIMITED**

### **REPORT OF THE DIRECTORS** **FOR THE YEAR ENDED 31 DECEMBER 2021**

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

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.

#### **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: 2<sup>nd</sup> February 2022



## **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 2021 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 2021 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.

### **The impact of uncertainties due to the COVID19 pandemic on our audit**

Uncertainties related to the effects of COVID-19 are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

COVID-19 is one of the most significant public health, social and economic event and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for the company and this is particularly the case in relation to COVID19.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' 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 directors with respect to going concern are described in the relevant sections of this report.

### **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 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.

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

**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 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.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page five, 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.

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

**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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries of management, concerning the company's policies and procedures relating to:
  - \* Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
  - \* Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

- Performed analytical procedures to identify unusual relationships.
- Reviewed the trends in Key Performance Indicators.
- Tested journal entries to identify unusual transactions.
- Evaluated accounting policies used and reasonableness of accounting estimates made.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in.

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance.

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



Date: 2nd February 2022



**HEXAWARE TECHNOLOGIES UK LIMITED****INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
<b>TURNOVER</b>	3	101,338,585	75,594,369
Cost of sales		<u>85,403,598</u>	<u>62,242,504</u>
<b>GROSS PROFIT</b>		15,934,987	13,351,865
Administrative expenses		<u>12,374,124</u>	<u>10,507,947</u>
<b>OPERATING PROFIT</b>	5	3,560,863	2,843,918
Interest receivable and similar income		<u>193,226</u>	<u>2,474</u>
<b>PROFIT BEFORE TAXATION</b>		3,754,089	2,846,392
Tax on profit	6	<u>855,680</u>	<u>523,500</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>2,898,409</u></u>	<u><u>2,322,892</u></u>

The notes form part of these financial statements

**HEXAWARE TECHNOLOGIES UK LIMITED**

**OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
PROFIT FOR THE YEAR		2,898,409	2,322,892
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,898,409</u>	<u>2,322,892</u>

The notes form part of these financial statements



**HEXAWARE TECHNOLOGIES UK LIMITED (REGISTERED NUMBER: 03647007)****BALANCE SHEET**  
**31 DECEMBER 2021**

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible assets	7	325,506	143,814
Investments	8	<u>68,184</u>	<u>68,184</u>
		393,690	211,998
<b>CURRENT ASSETS</b>			
Debtors	9	40,112,691	19,460,121
Cash at bank		<u>4,633,644</u>	<u>22,278,423</u>
		44,746,335	41,738,544
<b>CREDITORS</b>			
Amounts falling due within one year	10	<u>34,937,634</u>	<u>34,646,560</u>
<b>NET CURRENT ASSETS</b>		<u>9,808,701</u>	<u>7,091,984</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>10,202,391</u>	<u>7,303,982</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	2,167,000	2,167,000
Retained earnings	13	<u>8,035,391</u>	<u>5,136,982</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>10,202,391</u>	<u>7,303,982</u>

The financial statements were authorised for issue by the Board of Directors and authorised for issue on ...2nd February 2022..... 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 2021**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2020</b>	2,167,000	2,814,090	4,981,090
<b>Changes in equity</b>			
Total comprehensive income	-	2,322,892	2,322,892
<b>Balance at 31 December 2020</b>	2,167,000	5,136,982	7,303,982
<b>Changes in equity</b>			
Total comprehensive income	-	2,898,409	2,898,409
<b>Balance at 31 December 2021</b>	2,167,000	8,035,391	10,202,391

The notes form part of these financial statements

**HEXAWARE TECHNOLOGIES UK LIMITED****CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(16,518,840)	22,530,598
Tax paid		<u>(1,023,273)</u>	<u>(362,145)</u>
Net cash from operating activities		<u>(17,542,113)</u>	<u>22,168,453</u>
 <b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(295,892)	(97,998)
Purchase of fixed asset investments		-	(48,670)
Interest received		<u>193,226</u>	<u>2,474</u>
Net cash from investing activities		<u>(102,666)</u>	<u>(144,194)</u>
 <b>(Decrease)/increase in cash and cash equivalents</b>			
<b>Cash and cash equivalents at beginning of year</b>	2	<u>22,278,423</u>	<u>254,164</u>
 <b>Cash and cash equivalents at end of year</b>	2	<u><u>4,633,644</u></u>	<u><u>22,278,423</u></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 2021****1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2021 £	2020 £
Profit before taxation	3,754,089	2,846,392
Depreciation charges	114,200	86,946
Finance income	(193,226)	(2,474)
	3,675,063	2,930,864
(Increase)/decrease in trade and other debtors	(20,652,570)	3,641,987
Increase in trade and other creditors	458,667	15,957,747
<b>Cash generated from operations</b>	<b>(16,518,840)</b>	<b>22,530,598</b>

**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 2021**

	31/12/21 £	1/1/21 £
Cash and cash equivalents	<u>4,633,644</u>	<u>22,278,423</u>

**Year ended 31 December 2020**

	31/12/20 £	1/1/20 £
Cash and cash equivalents	<u>22,278,423</u>	<u>254,164</u>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/1/21 £	Cash flow £	At 31/12/21 £
<b>Net cash</b>			
Cash at bank	<u>22,278,423</u>	<u>(17,644,779)</u>	<u>4,633,644</u>
	<u>22,278,423</u>	<u>(17,644,779)</u>	<u>4,633,644</u>
<b>Total</b>	<u>22,278,423</u>	<u>(17,644,779)</u>	<u>4,633,644</u>

The notes form part of these financial statements

## **HEXAWARE TECHNOLOGIES UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **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.

##### **Preparation of consolidated financial statements**

The 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 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Hexaware Technologies Limited, Building NO 152, Sector -III, Millenium Business Park, A Block, TTC Industrial Area, Mahape, Navi Mumbai - 400710 , India..

##### **Related party exemption**

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.

##### **Significant judgements and estimates**

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgement that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reported period.

##### **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.



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**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.

**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.

Since the financial year end, there are uncertainties relating to COVID19 pandemic which may impact on recoverability of the investments and debtors. No provisions have been made in the financial statements.

**Research and development expenditure credit**

Research and Development Expenditure Credits received are recognised in the year of receipt as a reduction of respective costs. The amounts recognised are the pre-tax gross amounts with a related corporation tax charge recognised in the tax on profits.

**HEXAWARE TECHNOLOGIES UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021****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:

	2021	2020
	£	£
Banking and Financial Services	28,448,748	8,526,495
Global Travel & Transportation	10,843,084	12,751,084
Healthcare & Insurance	52,837,023	40,234,873
Manufacturing & Others	5,828,456	11,485,989
Professional services	3,381,274	2,595,928
	<u>101,338,585</u>	<u>75,594,369</u>

An analysis of turnover by geographical market is given below:

	2021	2020
	£	£
United Kingdom	77,661,338	50,353,570
Europe	22,178,806	23,043,633
United States of America	1,182,503	1,541,445
Asia	315,938	655,721
	<u>101,338,585</u>	<u>75,594,369</u>

**4. EMPLOYEES AND DIRECTORS**

	2021	2020
	£	£
Wages and salaries	25,039,431	17,188,755
Social security costs	2,587,087	1,781,330
Other pension costs	374,401	257,096
	<u>28,000,919</u>	<u>19,227,181</u>

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

	2021	2020
Office Management	43	36
Software consultants	<u>241</u>	<u>196</u>
	<u>284</u>	<u>232</u>

	2021	2020
	£	£
Directors' remuneration	<u>532,292</u>	<u>717,966</u>

**HEXAWARE TECHNOLOGIES UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021****4. EMPLOYEES AND DIRECTORS - continued**

Information regarding the highest paid director is as follows:

	2021	2020
	£	£
Emoluments etc	<u>532,292</u>	<u>717,966</u>

**5. OPERATING PROFIT**

The operating profit is stated after charging:

	2021	2020
	£	£
Depreciation - owned assets	114,201	86,945
Auditors' remuneration	23,000	21,000
Audit-related assurance services	14,350	13,200
Taxation compliance services	2,200	1,080
Other non- audit services	33,150	14,443
Foreign exchange differences	<u>828,142</u>	<u>297,300</u>

Research and Development Expenditure Credits of £621,070 were received in the year in respect of year ended 2019 & year ended 2018 and were credited to related expenditure in the year.

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

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

	2021	2020
	£	£
Current tax:		
UK corporation tax	<u>855,680</u>	<u>523,500</u>
Tax on profit	<u>855,680</u>	<u>523,500</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:

	2021	2020
	£	£
Profit before tax	<u>3,754,089</u>	<u>2,846,392</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	713,277	540,814
Effects of:		
Capital allowances in excess of depreciation	(82,135)	(2,590)
Expenses disallowed for tax purposes	11,430	10,443
Other adjustments	<u>213,108</u>	<u>(25,167)</u>
Total tax charge	<u>855,680</u>	<u>523,500</u>



**HEXAWARE TECHNOLOGIES UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021****7. TANGIBLE FIXED ASSETS**

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>					
At 1 January 2021	76,900	19,779	24,838	404,104	525,621
Additions	-	4,429	-	291,463	295,892
Disposals	-	(8,701)	(8,778)	(97,243)	(114,722)
At 31 December 2021	<u>76,900</u>	<u>15,507</u>	<u>16,060</u>	<u>598,324</u>	<u>706,791</u>
<b>DEPRECIATION</b>					
At 1 January 2021	76,900	13,419	21,072	270,416	381,807
Charge for year	-	2,371	1,046	110,784	114,201
Eliminated on disposal	-	(8,701)	(8,779)	(97,243)	(114,723)
At 31 December 2021	<u>76,900</u>	<u>7,089</u>	<u>13,339</u>	<u>283,957</u>	<u>381,285</u>
<b>NET BOOK VALUE</b>					
At 31 December 2021	<u>-</u>	<u>8,418</u>	<u>2,721</u>	<u>314,367</u>	<u>325,506</u>
At 31 December 2020	<u>-</u>	<u>6,360</u>	<u>3,766</u>	<u>133,688</u>	<u>143,814</u>

**8. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2021 and 31 December 2021	<u>68,184</u>
<b>NET BOOK VALUE</b>	
At 31 December 2021	<u>68,184</u>
At 31 December 2020	<u>68,184</u>

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

**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

	% holding	2021 £	2020 £
Class of shares:			
Ordinary	90.00		
Aggregate capital and reserves		(1,389,215)	(1,423,076)
Loss for the year		<u>(26,681)</u>	<u>(199,997)</u>

**HEXAWARE TECHNOLOGIES UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021****8. FIXED ASSET INVESTMENTS - continued****Hexaware Technologies South Africa Pty Ltd**

Registered office: 13th Floor, Pier Place PO Box 3311 31 Heerengracht Street, Cape Town 8000, SA

Nature of business: Software development and IT consultancy services

	%		
Class of shares:	holding		
Ordinary	100.00		
		2021	2020
		£	£
Aggregate capital and reserves		31,871	129,351
Profit for the year		<u>41,623</u>	<u>79,041</u>

**Hexaware Technologies ARG SAS**

Registered office: Avda. L.N.Alem 693 3ro. y 5to.piso C1001AAB Buenos Aires Argentina

Nature of business: Software development and IT consultancy services

	%
Class of shares:	holding
Ordinary	100.00

The company was incorporated during the year. No share capital had yet been allocated.

**9. DEBTORS**

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	17,070,981	13,565,540
Amounts owed by group undertakings	1,475,348	1,082,978
Other debtors	14,286	14,358
Accrued income	7,018,444	3,943,833
Prepayments	<u>858,632</u>	<u>678,412</u>
	<u>26,437,691</u>	<u>19,285,121</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	13,500,000	-
Other debtors	<u>175,000</u>	<u>175,000</u>
	<u>13,675,000</u>	<u>175,000</u>
Aggregate amounts	<u>40,112,691</u>	<u>19,460,121</u>

(i) Inter-company loan of £13.5m was made to Hexaware Technologies Inc which carries an interest of 2%pa and repayable on demand. An interest charge of £192,500 had been accrued for the year.

(ii) The other debtors relates to a bank guarantee [see note 17].

**HEXAWARE TECHNOLOGIES UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021****10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
Trade creditors	212,038	319,621
Amounts owed to group undertakings	13,713,731	21,214,395
Tax	299,626	467,219
Social security and other taxes	1,087,009	502,657
VAT	2,637,564	2,137,134
Other creditors	5,696,237	3,541,278
Deferred income	3,318,979	1,951,749
Accrued expenses	7,972,450	4,512,507
	<u>34,937,634</u>	<u>34,646,560</u>

**11. LEASING AGREEMENTS**

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

	2021	2020
	£	£
Within one year	297,547	253,177
Between one and five years	<u>439,934</u>	<u>654,040</u>
	<u>737,481</u>	<u>907,217</u>

**12. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021	2020
			£	£
2,167,000	Ordinary	£1	<u>2,167,000</u>	<u>2,167,000</u>

**13. RESERVES**

	Retained earnings
	£
At 1 January 2021	5,136,982
Profit for the year	<u>2,898,409</u>
At 31 December 2021	<u>8,035,391</u>

**14. PENSION COMMITMENTS**

At the year end the amount payable towards pension is £97,516 (2020: £54,222).

**15. ULTIMATE PARENT COMPANY**

The Carlyle Group (incorporated in Mauritius) is regarded by the directors as being the company's ultimate parent company.

The parent Company is Hexaware Technologies Limited, India.

**HEXAWARE TECHNOLOGIES UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**16. 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.

**17. BANK GUARANTEE**

The company's bankers, Royal Bank of Scotland Plc, have given a guarantee to a third party of £175,000 (2020: £175,000 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 2021**

	2021		2020	
	£	£	£	£
<b>Sales</b>		101,338,585		75,594,369
<b>Cost of sales</b>				
Purchases	64,353,085		47,194,684	
Wages	18,141,374		10,758,171	
Social security	1,784,662		1,039,073	
Pensions	263,765		156,809	
Other direct costs	860,712		3,093,767	
		<u>85,403,598</u>		<u>62,242,504</u>
<b>GROSS PROFIT</b>		15,934,987		13,351,865
<b>Other income</b>				
Deposit account interest	726		2,474	
Other interest received	192,500		-	
		<u>193,226</u>		<u>2,474</u>
		16,128,213		13,354,339
<b>Expenditure</b>				
Directors' salaries	532,292		717,966	
Directors' social security	72,236		97,867	
Directors' pensions paid	7,952		6,224	
Wages	6,357,813		5,706,394	
Social security	730,189		644,390	
Pensions	110,636		100,287	
Rent & Rates	599,789		442,945	
Insurance	66,225		113,629	
Subscriptions	118,630		75,152	
Telephone	94,925		124,479	
Post and stationery	9,318		3,047	
Travelling	227,375		62,390	
Repairs and renewals	372,638		222,043	
Sundry expenses	1,764		10,056	
Staff welfare expenses	356,639		75,656	
Other professional fees	124,186		601,657	
Staff recruitment	515,054		164,927	
Legal & Professional fees	319,113		205,391	
Auditors' remuneration	23,000		21,000	
Auditors' remuneration for non audit work	49,700		28,723	
Foreign exchange losses/gains	828,142		297,300	
Advertising & Marketing	711,296		439,309	
Entertainment	60,158		54,963	
Bad debts	(86,660)		155,640	
		<u>12,202,410</u>		<u>10,371,435</u>
		3,925,803		2,982,904
<b>Finance costs</b>				
Bank charges		<u>57,514</u>		<u>49,566</u>
Carried forward		3,868,289		2,933,338

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**HEXAWARE TECHNOLOGIES UK LIMITED**

**TRADING AND PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021		2020	
	£	£	£	£
Brought forward		3,868,289		2,933,338
<b>Depreciation</b>				
Plant and machinery	110,784		81,947	
Fixtures and fittings	1,045		1,049	
Computer equipment	<u>2,371</u>		<u>3,950</u>	
		<u>114,200</u>		<u>86,946</u>
<b>NET PROFIT</b>		<u><u>3,754,089</u></u>		<u><u>2,846,392</u></u>

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