

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**  
**FOR**  
**HEXAWARE TECHNOLOGIES UK LIMITED**

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**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**HEXAWARE TECHNOLOGIES UK LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**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 2019**

The directors present their strategic report for the year ended 31 December 2019.

**REVIEW OF BUSINESS**

Revenue for the year amounted to £59,478,785 an increase of 27.57% from 2018 [2018: +29.8%] , and the profit after tax on ordinary activities for the year amounted to £421,354. [2018: £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

7 February 2020

## **HEXAWARE TECHNOLOGIES UK LIMITED**

### **REPORT OF THE DIRECTORS** **FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

#### **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 2019.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2019 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 2019**

#### **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

7 February 2020

## **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 2019 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 2019 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, 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.

### **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.

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

**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 four, 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



Date: 7 February 2020



**HEXAWARE TECHNOLOGIES UK LIMITED****INCOME STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
<b>TURNOVER</b>	3	59,478,785	46,623,690
Cost of sales		<u>48,950,573</u>	<u>38,157,946</u>
<b>GROSS PROFIT</b>		10,528,212	8,465,744
Administrative expenses		<u>9,779,164</u>	<u>9,485,700</u>
		749,048	(1,019,956)
Other operating income		<u>-</u>	<u>8,681</u>
<b>OPERATING PROFIT/(LOSS)</b>	5	749,048	(1,011,275)
Interest receivable and similar income		<u>5,306</u>	<u>3,907</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		754,354	(1,007,368)
Tax on profit/(loss)	7	<u>333,000</u>	<u>298,500</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<u><u>421,354</u></u>	<u><u>(1,305,868)</u></u>

The notes form part of these financial statements

**HEXAWARE TECHNOLOGIES UK LIMITED**

**OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
PROFIT/(LOSS) FOR THE YEAR		421,354	(1,305,868)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>421,354</u>	<u>(1,305,868)</u>

The notes form part of these financial statements

**HEXAWARE TECHNOLOGIES UK LIMITED (REGISTERED NUMBER: 03647007)****BALANCE SHEET**  
**31 DECEMBER 2019**

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	8	132,761	58,038
Investments	9	<u>19,514</u>	<u>19,514</u>
		152,275	77,552
<b>CURRENT ASSETS</b>			
Debtors	10	23,411,275	14,093,659
Cash at bank		<u>254,164</u>	<u>4,282,796</u>
		23,665,439	18,376,455
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>18,836,624</u>	<u>13,894,271</u>
<b>NET CURRENT ASSETS</b>		<u>4,828,815</u>	<u>4,482,184</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,981,090</u>	<u>4,559,736</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	2,167,000	2,167,000
Retained earnings	14	<u>2,814,090</u>	<u>2,392,736</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>4,981,090</u>	<u>4,559,736</u>

The financial statements were authorised for issue by the Board of Directors on 7 February 2020 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 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	2,167,000	3,698,604	5,865,604
Changes in equity			
Total comprehensive income	-	(1,305,868)	(1,305,868)
Balance at 31 December 2018	<u>2,167,000</u>	<u>2,392,736</u>	<u>4,559,736</u>
Changes in equity			
Total comprehensive income	-	421,354	421,354
Balance at 31 December 2019	<u>2,167,000</u>	<u>2,814,090</u>	<u>4,981,090</u>

The notes form part of these financial statements

**HEXAWARE TECHNOLOGIES UK LIMITED****CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(3,824,207)	1,997,099
Tax paid		<u>(70,786)</u>	<u>(303,003)</u>
Net cash from operating activities		<u>(3,894,993)</u>	<u>1,694,096</u>
 <b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(138,945)	(45,195)
Sale of fixed asset investments		-	4,400
Interest received		<u>5,306</u>	<u>3,907</u>
Net cash from investing activities		<u>(133,639)</u>	<u>(36,888)</u>
 <b>(Decrease)/increase in cash and cash equivalents</b>			
<b>Cash and cash equivalents at beginning of year</b>	2	<u>4,282,796</u>	<u>2,625,588</u>
 <b>Cash and cash equivalents at end of year</b>	2	<u><u>254,164</u></u>	<u><u>4,282,796</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 2019****1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2019	2018
	£	£
Profit/(loss) before taxation	754,354	(1,007,368)
Depreciation charges	64,222	43,160
Finance income	<u>(5,306)</u>	<u>(3,907)</u>
	813,270	(968,115)
Increase in trade and other debtors	(9,317,616)	(3,809,943)
Increase in trade and other creditors	<u>4,680,139</u>	<u>6,775,157</u>
<b>Cash generated from operations</b>	<b><u>(3,824,207)</u></b>	<b><u>1,997,099</u></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 2019**

	31/12/19	1/1/19
	£	£
Cash and cash equivalents	<u>254,164</u>	<u>4,282,796</u>

**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>

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

	At 1/1/19	Cash flow	At 31/12/19
	£	£	£
<b>Net cash</b>			
Cash at bank	<u>4,282,796</u>	<u>(4,028,632)</u>	<u>254,164</u>
	<u>4,282,796</u>	<u>(4,028,632)</u>	<u>254,164</u>
<b>Total</b>	<b><u>4,282,796</u></b>	<b><u>(4,028,632)</u></b>	<b><u>254,164</u></b>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**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.

**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.

**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.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2019****2. ACCOUNTING POLICIES - continued****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.

**3. TURNOVER**

The turnover and profit (2018 - loss) before taxation are attributable to the one principal activity of the company.

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

	2019	2018
	£	£
Banking and Financial Services	7,104,691	7,935,608
Global Travel & Transportation	8,438,214	5,368,042
Healthcare & Insurance	31,081,429	23,130,373
Manufacturing & Others	9,653,913	10,189,667
Professional services	3,200,538	-
	<u>59,478,785</u>	<u>46,623,690</u>

An analysis of turnover by geographical market is given below:

	2019	2018
	£	£
United Kingdom	36,953,722	31,238,724
Europe	21,041,450	15,198,392
United States of America	956,475	186,574
Asia	527,138	-
	<u>59,478,785</u>	<u>46,623,690</u>



**HEXAWARE TECHNOLOGIES UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019****4. EMPLOYEES AND DIRECTORS**

	2019	2018
	£	£
Wages and salaries	13,529,697	11,429,126
Social security costs	1,322,054	1,062,402
Other pension costs	222,400	160,826
	<u>15,074,151</u>	<u>12,652,354</u>

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

	2019	2018
Office Management	33	27
Software consultants	<u>168</u>	<u>145</u>
	<u>201</u>	<u>172</u>

	2019	2018
	£	£
Directors' remuneration	<u>337,607</u>	<u>323,640</u>

Information regarding the highest paid director is as follows:

	2019	2018
	£	£
Emoluments etc	<u>337,607</u>	<u>323,640</u>

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

The operating profit (2018 - operating loss) is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation - owned assets	64,222	43,159
Auditors' remuneration	26,400	20,000
Audit-related assurance services	12,000	14,150
Taxation compliance services	22,171	21,246
Other non- audit services	780	873
Foreign exchange differences	<u>756,055</u>	<u>(123,656)</u>

**6. EXCEPTIONAL ITEMS**

	2019	2018
	£	£
Exceptional items	<u>-</u>	<u>(1,409,636)</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.

**HEXAWARE TECHNOLOGIES UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2019****7. TAXATION****Analysis of the tax charge**

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

	2019 £	2018 £
Current tax:		
UK corporation tax	333,000	298,500
Tax on profit/(loss)	333,000	298,500

**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:

	2019 £	2018 £
Profit/(loss) before tax	754,354	(1,007,368)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	143,327	(191,400)
Effects of:		
Capital allowances in excess of depreciation	(14,795)	-
Excess of capital allowance over depreciation	-	1,116
Expenses disallowed for tax purposes	27,411	8,763
Exceptional adjustment	177,057	267,831
Other adjustments	-	212,190
Total tax charge	333,000	298,500

**8. TANGIBLE FIXED ASSETS**

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>					
At 1 January 2019	76,900	12,018	24,838	174,922	288,678
Additions	-	3,064	-	135,881	138,945
At 31 December 2019	76,900	15,082	24,838	310,803	427,623
<b>DEPRECIATION</b>					
At 1 January 2019	67,238	9,372	18,977	135,053	230,640
Charge for year	9,662	2,328	1,046	51,186	64,222
At 31 December 2019	76,900	11,700	20,023	186,239	294,862
<b>NET BOOK VALUE</b>					
At 31 December 2019	-	3,382	4,815	124,564	132,761
At 31 December 2018	9,662	2,646	5,861	39,869	58,038

## **HEXAWARE TECHNOLOGIES UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued** **FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **9. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2019	
and 31 December 2019	<u>19,514</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>19,514</u>
At 31 December 2018	<u>19,514</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

	%
Class of shares:	holding
Ordinary	90.00

	2019 £	2018 £
Aggregate capital and reserves	(1,313,606)	(956,709)
Loss for the year	<u>(335,277)</u>	<u>(461,714)</u>

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

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 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

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

##### **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

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

**HEXAWARE TECHNOLOGIES UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2019****10. DEBTORS**

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	11,369,458	8,824,561
Amounts owed by group undertakings	5,780,422	1,020,109
Other debtors	4,282	297,958
Accrued income	5,253,057	3,659,734
Prepayments	929,056	216,297
	<u>23,336,275</u>	<u>14,018,659</u>
Amounts falling due after more than one year:		
Other debtors	<u>75,000</u>	<u>75,000</u>
Aggregate amounts	<u>23,411,275</u>	<u>14,093,659</u>

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

	2019 £	2018 £
Trade creditors	182,625	1,211,896
Amounts owed to group undertakings	8,924,790	6,091,321
Tax	305,864	43,650
Social security and other taxes	357,919	291,203
VAT	786,577	742,904
Other creditors	2,468,372	1,367,079
Deferred income	183,133	668,578
Accrued expenses	5,627,344	3,477,640
	<u>18,836,624</u>	<u>13,894,271</u>

**12. LEASING AGREEMENTS**

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

	2019 £	2018 £
Within one year	135,412	110,775
Between one and five years	<u>907,217</u>	<u>-</u>
	<u>1,042,629</u>	<u>110,775</u>

**13. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
2,167,000	Ordinary	£1	<u>2,167,000</u>	<u>2,167,000</u>

## **HEXAWARE TECHNOLOGIES UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued** **FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **14. RESERVES**

	Retained earnings £
At 1 January 2019	2,392,736
Profit for the year	<u>421,354</u>
At 31 December 2019	<u><u>2,814,090</u></u>

#### **15. PENSION COMMITMENTS**

At the year end the amount payable towards pension is £88,035 (2018: £201,886).

#### **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 2019**

	2019		2018	
	£	£	£	£
<b>Sales</b>		59,478,785		46,623,690
<b>Cost of sales</b>				
Purchases	34,176,592		26,854,593	
Wages	8,882,297		6,937,428	
Social security	789,776		652,890	
Pensions	112,849		75,046	
Other direct costs	4,989,059		3,637,989	
		48,950,573		38,157,946
<b>GROSS PROFIT</b>		10,528,212		8,465,744
<b>Other income</b>				
Sundry receipts	-		8,681	
Deposit account interest	5,306		3,907	
		5,306		12,588
		10,533,518		8,478,332
<b>Expenditure</b>				
Directors' salaries	337,607		323,640	
Directors' social security	45,399		43,500	
Directors' pensions paid	6,634		6,240	
Wages	4,303,159		4,161,818	
Social security	486,879		366,012	
Pensions	109,551		85,780	
Rent & Rates	464,916		400,667	
Insurance	51,969		64,397	
Subscriptions	40,827		47,311	
Telephone	108,032		114,844	
Post and stationery	5,583		13,793	
Travelling	971,746		1,170,694	
Repairs and renewals	169,084		95,687	
Sundry expenses	45,919		82,203	
Staff welfare expenses	180,037		90,012	
Other professional fees	385,798		99,974	
Staff recruitment	147,208		114,084	
Legal & Professional fees	194,638		137,648	
Auditors' remuneration	26,400		20,000	
Auditors' remuneration for non audit work	34,951		36,269	
Foreign exchange losses/gains	756,055		(123,656)	
Advertising & Marketing	585,393		435,530	
Entertainment	144,270		46,121	
Bad debts	66,502		164,491	
Exceptional items	-		1,409,636	
		9,668,557		9,406,695
<b>Carried forward</b>		864,961		(928,363)

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**HEXAWARE TECHNOLOGIES UK LIMITED****TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	£	£
Brought forward	864,961	(928,363)
<b>Finance costs</b>		
Bank charges	46,385	35,845
	818,576	(964,208)
<b>Depreciation</b>		
Short leasehold	9,662	16,563
Plant and machinery	2,328	2,107
Fixtures and fittings	1,046	1,046
Computer equipment	51,186	23,444
	64,222	43,160
<b>NET PROFIT/(LOSS)</b>	<b>754,354</b>	<b>(1,007,368)</b>

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