

REGISTERED NUMBER: 03647007 (England and Wales)

Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 31 December 2016
for
HEXAWARE TECHNOLOGIES UK LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2016

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Company Information
FOR THE YEAR ENDED 31 DECEMBER 2016

DIRECTORS:

P R Chandrasekar
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

Strategic Report
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their strategic report for the year ended 31 December 2016.

REVIEW OF BUSINESS

Revenue for the year amounted to £31,882,316 an increase of 28.3 % over 2015, and the profit after tax for the year amounted to £890,061 an increase of 18.27% from 2015.

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

25 January 2017

**Report of the Directors
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

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 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 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 a 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.

Report of the Directors
FOR THE YEAR ENDED 31 DECEMBER 2016

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

25 January 2017

Report of the Independent Auditors to the Members of
Hexaware Technologies UK Limited

We have audited the financial statements of Hexaware Technologies UK Limited for the year ended 31 December 2016 on pages six to twenty. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of directors and auditors

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

Matters on which we are required to report by exception

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.

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

25 January 2017

Income Statement
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
TURNOVER	3	31,882,316	24,846,356
Cost of sales		<u>25,195,871</u>	<u>18,374,258</u>
GROSS PROFIT		6,686,445	6,472,098
Administrative expenses		<u>5,621,727</u>	<u>5,644,918</u>
		1,064,718	827,180
Other operating income		<u>953</u>	<u>994</u>
OPERATING PROFIT	5	1,065,671	828,174
Interest receivable and similar income		<u>2,390</u>	<u>2,777</u>
PROFIT BEFORE TAXATION		1,068,061	830,951
Tax on profit	6	<u>178,000</u>	<u>78,379</u>
PROFIT FOR THE FINANCIAL YEAR		<u>890,061</u>	<u>752,572</u>

The notes form part of these financial statements

Other Comprehensive Income
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £	2015 £
Notes		
PROFIT FOR THE YEAR	890,061	752,572
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>890,061</u>	<u>752,572</u>

Balance Sheet
31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
FIXED ASSETS					
Tangible assets	7		91,632		98,627
Investments	8		<u>23,914</u>		<u>658</u>
			115,546		99,285
CURRENT ASSETS					
Debtors	9	8,185,510		7,747,203	
Cash at bank		<u>2,768,291</u>		<u>1,759,183</u>	
		10,953,801		9,506,386	
CREDITORS					
Amounts falling due within one year	10	<u>6,175,741</u>		<u>5,602,126</u>	
NET CURRENT ASSETS			<u>4,778,060</u>		<u>3,904,260</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,893,606</u>		<u>4,003,545</u>
CAPITAL AND RESERVES					
Called up share capital	12		2,167,000		2,167,000
Retained earnings	13		<u>2,726,606</u>		<u>1,836,545</u>
SHAREHOLDERS' FUNDS			<u>4,893,606</u>		<u>4,003,545</u>

The financial statements were authorised for issue by the Board of Directors on 25 January 2017 and were signed on its behalf by:

A Singh - Director

Statement of Changes in Equity
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2015	2,167,000	1,083,973	3,250,973
Changes in equity			
Total comprehensive income	-	752,572	752,572
Balance at 31 December 2015	<u>2,167,000</u>	<u>1,836,545</u>	<u>4,003,545</u>
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>

The notes form part of these financial statements

Cash Flow Statement
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	1,034,553	947,588
Tax paid		<u>32,284</u>	<u>35,112</u>
Net cash from operating activities		<u>1,066,837</u>	<u>982,700</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(36,862)	(26,575)
Purchase of fixed asset investments		(23,256)	-
Sale of tangible fixed assets		(1)	-
Interest received		<u>2,390</u>	<u>2,777</u>
Net cash from investing activities		<u>(57,729)</u>	<u>(23,798)</u>
Increase in cash and cash equivalents		<u>1,009,108</u>	<u>958,902</u>
Cash and cash equivalents at beginning of year	2	1,759,183	800,281
Cash and cash equivalents at end of year	2	<u>2,768,291</u>	<u>1,759,183</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

	2016	2015
	£	£
Profit before taxation	1,068,061	830,951
Depreciation charges	43,056	41,157
Loss on disposal of fixed assets	802	-
Finance income	(2,390)	(2,777)
	<u>1,109,529</u>	<u>869,331</u>
Increase in trade and other debtors	(438,307)	(935,871)
Increase in trade and other creditors	<u>363,331</u>	<u>1,014,128</u>
Cash generated from operations	<u><u>1,034,553</u></u>	<u><u>947,588</u></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 2016

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

Year ended 31 December 2015

	31/12/15	1/1/15
	£	£
Cash and cash equivalents	<u>1,759,183</u>	<u>800,281</u>

**Notes to the Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2016**

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.

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

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:

	2016 £	2015 £
Banking and Financial Services	7,658,914	5,017,890
Global Travel & Transportation	3,385,231	3,753,390
Healthcare & Insurance	12,422,710	6,652,287
Manufacturing & Others	8,415,461	9,422,789
	<u>31,882,316</u>	<u>24,846,356</u>

An analysis of turnover by geographical market is given below:

	2016 £	2015 £
UK	21,439,464	17,478,377
Belgium	5,220,128	2,577,695
Switzerland	2,623,664	3,392,168
Netherlands	2,184,408	1,156,969
Ireland	8,038	61,946
Norway	-	46,689
Sweden	405,114	132,512
US	1,500	-
	<u>31,882,316</u>	<u>24,846,356</u>

4. EMPLOYEES AND DIRECTORS

	2016 £	2015 £
Wages and salaries	9,189,221	8,248,444
Social security costs	694,785	627,607
Other pension costs	101,568	99,479
	<u>9,985,574</u>	<u>8,975,530</u>

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

	2016	2015
Office Management	29	31
Software consultants	<u>130</u>	<u>114</u>
	<u>159</u>	<u>145</u>

	2016 £	2015 £
Directors' remuneration	<u>250,263</u>	<u>265,379</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

4. EMPLOYEES AND DIRECTORS - continued

Information regarding the highest paid director is as follows:

	2016	2015
	£	£
Emoluments etc	<u>250,263</u>	<u>265,379</u>

5. OPERATING PROFIT

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

	2016	2015
	£	£
Depreciation - owned assets	43,056	41,157
Loss on disposal of fixed assets	802	-
Auditors' remuneration	19,000	18,105
Audit-related assurance services	9,600	8,000
Taxation compliance services	11,780	10,000
Other non- audit services	1,000	1,000
Foreign exchange differences	<u>(455,448)</u>	<u>(10,631)</u>

6. TAXATION

Analysis of the tax charge

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

	2016	2015
	£	£
Current tax:		
UK corporation tax	<u>178,000</u>	<u>78,379</u>
Tax on profit	<u>178,000</u>	<u>78,379</u>

UK corporation tax has been charged at 20% (2015 - 20.25%).

Reconciliation of total tax charge included in profit and loss

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

	2016	2015
	£	£
Profit before tax	<u>1,068,061</u>	<u>830,951</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.250%)	213,612	168,268
Effects of:		
Excess of capital allowance over depreciation	2,432	2,953
Expenses disallowed for tax purposes	13,921	10,726
Jan to March		
Over/Under provision of tax	-	(103,568)
R&D Tax credit	<u>(51,965)</u>	<u>-</u>
Total tax charge	<u>178,000</u>	<u>78,379</u>

UK corporation tax has been charged @ 21% from January to March 2015 and at 20% from April to December 2015.

**Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2016	71,740	17,168	18,383	109,281	216,572
Additions	5,160	1,261	8,370	22,071	36,862
Disposals	-	(6,809)	(1,915)	(6,711)	(15,435)
At 31 December 2016	<u>76,900</u>	<u>11,620</u>	<u>24,838</u>	<u>124,641</u>	<u>237,999</u>
DEPRECIATION					
At 1 January 2016	18,554	9,330	17,031	73,030	117,945
Charge for year	15,559	2,210	967	24,320	43,056
Eliminated on disposal	-	(6,809)	(1,114)	(6,711)	(14,634)
At 31 December 2016	<u>34,113</u>	<u>4,731</u>	<u>16,884</u>	<u>90,639</u>	<u>146,367</u>
NET BOOK VALUE					
At 31 December 2016	<u>42,787</u>	<u>6,889</u>	<u>7,954</u>	<u>34,002</u>	<u>91,632</u>
At 31 December 2015	<u>53,186</u>	<u>7,838</u>	<u>1,352</u>	<u>36,251</u>	<u>98,627</u>

8. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2016	658
Additions	23,256
At 31 December 2016	<u>23,914</u>
NET BOOK VALUE	
At 31 December 2016	<u>23,914</u>
At 31 December 2015	<u>658</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	2016 £	2015 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		35,172	12,171
Profit for the year		<u>17,384</u>	<u>15,661</u>

As at 31 December 2016, the amount due from the subsidiary in Brazil is £nil (2015 : £13,735).

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.

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

8. FIXED ASSET INVESTMENTS - continued

Hexaware Technologies Romania SRL

Registered office:

Nature of business: Software development and IT consultancy services

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

As at 31 December 2016, the amount due from the subsidiary in Romania is £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

	2016	2015
	£	£
Amounts falling due within one year:		
Trade debtors	6,314,388	5,684,830
Amounts owed by group undertakings	393,434	-
Other debtors	247,121	1,827,936
Amounts owed by group undertakings	-	28,645
Prepayments and accrued income	962,989	-
Prepayments	<u>192,578</u>	<u>130,792</u>
	<u>8,110,510</u>	<u>7,672,203</u>
Amounts falling due after more than one year:		
Other debtors	<u>75,000</u>	<u>75,000</u>
Aggregate amounts	<u>8,185,510</u>	<u>7,747,203</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	387,807	199,557
Amounts owed to group undertakings	1,053,922	2,230,950
Tax	432,284	222,000
Social security and other taxes	229,433	284,578
VAT	696,446	739,871
Other creditors	578,957	18,462
Accruals and deferred income	597,633	-
Accrued expenses	<u>2,199,259</u>	<u>1,906,708</u>
	<u>6,175,741</u>	<u>5,602,126</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 DECEMBER 2016**11. LEASING AGREEMENTS**

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

	2016	2015
	£	£
Within one year	189,900	189,900
Between one and five years	300,676	490,576
	<u>490,576</u>	<u>680,476</u>

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2016	2015
Number:	Class:		£	£
2,167,000	Ordinary	£1	<u>2,167,000</u>	<u>2,167,000</u>

13. RESERVES

	Retained earnings
	£
At 1 January 2016	1,836,545
Profit for the year	890,061
At 31 December 2016	<u>2,726,606</u>

14. PENSION COMMITMENTS

At the year end the amount payable towards pension is £29,404 (2015: £ 18,380).

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.

Reconciliation of Equity
1 JANUARY 2015
(Date of Transition to FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets	7	113,209	-	113,209
Investments	8	658	-	658
		<u>113,867</u>	<u>-</u>	<u>113,867</u>
CURRENT ASSETS				
Debtors	9	6,811,332	-	6,811,332
Cash at bank		800,281	-	800,281
		<u>7,611,613</u>	<u>-</u>	<u>7,611,613</u>
CREDITORS				
Amounts falling due within one year	10	(4,474,507)	-	(4,474,507)
NET CURRENT ASSETS		<u>3,137,106</u>	<u>-</u>	<u>3,137,106</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,250,973</u>	<u>-</u>	<u>3,250,973</u>
NET ASSETS		<u>3,250,973</u>	<u>-</u>	<u>3,250,973</u>
CAPITAL AND RESERVES				
Called up share capital	11	2,167,000	-	2,167,000
Retained earnings	12	1,083,973	-	1,083,973
SHAREHOLDERS' FUNDS		<u>3,250,973</u>	<u>-</u>	<u>3,250,973</u>

The notes form part of these financial statements

Reconciliation of Equity - continued
31 DECEMBER 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets	7	98,627	-	98,627
Investments	8	658	-	658
		<u>99,285</u>	<u>-</u>	<u>99,285</u>
CURRENT ASSETS				
Debtors	9	7,747,203	-	7,747,203
Cash at bank		<u>1,759,183</u>	<u>-</u>	<u>1,759,183</u>
		<u>9,506,386</u>	<u>-</u>	<u>9,506,386</u>
CREDITORS				
Amounts falling due within one year	10	<u>(5,602,126)</u>	<u>-</u>	<u>(5,602,126)</u>
NET CURRENT ASSETS		<u>3,904,260</u>	<u>-</u>	<u>3,904,260</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,003,545</u>	<u>-</u>	<u>4,003,545</u>
NET ASSETS		<u>4,003,545</u>	<u>-</u>	<u>4,003,545</u>
CAPITAL AND RESERVES				
Called up share capital	11	2,167,000	-	2,167,000
Retained earnings	12	<u>1,836,545</u>	<u>-</u>	<u>1,836,545</u>
SHAREHOLDERS' FUNDS		<u>4,003,545</u>	<u>-</u>	<u>4,003,545</u>

The notes form part of these financial statements

Reconciliation of Profit
FOR THE YEAR ENDED 31 DECEMBER 2015

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	24,846,356	-	24,846,356
Cost of sales	(18,374,258)	-	(18,374,258)
GROSS PROFIT	6,472,098	-	6,472,098
Administrative expenses	(5,644,918)	-	(5,644,918)
Other operating income	994	-	994
OPERATING PROFIT	828,174	-	828,174
Interest receivable and similar income and	2,777	-	2,777
PROFIT BEFORE TAXATION	830,951	-	830,951
Tax on profit	(78,379)	-	(78,379)
PROFIT FOR THE FINANCIAL YEAR	<u>752,572</u>	-	<u>752,572</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.