

COMPANY REGISTRATION NUMBER 05366382

**PNMSOFT UK LIMITED**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2017**



**PNMSOFT UK LIMITED**  
**FINANCIAL STATEMENTS**  
**AS AT 31 DECEMBER 2017**

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**PNMSOFT UK LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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<b>Company registration number</b>	05366382
<b>The board of directors</b>	G Horvitz
<b>Company secretary</b>	Entity Central Corporate Services (UK) Limited
<b>Registered office</b>	4 <sup>th</sup> Floor 66 Buckingham Gate London SW1E 6 AU
<b>Auditor</b>	MHA MacIntyre Hudson New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ

**PNMSOFT UK LIMITED**  
**DIRECTOR'S REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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The director presents his report and financial statements for the year ended 31 December 2017.

**RESULTS AND DIVIDENDS**

The company's profit for the year after taxation amounted to £132,528 (2016: £98,934).

The director does not recommend the payment of any dividend.

**PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The principal activity of the company continued to be the provision of computer software and other related services.

I am pleased with the progress the company has made regarding sales, marketing, operations, product implementation, financial performance and customers satisfaction levels. The company continues to acquire new well known customers while developing its long lasting relationship with existing customers.

**DIRECTORS**

The director who served the company during the year was as follows:

G Horvitz

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

In so far as the director is aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

**AUDITOR**

MHA MacIntyre Hudson is deemed to be re-appointed under section 487(2) of Companies Act 2006.

**GENERAL MEETINGS**

The company has elected not to lay accounts before the members in general meeting. Members, however, may by notice in writing to the company at its registered office require that the accounts are laid before the company in general meeting.

The director has prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the board on ...19/12/2018...  
and signed on its behalf by



G Horvitz  
Director

**PNMSOFT UK LIMITED**  
**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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The director is responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law.

Under company law the director must not approve the financial statements unless he is 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 director is also required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, 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 director is 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. He is 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.

Approved by the board on ...19/12/2018.....  
and signed on its behalf by



G Horvitz  
Director

**PNMSOFT UK LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS PNMSOFT UK LIMITED**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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We have audited the financial statements of PNMSOFT UK Limited (the 'company') for the year ended 31 December 2017 which comprise a Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Cash Flow Statement and 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

**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 2017, and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 Auditor's 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 included in the annual report, other than the financial statements and our auditor's report 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.

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**PNMSOFT UK LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PNMSOFT UK LIMITED (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and to take advantage of the small companies exemption from the requirement to prepare a strategic report.

**RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the directors' responsibilities statement set out on page 4, 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 is 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.

**PNMSOFT UK LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PNMSOFT UK LIMITED (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives as auditors 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 an auditor's report 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: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

**USE OF OUR REPORT**

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's report 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



**Christopher Sutton FCA**  
**(Senior Statutory Auditor)**  
**for and on behalf of**  
**MHA MacIntyre Hudson**  
**Chartered Accountants and Statutory Auditors**  
**New Bridge Street House**  
**30-34 New Bridge Street**  
**London**  
**EC4V 6BJ**

*20 December 2018*

**PNMSOFT UK LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
Revenue	3	7,012,683	5,508,761
Cost of sales		(4,531,873)	(3,324,317)
<b>GROSS PROFIT</b>		<b>2,480,810</b>	<b>2,184,444</b>
Marketing costs		(1,642,542)	(1,468,510)
Administrative expenses		(676,991)	(589,235)
<b>OPERATING PROFIT</b>	4	<b>161,277</b>	<b>126,699</b>
Finance income		-	3
<b>PROFIT BEFORE TAX</b>		<b>161,277</b>	<b>126,702</b>
Income tax credit /(expense)	7	(28,749)	(27,768)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF THE COMPANY</b>		<b>132,528</b>	<b>98,934</b>

The notes on pages 11 to 25 form part of these financial statements.

**PNMSOFT UK LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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	Issued capital £	Share premium £	Retained earnings £	Total equity £
Balance at 1 January 2017	<u>100</u>	<u>359,998</u>	<u>221,226</u>	<u>581,324</u>
Profit for the year	-	-	<u>132,528</u>	<u>132,528</u>
Total comprehensive income for the year	-	-	<u>132,528</u>	<u>132,528</u>
Balance at 31 December 2017	<u><u>100</u></u>	<u><u>359,998</u></u>	<u><u>353,754</u></u>	<u><u>713,852</u></u>

	Issued capital £	Share premium £	Retained earnings £	Total equity £
Balance at 1 January 2016	<u>100</u>	<u>359,998</u>	<u>122,292</u>	<u>482,390</u>
Profit for the year	-	-	<u>98,934</u>	<u>98,934</u>
Total comprehensive income for the year	-	-	<u>98,934</u>	<u>98,934</u>
Balance at 31 December 2016	<u><u>100</u></u>	<u><u>359,998</u></u>	<u><u>221,226</u></u>	<u><u>581,324</u></u>

The reserves included in equity are retained earnings which relate to the company's cumulative undistributed profit.

**The notes on pages 11 to 25 form part of these financial statements.**

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**PNMSOFT UK LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

	Notes	2017 £	2016 £'
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	9	30,213	29,559
Trade and other receivables	12	40,858	40,855
		<u>71,071</u>	<u>70,414</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	12	3,310,044	1,862,749
Prepayments	14	37,665	77,363
Cash and cash equivalents	15	933,746	971,760
		<u>4,281,455</u>	<u>2,911,872</u>
<b>TOTAL ASSETS</b>		<u>4,352,526</u>	<u>2,982,286</u>
<b>EQUITY</b>			
<b>ISSUED CAPITAL AND RESERVES</b>			
Issued share capital	16	100	100
Share premium	17	359,998	359,998
Retained profits		353,754	221,226
		<u>713,852</u>	<u>581,324</u>
<b>TOTAL EQUITY</b>		<u>713,852</u>	<u>581,324</u>
<b>PROVISIONS</b>			
Deferred tax	8	1,549	5,088
<b>CURRENT LIABILITIES</b>			
Trade and other payables	18	3,606,060	2,367,380
Corporation tax payable		31,065	28,494
		<u>3,638,674</u>	<u>2,395,874</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>4,352,526</u>	<u>2,982,286</u>

Approved by the Board on .....19/12/2018..... and signed on its behalf by

G Horvitz  
 Director



Company registration number: 05366382

The notes on pages 11 to 25 form part of these financial statements.

**PNMSOFT UK LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Total operating profit		161,277	126,699
<b>NON-CASH ADJUSTMENTS</b>			
Depreciation		13,428	13,736
Taxation		(28,749)	(27,768)
<b>CASH FLOWS BEFORE CHANGES IN WORKING CAPITAL</b>			
		145,956	112,667
<b>(INCREASE)/DECREASE IN WORKING CAPITAL</b>			
(Increase) in trade and other receivables		(1,407,600)	(124,531)
(Increase)/decrease in trade and other payables		1,237,712	(917,040)
<b>(INCREASE)/DECREASE IN WORKING CAPITAL</b>			
		(169,888)	(1,041,571)
<b>NET CASH (OUTFLOW)/GENERATED BY OPERATING ACTIVITIES</b>			
		(23,932)	(928,904)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments to acquire property, plant and equipment		(14,082)	(10,822)
Interest receivable		-	3
<b>NET CASH USED IN INVESTING ACTIVITIES</b>			
		(14,082)	(10,819)
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		(38,014)	(939,723)
Cash and cash equivalents as at 1 January 2017/ 2016		971,760	1,911,483
<b>CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER 2017/ 2016</b>			
	15	933,746	971,760

The notes on pages 11 to 25 form part of these financial statements.

**PNMSOFT UK LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH IFRS**

The company's financial statements for the year were authorised for issue on 14/12/2018 and the statement of financial position signed on the board's behalf by Mr G Horvitz. PNMsoft UK Limited is a limited company incorporated and domiciled in England & Wales. The immediate parent company is PNMsoft Limited, a company incorporated and domiciled in Israel. The ultimate parent and holding company is Genpact Limited, a company incorporated and domiciled in Bermuda.

The company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006. The principal accounting policies adopted by the company are set out in note 2.

**2. ACCOUNTING POLICIES**

**Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

**Disclosure of Standards and interpretations issued but not effective yet**

At the year end the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective:

- IFRS 9 "*Financial Instruments*" (Effective 1 January 2018). IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.
- IFRS 15 "*Revenue from Contracts with Customers*" (Effective 1 January 2018). IFRS15 replaces IAS 18 and IAS11 (and the related interpretations) and introduces the principal that revenue is recognised when control of a good or service transfers to a customer.
- IFRS 16 "*Leases*" (Effective 1 January 2019). IFRS 16 will result in almost all leases being recognised in the statement of financial position, as the distinction between finance and operating leases is removed. Under this standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term leases and low value leases.

The directors consider that there are no other new or revised standards that are not yet effective that would be expected to have a material impact on the company.

**PNMSOFT UK LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. ACCOUNTING POLICIES (continued)**

**Revenue recognition**

Reported revenue consists of software licensing and support and maintenance contracts.

Software licence revenue is recognised when the following conditions have been satisfied;

- The company has transferred to the buyer the significant risks and rewards of the ownership of the licence;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transfer will flow; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

In addition to the criteria above, revenue from support and maintenance and consultancy is recognised when the stage of completion of the rendering of these services can be measured reliably.

Amounts received from customers in respect of the future performance of obligations under service contracts are included in deferred income and are only recognised as revenue once the above-mentioned recognition criteria have been met.

All revenue is reported net of discounts, value added tax and other sales taxes.

**Interest expense recognition**

Interest expense is recognised as interest accrues, using the effective interest rate method.

**Foreign currency exchange**

The company's functional currency is Pound Sterling, the United Kingdom being the primary economic environment in which the company operates. Transactions in currencies other than the functional currency of the company are recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the year end. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

**Current and deferred income tax**

The tax expense for the period represents the sum of current and deferred tax.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**PNMSOFT UK LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. ACCOUNTING POLICIES (continued)**

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted, or substantively enacted, by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

**Property, plant and equipment**

Items of property, plant and equipment are stated at cost of acquisition or production cost less accumulated depreciation.

Depreciation is charged so as to allocate the cost or revalued amount of property, plant and equipment to their residual values over their estimated useful lives, using the straight line method, on the following bases:

Plant and equipment	25% per annum
Fixtures and fittings	25% per annum

**Financial Instruments**

Financial assets and liabilities are recognised on the company's statement of financial position when the company has become party to the contractual provisions of the instrument.

*Financial assets*

The company classified its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition and that loss event has an impact on the estimated future cash flows of the financial asset.

*Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are included in current assets. The company's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents'. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

**PNMSOFT UK LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. ACCOUNTING POLICIES (continued)**

For loans and receivables the amount of impairment is measured as the difference between the asset's carrying value and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

*Trade and other payables*

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the statement of comprehensive income.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short term deposits. Short term deposits are defined as deposits with an initial maturity of three months or less.

Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

**Operating lease commitments**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

**Significant estimates and judgements**

Trade receivables are provided against on a specific basis to the extent that they are considered irrecoverable. No general provisions are made.

No other significant judgements have been made by management in preparing these financial statements.

**PNMSOFT UK LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. ACCOUNTING POLICIES (continued)**

**Share-based payments**

The group operates a cash-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, the share price)
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save)

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

**3. REVENUE**

All revenue arises through the company's principal activities of software licensing and support and maintenance contracts.

**PNMSOFT UK LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**4. OPERATING PROFIT**

Operating profit is stated after charging/(crediting) the following:

	2017 £	2016 £
Cost of sales recognised as an expense	4,692,024	3,324,317
Net loss/(gains) on foreign currency differences	61,563	(173,381)
Operating leases:		
Land and buildings	86,185	94,117
Auditor's remuneration - audit services	14,000	13,730
Auditor's remuneration - taxation services	8,730	1,115
Auditor's remuneration - all other non-audit services	18,110	18,664
	<u>40,840</u>	<u>33,509</u>
	2017 £	2016 £
<b>Included in cost of sales:</b>		
Employee benefits expense	1,199,766	1,473,398
<b>Included in marketing costs:</b>		
Employee benefits expense	1,107,960	958,437
<b>Included in administrative expenses:</b>		
Employee benefits expense	133,756	148,340
Depreciation	13,428	13,736
Net foreign currency exchange (losses)/gains	61,563	(173,381)
	<u>208,747</u>	<u>(11,305)</u>
Other expenses	875,801	982,987

**PNMSOFT UK LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**5. EMPLOYEE EXPENSES**

	2017 £	2016 £
Wages and salaries	2,107,206	2,202,595
Pension contributions	48,621	48,957
Benefits in kind	-	350
Social security costs	285,655	328,623
	<u>2,441,482</u>	<u>2,580,525</u>

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

	2017 No.	2016 No.
Sales and Administration	<u>31</u>	<u>35</u>

**6. KEY MANAGEMENT COMPENSATION**

	2017 £	2016 £
Director's remuneration	-	-
Benefits in kind	-	-
Pension contributions	-	-
Director's emoluments	<u>-</u>	<u>-</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2017 No.	2016 No.
Money purchase schemes	<u>-</u>	<u>-</u>

**PNMSOFT UK LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**7. INCOME TAX**

Components of income tax expense

	2017	2016
	£	£
<b>Total income tax expense</b>		
Income tax charge	32,288	28,497
Deferred tax (credit)/charge	(3,539)	(729)
	<u>28,749</u>	<u>27,768</u>

Reconciliation of income tax charge to accounting profit

	2017	2016
	£	£
Profit on ordinary activities before taxation	<u>161,277</u>	<u>126,702</u>
Profit on ordinary activities by rate of tax: 19.25% (2016: 20%)	31,046	25,340
Permanent differences	1,777	2,719
Change in rate of deferred tax	(4,074)	-
Temporary timing differences	-	(291)
Total tax	<u>28,749</u>	<u>27,768</u>

**8. DEFERRED TAX**

A deferred tax liability of £1,549 (2016: £5,088) exists at the year end date made up of the following:

	2017	2016
	£	£
Accelerated capital allowances	<u>1,549</u>	<u>5,088</u>

**PNMSOFT UK LIMITED**  
**STATEMENT OF CASH FLOWS**  
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**9. PROPERTY, PLANT AND EQUIPMENT**

**At 31 December 2017**

	<b>Plant and equipment £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2017	96,984	38,674	135,658
Additions	14,081	-	14,081
At 31 December 2017	<u>111,065</u>	<u>38,674</u>	<u>149,739</u>
<b>Depreciation</b>			
At 1 January 2017	74,563	31,535	106,099
Charge for year	10,743	2,685	13,428
At 31 December 2017	<u>85,306</u>	<u>34,220</u>	<u>119,526</u>
<b>Net book value</b>			
At 1 January 2017	<u>22,421</u>	<u>7,138</u>	<u>29,559</u>
At 31 December 2017	<u>25,759</u>	<u>4,454</u>	<u>30,213</u>

**At 31 December 2016**

	<b>Plant and equipment £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2016	87,630	37,206	124,836
Additions	9,354	1,468	10,822
At 31 December 2016	<u>96,984</u>	<u>38,674</u>	<u>135,658</u>
<b>Depreciation</b>			
At 1 January 2016	63,771	28,591	92,363
Charge for year	10,792	2,944	13,736
At 31 December 2016	<u>74,563</u>	<u>31,535</u>	<u>106,099</u>
<b>Net book value</b>			
At 1 January 2016	<u>23,859</u>	<u>8,614</u>	<u>32,473</u>
At 31 December 2016	<u>22,421</u>	<u>7,138</u>	<u>29,559</u>

**PNMSOFT UK LIMITED**  
**STATEMENT OF CASH FLOWS**  
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**10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

**Financial risk management objectives and policies**

The board considers the company's capital to be its issued share capital and retained reserves. The objective of the company's capital management is to ensure that it maintains strong credit ratings and capital ratios. This will ensure that the business is correctly supported and shareholder value is maximised.

The company manages its capital structure by making appropriate adjustments depending on economic conditions. In order to maintain or adjust the capital structure, the company may choose to change or amend dividend payments to shareholders or issue new share capital to shareholders. There were no changes to the objectives, policies or processes during the years ended 31 December 2017 and 31 December 2016.

**Credit risk**

The company trades only with recognised, credit worthy customers. All customers who wish to trade on credit are subject to credit verification checks. Customer balances are checked regularly to ensure that the risk of exposure to bad debts is minimised.

**Liquidity risk**

The company has given responsibility of liquidity risk management to the board who have formulated liquidity management tools to service this requirement.

Management of liquidity risk is achieved by preparing and monitoring budgets and forecasts and comparison with actual cash flows.

**PNMSOFT UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
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**10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**Market risk**

The company's main exposure to market related risks come from its exposure to changes in foreign currency exchange rates. The company does not enter into derivative contracts in order to manage this risk as this is not regarded as cost and time efficient.

**Foreign currency risk**

The company operates internationally and is exposed to foreign exchange risks.

The table below details the sensitivity to possible change in the currency exchange rate, presuming all other variables remaining constant, of the company's profit before tax if there was to be a variance of up to 13% in foreign exchange rates (based on maximum recent historic fluctuations):

<b>Debtors</b>	<b>Balance</b>	<b>Increase/ (decrease) in currency rate</b>	<b>Effect on profit</b>
	<b>£</b>	<b>%</b>	<b>£</b>
<b>31 December 2017</b>			
US Dollar	409,408	9.00	36,846
Euro	640,510	13.00	83,266
Canadian Dollar	<u>428,655</u>	<u>5.00</u>	<u>21,432</u>
<b>31 December 2016</b>			
US Dollar	507,556	13.00	65,982
Euro	273,002	11.00	30,030
Canadian Dollar	<u>458,937</u>	<u>12.00</u>	<u>55,072</u>
<b>Intercompany creditor</b>	<b>Balance</b>	<b>Increase/ (decrease) in currency rate</b>	<b>Effect on profit</b>
	<b>£</b>	<b>%</b>	<b>£</b>
<b>31 December 2017</b>			
US Dollar	2,540,140	9.00	228,613
Euro	-	-	-
Canadian Dollar	<u>-</u>	<u>-</u>	<u>-</u>
<b>31 December 2016</b>			
US Dollar	1,656,557	13.00	215,352
Euro	-	-	-
Canadian Dollar	<u>-</u>	<u>-</u>	<u>-</u>

**PNMSOFT UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

Cash	Balance £	Increase/ (decrease) in currency rate %	Effect on profit £
<b>31 December 2017</b>			
US Dollar	576,365	9.00	51,873
Euro	212,316	13.00	27,601
Canadian Dollar	184	5.00	9
<b>31 December 2016</b>			
US Dollar	547,066	13.00	71,119
Euro	30,669	11.00	3,374
Canadian Dollar	4,953	12.00	594

**11. FINANCIAL INSTRUMENTS**

	<i>Carrying amount</i>		<i>Fair value</i>	
	2017 £	2016 £	2017 £	2016 £
<b>Financial assets</b>				
Cash and cash equivalents	933,746	971,760	933,746	971,760
Trade and other receivables	3,310,044	1,862,749	3,310,044	1,862,749
<b>Financial liabilities</b>				
Trade and other payables	3,066,119	1,696,158	3,066,119	1,696,158

**12. TRADE AND OTHER RECEIVABLES**

	2017 £	2016 £
<b>Non current</b>		
Other receivables	10,855	10,855
Restricted cash	30,003	30,000
	<u>40,858</u>	<u>40,855</u>

An amount of £30,003 (2016: £30,000) is held on deposit as security over the company's credit card facility of the same limit. During the year, interest was received on the restricted cash amount of £3 (2016: £2). These amounts are not considered to be a cash and cash equivalent.

**PNMSOFT UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**12. TRADE AND OTHER RECEIVABLES (continued)**

	2017	2016
	£	£
<b>Current</b>		
Receivable from trade customers	1,147,446	1,268,622
Receivable from related parties	1,290,095	359,464
Other receivables	59,125	64,333
Accrued income	813,378	170,330
	<u>3,310,044</u>	<u>1,862,749</u>

For terms and conditions of amounts receivable from related parties see Note 13.

**13. RELATED PARTY TRANSACTIONS**

**Receivable from related parties**

	2017	2016
	£	£
Receivable from associates (note 12)	<u>1,290,095</u>	<u>359,464</u>

During the year the company was charged £102,947 (2016: £Nil) by PNMsoft Portugal - Sociedade Unipessoal, LDA, a company under common control, in respect of services rendered on its behalf. At 31 December 2017, PNMsoft Portugal - Sociedade Unipessoal, LDA owed the company £64,558 (2016: £73,029).

During the year the company was charged £712,822 (2016: £Nil) by PNMsoft USA Inc, a company under common control, in respect of services rendered on its behalf. At 31 December 2017, PNMsoft USA Inc owed the company £1,051,765 (2016: £111,489).

At 31 December 2017, Pharmalink, a company under common control, owed the company £98,890 (2016: £174,946) in relation to purchases made from the company.

At 31 December 2017, Genpact Luxembourg S.A.R.L. US Branch, a company under common control, owed the company £74,882 (2016: £Nil) in relation to purchases made from the company.

**Payable to related parties**

	2017	2016
	£	£
Payable to parent and associates (note 18)	<u>2,379,989</u>	<u>1,656,557</u>

At 31 December 2017, the company owed Genpact Luxembourg S.A.R.L., a company under common control, £912,387 (2016: £Nil) in relation to royalties due and a loan. £122,747 of this amount was in relation to royalties due.

**PNMSOFT UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**13. RELATED PARTY TRANSACTIONS (continued)**

During the year the company was charged £2,529,856 (2016: £1,292,959) by PNMsoft Limited, the majority shareholder in the company, in respect of management charges. At the year end, the company owed £1,467,602 (2016: £1,656,557). The amount owed is unsecured and interest is payable at the parent company's discretion. No interest is accruing on this balance.

**Ultimate controlling party**

The ultimate controlling party is Genpact Limited, a company incorporated in Bermuda. Genpact Limited's principal place of business is Canon's Court, 22 Victoria Street, Hamilton HM EX, Bermuda.

**14. PREPAYMENTS**

	2017	2016
	£	£
<b>Current</b>		
Prepayments	<u>37,665</u>	<u>77,363</u>

**15. CASH AND CASH EQUIVALENTS**

	2017	2016
	£	£
Amounts held in Pound Sterling	144,881	389,072
Amounts held in Euro	212,316	30,669
Amounts held in US Dollar	576,365	547,066
Amounts held in Canadian Dollar	184	4,953
Cash at bank	<u>933,746</u>	<u>971,760</u>

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at 31 December 2017.

	2017	2016
	£	£
Cash at bank	<u>933,746</u>	<u>971,760</u>

**PNMSOFT UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**16. SHARE CAPITAL**

**Issued share capital**

	No.	2017 £	No.	2016 £
<b>Issued and fully paid</b>				
Ordinary share capital	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

All issued share capital is classified as equity.

**Capital management**

The board considers the company's capital to be its issued share capital and retained reserves. The board seeks to ensure that the company remains adequately funded to meet its obligations as a going concern. The company's capital management process involves periodic review of known and forecast income streams and expenditure commitments and the board operates within its net assets buffer to ensure continuing solvency. Net assets at 31 December 2017 were £713,852 (2016: £581,324).

**17. RESERVES**

**Share premium**

There is a share premium account of £359,998 (2016: £359,998). This arose on the initial issue of the shares in the company.

**18. TRADE AND OTHER PAYABLES**

	2017 £	2016 £
Payable to trade suppliers	69,522	21,903
Deferred income	565,125	194,216
Other payables	20,190	17,698
Accrued liabilities	443,802	308,764
Tax payable	127,432	168,242
Payable to related parties (Note 13)	2,379,989	1,656,557
	<u>3,606,060</u>	<u>2,367,380</u>

**19. OPERATING LEASE COMMITMENTS**

**As lessee**

	2017 £	2016 £
Payable in:		
Less than one year	60,000	62,146
Later than one year but less than five years	79,890	139,890
	<u>139,890</u>	<u>202,036</u>

**PNMSOFT UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**20. NET DEBT RECONCILIATION**

**Net debt**

	31 Dec 2017 £	31 Dec 2016 £
Cash and cash equivalents	-	-
Borrowings – repayable after one year	(2,379,989)	(1,656,557)
	<u>(2,379,989)</u>	<u>(1,656,557)</u>
Cash and liquid investments	-	-
Gross debt – fixed interest rates	(2,379,989)	(1,656,557)
	<u>(2,379,989)</u>	<u>(1,656,557)</u>

	Other assets Cash / bank overdraft £	Liabilities from financing activities Borrowings due after 1 year £	Total £
Net debt as at 1 January 2016	-	(2,650,463)	(2,650,463)
Cash flows	-	993,906	993,906
<b>Net debt as at 31 December 2016</b>	-	<u>(1,656,557)</u>	<u>(1,656,557)</u>
Cash flows	-	(723,432)	(723,432)
<b>Net debt as at 31 December 2017</b>	-	<u>(2,379,989)</u>	<u>(2,379,989)</u>