

Accelya Solutions Americas, Inc. <i>(formerly known as Kale Softech Inc.)</i>	2
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DIRECTOR'S REPORT

To,
The Shareholders,

The Board of Directors of Accelya Solutions Americas, Inc. ("the Company") (formerly known as "Kale Softech Inc.") presents its report in respect of the year ended 30th June 2019.

Directors

John Johnston and Daniel J. Whelan has held office during the whole of the period from 1st July 2018 to the date of this report.

Principal Activity

The principal activity of the Company during the financial year was marketing software solutions and outsourced services to the travel and transportation industry. No significant change in the nature of business activities occurred during the year.

Results

The revenue of the Company during the year ended June 30, 2019 was USD 17,973,338 as compared to USD 15,159,535 for the year ended June 30, 2018. The Company made a Net Profit of USD 892,858 for the year ended June 30, 2019 as compared to USD 715,697 for the year ended June 30, 2018.

Dividends

The company paid a dividend of USD 600,000 during the year.

Review of Operations

The total numbers of customers are fifteen.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company during the financial year other than those disclosed in this report.

Significant Event after Balance Sheet Date

There are no significant event to report since the book-close and balance sheet date of June 30, 2019.

Likely Developments and Future Results

The Company will continue to focus on pursuing opportunities in the Travel & Transportation industry for software solutions and outsourced services in the local markets.

With the domain expertise and in depth knowledge of the Travel and Transportation industry, the Company is confident that more and more airlines will sign up as their preferred solution provider.

Environmental Regulation Performance

The Company's operations are not subjected to any particular and significant environmental regulation under a law of the US Federal or any State Government. Accordingly, no environmental disclosure is required.

Directors' Interests

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit, other than benefits disclosed in the financial statements as emoluments or the fixed salary of a full-time employee of the Company or a related body corporate by reason of a contract made by the Company or a related body corporate with the director or with a firm of which the director is a member, or with a company in which the director has a substantial interest.

Indemnification of Officers

The Company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Company.

- Indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- Paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

Directors' Responsibility Statement

Your Directors confirm that-

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss for that period.
- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d. The directors have prepared the annual accounts on a going concern basis.

This report has been made in accordance with a resolution of directors.

For and on behalf of the Board of Directors

For and on behalf of the Board of Directors

Place: New Jersey
Date: August 28, 2019

Director

PROFESSIONAL ACCOUNTANT ASSOCIATES

22 Meridian Road, Unit 6, Edison, NJ 08820

Tel: 732-603-8220: Fax: 732-603-8259

To,
The Board of Directors
Accelya Solutions Americas, Inc.,
New Jersey

Accountants compilation report

Management is responsible for the accompanying financial statements of Accelya Solutions Americas, Inc., which comprise the balance sheet as of June 30, 2019 and the related statements of income, changes in stockholder's equity and cash flows, for the year then ended and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America.

We have performed compilation engagement in accordance with Statements of Standards for Accounting and Review Services promulgated by Accounting and Review service Committee of AICPA. We did not audit or review the financial statements nor were we required to perform and procedures to verify the accuracy or completeness of the information provided by the management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The supplementary information contained in Schedule A and Schedule B is presented for the purposes of additional analysis and is not required part of basic financial statements. Such information is the responsibility of management. The supplementary information was subject to my compilation engagement. I have not audited or reviewed the supplementary information and do not express an opinion, or conclusion, nor provide any assurance on such information.

We are not independent regarding this Company since we prepare the tax returns for the Company.

Anjali Patel, CPA
Edison, New Jersey

August 28, 2019

BALANCE SHEET JUNE 30, 2019

	30 June 2018 \$	30 June 2018 \$
Assets		
Current assets:		
Cash at bank	1,624,542	1,875,196
Accounts receivable (net)	3,320,964	1,730,834
Advances	1,346	21,607
Advance corporate tax paid	46,560	60,578
Prepaid expenses	206,924	306,660
Total current assets	5,200,336	3,994,875
Property and equipment, net	2,688	3,601
Other assets		
Security deposits	11,600	12,773
Total other assets	11,600	12,773
Total assets	5,214,624	4,011,249
Liabilities and member's deficit		
Current liabilities:		
Accounts payable & accruals	2,255,065	1,693,227
Deferred income	621,477	272,797
Total current liabilities	2,876,542	1,966,024
Stockholder's equity		
Common stock- \$0.001Par value;100,000,000 shares authorized; 1,300,000 Shares issued and outstanding	13,000	13,000
Additional paid in capital	1,287,000	1,287,000
Preferred share capital-500,000 shares authorized, 450,000 Shares issued and redeemed	-	-
Retained earnings	1,038,083	745,225
Total stockholders' equity	2,338,083	2,045,225
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	5,214,624	4,011,249

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REVIEW REPORTS

For Accelya Solutions Americas Inc.

Place : New Jersey
Date : August 28, 2019

John Johnston
Director

STATEMENT OF RETAINED EARNINGS JUNE 30, 2019

	30 June 2019	30 June 2018
	\$	\$
Retained earnings (Deficit) - beginning	745,225	529,730
Add: Profit for the year	892,858	715,495
Less: Dividend	(600,000)	(500,000)
Retained earnings-ending	<u>1,038,083</u>	<u>745,225</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REVIEW REPORTS

For Accelya Solutions Americas Inc.

Place : New Jersey
Date : August 28, 2019

John Johnston
Director

STATEMENT OF OPERATION JULY 1, 2018 TO JUNE 30, 2019

	Year ended 30 June 2019 \$	Year ended 30 June 2018 \$
Revenue		
Income	17,973,338	15,159,535
Less: Cost of goods solds- Schedule A	13,890,579	12,020,182
Gross revenue	4,082,759	3,139,353
Operating expenses:		
Salaries & payroll taxes	861,214	1,174,790
General and administrative (Schedule B)	2,006,417	1,005,532
Depreciation	2,746	2,781
Total operating expenses	2,870,377	2,183,103
Profit from operations before interest and taxes	1,212,382	956,250
Other income/(expenses)		
Recovered/ reimbursed expenses	1,040	133,083
Provision for bad debts	22,815	2,528
Loss on currency fluctuation	5,111	(2,654)
Total other expenses	28,966	132,957
Profit before taxes and interest	1,241,348	1,089,207
Interest income	450	-
Corporate tax	(348,940)	(373,712)
Net profit for the year	892,858	715,495

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REVIEW REPORTS

For Accelya Solutions Americas Inc.

Place : New Jersey
Date : August 28, 2019

John Johnston
Director

STATEMENT OF OPERATION JULY 1, 2018 TO JUNE 30, 2019

	Year ended 30 June 2019 \$	Year ended 30 June 2018 \$
Schedule A		
Cost of sales		
Consultants and subcontractors expenses	13,890,579	12,020,182
Total cost of sales	<u>13,890,579</u>	<u>12,020,182</u>
Schedule B		
General and administrative expenses		
Bank and credit card charges	2,756	2,804
Conference and seminars	94,547	2,398
Dues and subscriptions	34,770	39,727
Employees benefits	110,638	126,335
Entertainment	726	1,005
Insurance	41,043	28,169
Legal and professional fees	184	475,254
Miscellaneous charges	1,154,344	326
Office expenses	25,213	8,350
Outside services	1,800	4,061
Postage/shipping	2,115	1,626
Rent and property tax	49,896	46,066
Repairs and maintenance	313	198
Recruitment expenses	69,000	-
Telecommunication	24,150	28,613
Travel	394,922	240,600
Total general and administrative expenses	<u>2,006,417</u>	<u>1,005,532</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REVIEW REPORTS

For Accelya Solutions Americas Inc.

Place : New Jersey
Date : August 28, 2019

John Johnston
Director

STATEMENT OF CASH FLOWS JULY 1, 2018 TO JUNE 30, 2019

	Year ended 30 June 2019 \$	Year ended 30 June 2018 \$
Net profit	892,858	715,495
Adjustment to reconcile net profit to net cash Used in operating activities:		
Depreciation	2,746	2,781
Accounts receivable	(1,590,131)	900,393
Advances	20,262	4,154
Prepaid expenses	99,736	(54,080)
Accounts payable and accrued liabilities	561,838	(89,050)
Security deposits	1,174	-
Corporate tax payable	14,017	(58,794)
Deferred income	348,679	114,938
Net cash used in operating activities	351,179	1,535,837
Cash flows from investing activities		
Fixed asset purchased	(1,833)	(978)
Net cash used in investing activities	(1,833)	(978)
Cash flows from financing activities		
Dividend paid	(600,000)	(500,000)
Net cash used in financing activities	(600,000)	(500,000)
Net decrease in cash	(250,654)	1,034,859
Cash at the beginning of the period	1,875,196	840,337
Cash at the end of the period	1,624,542	1,875,196
Corporation tax paid	397,002	434,140
Dividend paid	600,000	500,000

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REVIEW REPORTS

For Accelya Solutions Americas Inc.

Place : New Jersey
Date : August 28, 2019

John Johnston
Director

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019

1. Organization and operation

Accelya Solutions Americas Inc. (ASAI) (formerly known as Kale Softech Inc.) was incorporated on November 16, 1998 in the State of New Jersey. The primary business activity during the financial year was marketing software solutions and outsourced services to travel and transportation industry. The Company began its operation on January 1, 1999. It is a wholly owned subsidiary of Accelya Solutions India Limited (Accelya Solutions) (formerly known as Accelya Kale Solutions Limited) in India which is a leading solution provider to global Airline and Travel Industry. ASAI enters into contract with the end customers in the Americas and is responsible for invoicing and collection. ASAI outsources the contracts to its parent company in India. All ASAI's offering are sourced through the parent company. The customers of ASAI are serviced and supported out of the delivery centers of Accelya Solutions in India.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements for the period July 1, 2018 to June 30, 2019 are prepared in accordance with the Statement on standard for Accounting and review services issued by American Institute of Certified Public Accountants.

In preparing the Company's financial statements in conformity with Statements on Standards for accounting and Review Services, issued by the American Institute of Certified Public Accountants, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period, the important estimates made by the Company in preparing these financial statements include those of useful life of property and equipment, the valuation of deferred taxes and allowance for doubtful debts and actual results could differ from those estimates.

Assets, liabilities, revenue and expenses are recognized on accrual basis of accounting for both financial statements and federal income tax purposes. The accounts are prepared on a going concern basis.

3. Cash at Bank

Balance in the bank, as on June 30, 2019, was \$ 1,624,542 between two banks. The balance in the banks exceeds the limit of FDIC insurance of \$ 250,000 per account this year.

4. Property and Equipment

Equipment and furniture & fixture are carried at cost. Total depreciation for period July 1, 2018 to June 30, 2019 as per the policy is \$ 2,746. The estimated useful life for computer and equipment is 4 year and furniture & fixtures is 6 years, retroactively to date of purchase. The difference in depreciation due to estimated lives is presented below:

New Estimated Lives Policy

	Computers	Equipment	Furniture & Fixtures
Cost Basis	\$ 41,672	\$ 5,174	\$ 18,130
Add:- Additions	\$ 1,833	-	-
Less: Accumulated depreciation	\$ (40,817)	(5,174)	(18,038)
Net Property & Equipment	\$ 2,688	\$ 0	\$ 0

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019

5. Accounts Receivable

The Company provides allowance for doubtful accounts equal to uncollectable amounts in the aggregate based on the present and prospective financial condition of the customers and ageing of account receivable after considering historical experience and economic environment.

The total accounts receivable of \$ 3,320,964 as on June 30, 2019, are fully collectible. Therefore no provision for doubtful debt has been made. The total receivables include \$ 54,057 due from the Accelya Solutions India Limited, \$ 195,486 due from Accelya World S.L.U., \$ 42,583 from Accelya Americas S.A.de C.V., \$ 34,257 from Accelya France and \$ 108,129 from Mercator Solutions FZE.

Geographical concentration of sales is:

49 %	USA
18 %	Brazil
21 %	Chile
1 %	Canada
5 %	Mexico
2 %	Bahrain
1 %	France
3 %	Spain

6. Corporate Tax Recoverable

The Company provides for taxes as required by the accounting principles generally accepted in United States of America. The federal and state income tax returns of the Company for 2016, 2017, 2018 are subject to examination by IRS and State authorities, general for three years after they are filed.

\$ 348,940	Corporate state and federal tax liability for year ended June 30, 2019
\$ (350,452)	Advance tax paid during the year
\$ (45,048)	Foreign tax credit during the year
\$ 46,560	Overpaid corporate tax

7. Operating Lease

The Company leases the premises for the business operation. The lease agreement for the current office location is for 28 months expiring on October 31, 2021. The monthly base rent over the remaining period is as under:

Nov 01, 2018 to October 31, 2019 is at \$ 3,901 per month.
 Nov 01, 2019 to October 10, 2020 is at \$ 3,985 per month.
 Nov 01, 2020 to October 10, 2021 is at \$ 4,068 per month.

8. Other Asset

Details are as under:

\$ 6,600	Security deposit for rent.
\$ 5,000	IATA deposit
\$ 11,600	Total other assets

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2019

9. Accounts Payable

The total accounts payable is \$ 2,255,065 as on June 30, 2019. Accounts Payable includes \$ 1,341,877.76 payable to Accelya Solutions India Limited, \$ 7,020.55 Payable to Accelya Holding World S.L.U. , \$ 162,477.23 to Accelya World S.L.U., \$ 21,722.50 to Accelya America S.A.DE.C.V, \$ 62,708.00 to Revenue Management Systems, \$ 379,513.90 to Sky Bidco, S.L.U. and \$ 30,550.23 to Accelya France.

10. Commitment and contingencies

There are no commitments of contingencies as on June 30, 2019. The Company has evaluated event through August 28, 2019, which is the date the financial statements were available to be issued. Therefore, no provision for contingencies as on June 30, 2019.

11. Dividends

Dividend paid on equity share \$ 600,000.

12. Related Party Transactions

The company has the following transactions with the parent company and associated entities.

Inter-Company Name	Services rendered by the Company	Services received by the Company	Claims raised for expenses	Claims received for expenses	Dividend Paid
Accelya Solutions India Ltd.	424,659	12,643,959	308,498	89,581	600,000
Sky Bidco S.L.U.	-	990,651	-	98,813	-
Accelya world S.L.U.	545,286	449,799	74,538	-	-
Accelya Holding World S.L.U.	-	-	-	28,171	-
Accelya France	116,312	121,518	15,595	806	-
Accelya Americas S.A.de.C.V.	109,987	62,375	24,889	237	-
Mercator Solutions FZE	343,134	-	53,638	-	-
Revenue Management Systems	-	188,269	-	66,340	-

13. Shareholders' Equity

The total authorized share capital of the Company is 35,000,000 shares of common Stock, par value \$ 0.01 per share, divided into 2 classes as under:

25,000,000	Class A voting shares of Common stock.
10,000,000	Class B non-voting shares of Common stock.
500,000	Preference shares.

Issued Capital is as under:

1,300,000 Class A shares at USD 0.01 per share have been issued to Accelya Solutions India Limited., (a foreign Corporation, formerly Accelya Kale Solutions Limited, India), who owns 100% of the current issued share capital.

For and on behalf of Board of Directors

Place : New Jersey
Date : August 28, 2019

Director

ACCELYA SOLUTIONS UK LTD (REGISTERED NUMBER: 03772143)

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Company information for the year ended 30th June, 2019

DIRECTORS:

John Johnston

REGISTERED OFFICE:

Acre House
11/15 William Road
London
NW1 3ER

REGISTERED NUMBER:

03772143 (England and Wales)

AUDITOR:

KPMG LLP
Chartered Accountants & Statutory Auditors
1 Forest Gate
Brighton Road
Crawley
West Sussex
RH11 9PT

DIRECTOR'S REPORT

The directors present their report with the financial statements of the company for the year ended 30th June 2019.

The Company has met the requirements in Companies Act 2006 to obtain the exemption provided from the presentation of a strategic report.

PRINCIPAL ACTIVITY

On 11th April 2019 "Zero Octa UK Limited changed it's name to "Accelya Solutions UK Limited".

The principal activity of the company in the year under review was that of providers of business and financial management outsourced services.

REVIEW OF BUSINESS

Accelya Solutions UK Ltd (ASUK) is a world-class outsource service provider to the international air transport industry with an internationally recognised identity which is synonymous with quality, accuracy and exceptional customer service.

The company's principal financial instruments comprise bank balances and trade debtors which have been generated through the company's regular operations. Due to the nature of the financial instruments used by the company there is low exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned are as follows: In respect of bank balances the liquidity risk is managed by maintaining a positive bank balance ensuring there are sufficient funds to meet the payments as they fall due. Trade debtors are managed in respect of credit and cash flow risk by the regular monitoring of amounts outstanding, and discussion with clients.

During the period under review, ASUK experienced an increase of 5.08 % (2018: increase of 4.48%) in turnover. The financial position at the end of the period is robust, with no external debt and a strongly positive cash flow situation, which is forecast to continue.

DIVIDENDS

The company paid GBP 477,300 dividends (2018: 1,110,000) during the year.

DIRECTORS

John Johnston has held office during the whole of the period from 1st July 2018 to the date of this report.

There are no other changes in directors holding office.

STATEMENT OF DIRECTORS RESPONSIBILITIES IN REPECT OF THE DIRECTORS’ REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The directors are responsible for preparing the Directors’ Report 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

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 auditor is 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 auditor is aware of that information.

AUDITOR

The auditor, KPMG LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

.....
John Johnston - Director

Date:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of Accelya Solutions UK Limited (“the company”) for the year ended 30 June 2019 which comprise the Profit and Loss account and other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company’s affairs as at 30 June 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

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

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

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company’s financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (“the going concern period”).

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors’ conclusions, we considered the inherent risks to the company’s business model, including the impact of Brexit, and analysed how those risks might affect the company’s financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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
- 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 from the requirement to prepare a strategic report

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

Timothy Rush (**Senior Statutory Auditor**)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Forest Gate, Brighton Road
Crawley, West Sussex
RH11 9PT

Date: 28 August 2019

**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE 2019**

	Notes	2019		2018	
		£	£	£	£
TURNOVER	3		3,954,902		3,763,771
Staff costs	4	46,945		58,107	
Depreciation		52		396	
Other operating charges	5	3,367,815		3,327,707	
			(3,414,812)		(3,386,210)
OPERATING PROFIT			540,090		377,561
Other income			-		289
PROFIT BEFORE TAXATION	5		540,090		377,850
Tax on profit	6		(102,577)		(71,806)
PROFIT FOR THE FINANCIAL YEAR			437,513		306,044
OTHER COMPREHENSIVE INCOME			-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			437,513		306,044

The notes on pages 9 to 15 form an integral part of these financial statements

BALANCE SHEET AT 30TH JUNE 2019

	Notes	2019		2018	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		-		52
CURRENT ASSETS					
Debtors	9	783,832		588,995	
Cash at bank and in hand		864,410		994,773	
		<u>1,648,242</u>		<u>1,583,768</u>	
CREDITORS					
Amounts falling due within one year	10	<u>(959,135)</u>		<u>(854,926)</u>	
NET CURRENT ASSETS			<u>689,107</u>		<u>728,842</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>689,107</u>		<u>728,894</u>
CAPITAL AND RESERVES					
Called up share capital	13		1,110		1,110
Share premium	14		249,890		249,890
Retained earnings	14		<u>438,107</u>		<u>477,894</u>
SHAREHOLDERS' FUNDS			<u>689,107</u>		<u>728,894</u>

The financial statements were approved by the Board of Directors on and were signed on its behalf by:

.....
John Johnston - Director

The notes on pages 9 to 15 form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

	Called up share capital	Retained earnings	Share premium	Total equity
	£	£	£	£
Balance at 1st July 2017	1,110	1,281,850	249,890	1,532,850
Changes in equity				
Total comprehensive income	-	306,044	-	306,044
Dividend paid	-	(1,110,000)	-	(1,110,000)
Balance at 30th June 2018	1,110	477,894	249,890	728,894
Changes in equity				
Total comprehensive income	-	437,513	-	437,513
Dividend paid	-	(477,300)	-	(477,300)
Balance at 30th June 2019	1,110	438,107	249,890	689,107

The notes on pages 9 to 15 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

1. GENERAL INFORMATION

The Company is a private limited company limited by shares incorporated and domiciled in England & Wales. The address of its registered office is Acre House, 11/15 William Road, London, NW1 3ER.

The Company provides business and financial management outsourced services.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. Where necessary, the comparatives have been reclassified or extended from the previously reported results to take into account presentational changes.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.
- the effects of new but not yet effective IFRSs

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

Revenue recognition

Revenue is derived primarily from business and financial management outsourced services.

Accelya audits airline tickets, refunds, exchanges and miscellaneous documents while identifying fare, commission and tax errors. Revenue mostly from this business is based on percentage commission of actual errors identified.

Revenue accruals are made at the month end based on estimates of recovery identified during the month wherever the invoicing is pending.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue from time and material contracts is recognized as the related services are performed and revenue from the end of the last billing to the balance sheet date is recognized as Contract Assets.

A provision is made for issue of credit notes towards processing services in respect of contractual obligations.

Contract are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on cost
Computer equipment	- 25% on cost

Property, plant and equipment are initially recorded at cost of purchase or construction and are depreciated on a straight-line basis, except for land, which is not depreciated.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019**(b) Transactions and balances**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position 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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

Estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

- Trade Receivable Provisions

The Company may be required to recognise provisions for impairment of trade receivables and post year end credit notes in respect of revenue in its financial statements. The estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors.

Significant changes to accounting policies*IFRS 15 Revenue from Contracts with Customers*

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies, with limited exceptions to all revenue arising from contracts with its customers. IFRS 15 was issued in May 2014, emended in April 2016 and was effective from 1 January 2018.

There has been no material impact on revenue recognition from the adoption of IFRS 15.

IFRS 9: Financial Instruments

The Company applied IFRS 9 and IFRS 15 with effect from 1 July 2018. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financials Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 has been effective for annual periods beginning on or after 1 January 2018 and brings together all the aspects of the accounting for financial instruments project: classifications and measurements, impairment and hedge accounting.

The Company adopted the new standard from 1 January 2018 and performed a detailed impact assessment of all the three aspects of IFRS 9 concluding that there is no significant impact on its statements of financial position and equity for the current and prior period.

IFRS 9 required the Company to record expected credit losses on all its trade receivables on a lifetime basis. Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

credit losses to continue. On this basis, Company considers a provision towards processing services i.e. waiver allowance in respect of contractual obligations which are as per agreements

Further, management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. Company provides for allowance related to specific customer that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2019 £	2018 £
Americas	651,149	611,746
Asia Pacific	2,079,133	1,981,149
Europe	698,508	623,382
Middle East & Africa	526,112	547,494
	3,954,902	3,763,771

4. EMPLOYEES AND DIRECTORS

	2019 £	2018 £
Wages and salaries	43,020	54,543
Social security costs	3,925	3,564
	46,945	58,107

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

	2019	2018
Customer services and support	1	1

Some of the employees' and directors' contracts of service are with Accelya Kale Solutions Limited ("Accelya Kale") and Accelya UK Limited ("Accelya UK"), a group company, and their remuneration is included in that company's financial statements. The management cost that "Accelya Kale" and "Accelya UK" charges to Zero Octa UK Limited includes the costs of these employees and directors; however, it is impossible to ascertain separately the element of the management cost that relates to staff costs and directors' salaries.

	2019 £	2018 £
Directors' remuneration	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

5. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging/ (crediting):

	2019	2018
	£	£
Overseas contractors	1,633,171	1,721,672
Data sourcing costs	1,425,509	1,480,283
Legal and professionals fees	62,589	41,063
Management fees	148,283	25,104
Other operating leases	4,000	4,800
Depreciation - owned assets	52	396
Auditor remuneration	6,000	6,150
Foreign exchange differences	(2,860)	26,513

Directors' remuneration for services to the parent company and its group are disclosed in the accounts of the parent company.

6. TAXATION

Recognised in the profit and loss account

	2019	2018
	£	£
<i>UK corporation tax</i>		
Current tax on income for the period	102,577	71,777
Adjustments in respect of prior period	-	29
Total current tax	102,577	71,806

Reconciliation of effective tax rate

The tax assessed for the year is same (2018 - same) than the standard rate of corporation tax in the UK.

	2019	2018
	£	£
Profit before income tax	540,090	377,850
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 – 19%)	102,617	71,792
Effects of:		
Capital allowances in excess of depreciation	(40)	(15)
Expenses not deductible for tax purposes	-	-
Adjustments to tax charge in respect to previous periods	-	29
Tax expense	102,577	71,806

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

Factors affecting the tax expense

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

7. DIVIDENDS

	2019 £	2018 £
Ordinary shares of 0.01 each		
Final	477,300	1,110,000

8. TANGIBLE FIXED ASSETS

	Fixtures and Fittings £	Computer Equipment £	Totals £
COST			
At 1st July 2018	2,522	6,424	8,946
As at 30th June 2019	2,522	6,424	8,946
DEPRECIATION			
At 1st July 2018	2,522	6,372	8,894
Charge for year	-	52	52
At 30th June 2019	2,522	6,424	8,946
NET BOOK VALUE			
At 30th June 2019	-	-	-
At 30th June 2018	-	52	52

9. DEBTORS

	2019 £	2018 £
Trade debtors	488,981	312,886
Amounts owed from group undertakings	57,231	62,375
Unbilled Receivables	104,219	204,445
Contract Asset	125,609	-
Prepayments	7,753	9,289
	783,832	588,995

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	9,452	5,131
Amounts owed to group undertakings	890,846	773,206
Corporation tax	19,800	39,660
Social security and other taxes	-	539
Other creditors	-	851
Accrued expenses	38,399	34,752
VAT	638	787
	959,135	854,926

11. OPERATING LEASE

	2019	2018
	£	£
Minimum lease payments under non-cancellable operating leases fall due as follows:		
Within one year	-	-

The lease rental under cancellable operating lease for office premises charged to profit and loss account during the year aggregates to £ 4,000 (2018 : £4,800)

12. Related party transactions

Identity of related parties with which the company has transacted

During the year ended June 2019, the company had transactions with Accelya World, S.L.U. (part of the Canary Topco Group) in respect of recoverable cost of personnel expenses. Transactions with other entities in the Canary Topco Group (who owns 75% of Accelya India) were in respect of collection management services, Verdi expense and common amenities expense.

	Sales		Administrative expenses	
	2019	2018	2019	2018
	£	£	£	£
Associates	58,624	60,596	1,633,263	1,461,922
	58,624	60,596	1,633,263	1,461,922

	Receivables outstanding		Creditors outstanding	
	2019	2018	2019	2018
	£	£	£	£
Associates	4,818	9,962	532,237	477,780
	4,818	9,962	532,237	466,780

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2019

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class	Nominal Value	2019 £	2018 £
111,000	Ordinary	0.01	1,110	1,110

14. RESERVES

	Retained earnings £	Share premium £	Total £
At 1st July 2018	477,894	249,890	727,784
Profit for the year	437,513	-	437,513
Dividend paid during the year	(477,300)	-	(477,300)
At 30th June 2019	438,107	249,890	689,107

15. ULTIMATE PARENT COMPANY AND PARENT COMPANY OF LARGER GROUP

The Company is a subsidiary undertaking of Canary Topco Limited which is the ultimate parent company incorporated in United Kingdom. The ultimate controlling party is Warburg Pincus Private Equity XI LP.

The largest group in which the results of the Company are consolidated is that headed by Canary Topco Limited, Acre House, 11/15 William Road, London, NW1 3ER. The smallest group in which they are consolidated is that headed by Accelya Kale Solutions Limited, Accelya Enclave, 685/2B & 2C, 1st Floor, Sharada Arcade, Satara Road, Pune 411037, India. The consolidated financial statements of these groups are available to the public and may be obtained from Canary Topco Limited, Acre House, 11/15 William Road, London, NW1 3ER and Accelya Kale Solutions Limited, Accelya Enclave, 685/2B & 2C, 1st Floor, Sharada Arcade, Satara Road, Pune 411037, India.