

Kale Softech, Inc.	2
Zero Octa UK Limited	13

**DIRECTOR'S REPORT**

To,  
The Shareholders,

The Board of Directors of Kale Softech, Inc. ("the Company") presents its report in respect of the year ended 30th June 2018.

**Directors**

John Johnston has held office during the whole of the period from 1st July 2017 to the date of this report.

Other changes in directors holding office are as follows:

Christian Leman - resigned 19th September 2017

Daniel J. Whelan – joined on 19th September 2017

**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, 2018 was USD 15,159,535 as compared to USD 13,765,300 for the year ended June 30, 2017. The Company made a Net Profit of USD 715,495 for the year ended June 30, 2018 as compared to USD 451,380 for the year ended June 30, 2017.

**Dividends**

The company paid a dividend of USD 500,000 during the year.

**Review of Operations**

The total numbers of customers are twelve.

**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, 2018.

**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

Place: New Jersey  
Date: August 3, 2018

John Johnston  
Director

**PROFESSIONAL ACCOUNTANT ASSOCIATES  
ACCOUNTING & TAX SERVICES**

22 Meridian Road, Unit 6, Edison, NJ 08820  
Tel: (732) 603 8220

To,  
The Board of Directors  
Kale Softech Inc.  
New Jersey

Dear Sirs,

I have reviewed the accompanying balance sheet of Kale Softech Inc., as of June 30, 2018, and the related statements of income, retained earnings and cash flows, for the financial year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable accounting principles generally accepted in United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

My responsibility is to conduct the review in accordance with the Statements on Standard for Accounting and Review services promulgated by the Accounting and Review services Committee of American Institute of Certified Public Accountants. Those standards require us to perform the procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

ANJALI PATEL, CPA  
August 3, 2018

**BALANCE SHEET JUNE 30, 2018**

	30 June 2018	30 June 2017
	\$	\$
<b>Assets</b>		
<b>Current assets:</b>		
Cash at bank	1,875,196	840,337
Accounts receivable ( net)	1,730,834	2,631,226
Advances	21,607	25,761
Advance corporate tax paid	60,428	1,635
Prepaid expenses	306,608	252,528
Total current assets	<b>3,994,673</b>	3,751,487
<b>Property and equipment, net</b>	<b>3,601</b>	5,404
<b>Other assets</b>		
Security deposits	12,773	12,773
Total other assets	<b>12,773</b>	12,773
<b>Total assets</b>	<b>4,011,046</b>	3,769,664
<b>Liabilities and member's deficit</b>		
<b>Current liabilities:</b>		
Accounts payable & accruals	1,693,227	1,782,277
Deferred income	272,797	157,859
Total current liabilities	<b>1,966,024</b>	1,940,136
<b>Stockholder's equity</b>		
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	745,023	529,528
Total stockholders' equity	<b>2,045,023</b>	1,829,528
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>4,011,046</b>	3,769,664

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REVIEW REPORTS

For Kale Softech, Inc.

Place : New Jersey  
Date : August 3, 2018John Johnston  
Director

**STATEMENT OF RETAINED EARNINGS JUNE 30, 2018**

	<b>30 June 2018</b>	30 June 2017
	\$	\$
<b>Retained earnings - beginning</b>	<b>529,528</b>	528,148
Add: profit for the year	<b>715,495</b>	451,380
Less: dividend	<b>(500,000)</b>	(450,000)
Retained earnings-ending	<b>745,023</b>	529,528

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REVIEW REPORTS

For Kale Softech, Inc.

Place : New Jersey  
Date : August 3, 2018

John Johnston  
Director

## STATEMENT OF OPERATION JULY 1, 2017 TO JUNE 30, 2018

	Year ended 30 June 2018 \$	Year ended 30 June 2017 \$
<b>Revenue</b>		
<b>Income</b>	<b>15,159,535</b>	13,765,300
Less: Cost of goods solds- Schedule A	<b>12,020,182</b>	10,902,353
<b>Gross revenue</b>	<b>3,139,353</b>	2,862,947
<b>Operating expenses:</b>		
Salaries & payroll taxes	<b>1,174,790</b>	1,219,919
General and administrative (Schedule B)	<b>1,005,532</b>	1,005,016
Depreciation	<b>2,781</b>	3,108
Total operating expenses	<b>2,183,103</b>	2,228,043
Profit from operations before interest and taxes	<b>956,250</b>	634,904
<b>Other income/(expenses)</b>		
Recovered/ reimbursed expenses	<b>133,083</b>	125,341
Provision for bad debts	<b>2,528</b>	-
Loss on currency fluctuation	<b>(2,654)</b>	(3,324)
<b>Total other expenses</b>	<b>132,957</b>	122,017
<b>Profit before taxes and interest</b>	<b>1,089,207</b>	756,921
Corporate tax	<b>(373,712)</b>	(305,541)
Net profit for the year	<b>715,495</b>	451,380

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REVIEW REPORTS

For Kale Softech, Inc.

Place : New Jersey  
Date : August 3, 2018John Johnston  
Director

**STATEMENT OF OPERATION JULY 1, 2017 TO JUNE 30, 2018**

	Year ended 30 June 2018 \$	Year ended 30 June 2017 \$
<b>Schedule A</b>		
<b>Cost of sales</b>		
Consultants and subcontractors expenses	<b>12,020,182</b>	10,902,353
Total cost of sales	<b>12,020,182</b>	10,902,353
<b>Schedule B</b>		
<b>General and administrative expenses</b>		
Bank and credit card charges	<b>2,804</b>	2,603
Conference and seminars	<b>2,398</b>	2,973
Dues and subscriptions	<b>39,727</b>	40,070
Employees benefits	<b>126,335</b>	107,232
Entertainment	<b>1,005</b>	1,419
Insurance	<b>28,169</b>	8,485
Legal and professional fees	<b>475,254</b>	463,931
Miscellaneous charges	<b>326</b>	333
Office expenses	<b>8,350</b>	1,483
Outside services	-	4,813
Pension	<b>4,061</b>	-
Postage/shipping	<b>1,626</b>	2,227
Rent and property tax	<b>46,066</b>	45,893
Repairs and maintenance	<b>198</b>	121
Recruitment expenses	-	52,463
Telecommunication	<b>28,613</b>	26,575
Travel	<b>240,600</b>	244,395
Total general and administrative expenses	<b>1,005,532</b>	1,005,016

SEE ACCOMPANYING NOTES AND ACCOUNTANT’S REVIEW REPORTS

For Kale Softech, Inc.

Place : New Jersey  
Date : August 3, 2018

John Johnston  
Director



## STATEMENT OF CASH FLOWS JULY 1, 2017 TO JUNE 30, 2018

	Year ended 30 June 2018	Year ended 30 June 2017
	\$	\$
<b>Net profit</b>	<b>715,495</b>	451,380
Adjustment to reconcile net profit to net cash Used in operating activities:		
Depreciation	2,781	3,108
Accounts receivable	900,393	(375,044)
Advances	4,154	(6,548)
Prepaid expenses	(54,080)	(112,213)
Accounts payable and accrued liabilities	(89,050)	(242,973)
Corporate tax payable	(58,794)	(23,138)
Deferred income	114,938	92,477
<b>Net cash used in operating activities</b>	<b>1,535,837</b>	(212,951)
<b>Cash flows from investing activities</b>		
Fixed asset purchased	(978)	(1,898)
<b>Net cash used in investing activities</b>	<b>(978)</b>	(1,898)
<b>Cash flows from financing activities</b>		
Dividend paid	(500,000)	(450,000)
<b>Net cash used in financing activities</b>	<b>(500,000)</b>	(450,000)
<b>Net decrease in cash</b>	<b>1,034,859</b>	(664,849)
Cash at the beginning of the period	840,337	1,505,186
Cash at the end of the period	1,875,196	840,337
Corporation tax paid	434,140	307,345
Dividend paid	500,000	450,000

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REVIEW REPORTS

For Kale Softech, Inc.

Place : New Jersey  
Date : August 3, 2018John Johnston  
Director

**NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2018****1. Organization and operation**

Kale Softech Inc. (KSI) 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 Kale Solutions Limited (formerly known as Kale Consultants Limited) in India which is a leading solution provider to global Airline and Travel Industry. KSI enters into contract with the end customers in the Americas and is responsible for invoicing and collection. KSI outsources the contracts to its parent company in India. All KSI's offering are sourced through the parent company. The customers of KSI are serviced and supported out of the delivery centers of Accelya Kale in India.

**2. Summary of Significant Accounting Policies****Basis of Accounting**

The accompanying financial statements for the period July 1, 2017 to June 30, 2018 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, 2018, was \$ 1,875,196 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, 2017 to June 30, 2018 as per the policy is \$ 2,781. 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	\$40,694	\$5,174	\$18,130
Add:- Additions	\$978	-	-
Less: Accumulated depreciation	(\$38,284)	(5,054)	(18,038)
Net Property & Equipment	\$3,388	\$121	\$92

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2018

### 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 \$ 1,730,834 as on June 30, 2018, are fully collectible. Therefore no provision for doubtful debt has been made. The total receivables include \$ 55,091 due from the Accelya Kale Solutions Limited, India and \$ 22,725 due from Accelya World S.L.U.

Geographical concentration of sales is:

52 %	USA
20 %	Brazil
26 %	Chile
1 %	Canada
1%	India

### 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 2014, 2015, 2016 are subject to examination by IRS and State authorities, general for three years after they are filed.

\$ 373,712	Corporate state and federal tax liability for year ended June 30, 2018
(375,493)	Advance tax paid during the year
(58,647)	Foreign tax credit during the year
<b>60,428</b>	<b>Overpaid corporate tax</b>

### 7. Operating Lease

The Company leases the premises for the business operation. The lease agreement for the current office location is for 42 months expiring on October 10, 2018. The monthly base rent over the remaining period is as under:

May 11, 2018 to October 10, 2018 is at \$ 3,901 per month.

### 8. Other Asset

Details are as under:

\$ 7,773	Security deposit for rent.
\$ 5,000	IATA deposit
<b>\$ 12,773</b>	<b>Total other assets</b>

### 9. Accounts Payable

The total accounts payable is \$ 1,693,227 as on June 30, 2018. Accounts Payable includes \$ 628,183 payable to Accelya Kale Solutions Limited, India, \$ 9,093.14 Payable to Accelya Holding World S.L.U. , \$ 15,568.66 to Accelya World S.L.U. and \$ 30,596.69 to Accelya France

**NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2018****10. Commitment and contingencies**

There are no commitments of contingencies as on June 30, 2018. The Company has evaluated event through August 3, 2018, which is the date the financial statements were available to be issued. Therefore, no provision for contingencies as on June 30, 2018.

**11. Dividends**

Dividend paid on equity share \$ 500,000

**12. Related Party Transactions**

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

\$ 12,020,182	Subcontracting charges for the year from Accelya Kale Solutions Limited.
\$ 134,527	Overseas Income – Services rendered to Accelya Kale Solutions Limited
\$ 133,083	Other Income – expense reimbursed from Accelya World, S.L.U.
\$ 5,00,000	Dividend distribution to Accelya Kale Solutions Limited
\$ 46,518	Claim received for expense from Accelya Kale Solutions Limited
\$ 5,277	Claim received for expense from Accelya World, S.L.U.
\$ 628,164	Reimbursement towards bill payment on behalf of Accelya Kale Solutions Ltd
\$ 19,815	Claim received for expense to Accelya Holding World S.L.U.
\$ 4,823	Claim raised for expense from Accelya World, S.L.U
\$ 97,794	Services received by Accelya France
\$ 33,089	Services received by Revenue Management Systems.

**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 Kale Solutions Limited., (a foreign Corporation, formerly Kale Consultants Limited, India), who owns 100% of the current issued share capital.

For and on behalf of Board of Directors

Place : New Jersey  
Date : August 3, 2018

John Johnston  
Director

**Company information for the year ended 30th June, 2018**

DIRECTORS:	John Johnston
REGISTERED OFFICE:	Acre House 11/15 William Road London NW1 3ER
REGISTERED NUMBER:	03772143 (England and Wales)
AUDITORS:	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 2018.

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

### PRINCIPAL ACTIVITY

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

Zero Octa 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, ZOUK experienced an increase of 4.48 % (2017: increase of 31.08%) 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 1,110,000 dividends (2017: nil) during the year.

### DIRECTORS

John Johnston has held office during the whole of the period from 1st July 2017 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 2018

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: August 3, 2018

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS****Opinion**

We have audited the financial statements of Zero Octa UK Limited ("the company") for the year ended 30 June 2018 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 2018 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.

**Going concern**

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

**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 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](http://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: August 3, 2018

**PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30TH JUNE 2018**

	Notes	2018		2017	
		£	£	£	£
<b>TURNOVER</b>	3	<b>3,763,771</b>		3,602,491	
Staff costs	4	<b>58,107</b>		54,229	
Depreciation		<b>396</b>		1,520	
Other operating charges		<b>3,327,707</b>		3,274,130	
		<b>(3,386,210)</b>		<b>(3,329,879)</b>	
<b>OPERATING PROFIT</b>		<b>377,561</b>		272,612	
Other income			<b>289</b>		69,020
<b>PROFIT BEFORE TAXATION</b>	5	<b>377,850</b>		341,632	
Tax on profit	6		<b>(71,806)</b>		(67,737)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>306,044</b>		273,895	
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>		<b>-</b>	
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>306,044</b>		273,895	

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

## BALANCE SHEET AT 30TH JUNE 2018

	Notes	2018		2017	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8		52		448
<b>CURRENT ASSETS</b>					
Debtors	9	588,995		693,932	
Cash at bank and in hand		994,773		1,653,267	
		<b>1,583,768</b>		<b>2,347,199</b>	
<b>CREDITORS</b>					
Amounts falling due within one year	10	<b>(854,926)</b>		<b>(814,797)</b>	
<b>NET CURRENT ASSETS</b>					
			<b>728,842</b>		<b>1,532,402</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<b>728,894</b>		<b>1,532,850</b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		1,110		1,110
Share premium	14		249,890		249,890
Retained earnings	14		477,894		1,281,850
<b>SHAREHOLDERS' FUNDS</b>					
			<b>728,894</b>		<b>1,532,850</b>

The financial statements were approved by the Board of Directors on August 3, 2018 and were signed on its behalf by:

.....  
John Johnston - Director

The notes on pages 21 to 28 form an integral part of these financial statements

## STATEMENT OF CHANGES IN EQUITY

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance at 1st July 2016</b>	1,110	1,007,955	249,890	1,258,955
<b>Changes in equity</b>				
Total comprehensive income	-	273,895	-	273,895
<b>Balance at 30th June 2017</b>	1,110	1,281,850	249,890	1,532,850
<b>Changes in equity</b>				
Total comprehensive income	-	306,044	-	306,044
Dividend paid	-	(1,110,000)	-	(1,110,000)
<b>Balance at 30th June 2018</b>	1,110	477,894	249,890	728,894

The notes on pages 21 to 28 form an integral part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

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### 1. GENERAL INFORMATION

The Company is a private limited company incorporated and domiciled in England & Wales. The address of its registered office is Avenue Court, Victoria Avenue, Camberly, Surrey GU15 3HX.

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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

### Turnover

Turnover represents the value of services provided under contracts to the extent that persuasive evidence of an arrangement exists, services have been rendered, the fee is determinable and its collectability is reasonably assured.

Turnover is stated net of value-added tax and credit notes.

#### Accrued income

Where a contract has only been partially completed at the balance sheet date, turnover represents the value of the service provided to date based on a proportion of the total expected consideration at completion. The corresponding figure is shown as accrued income under debtors.

#### Provision for credit notes

A provision is made for credit notes in respect of contractual obligations to issue such notes.

### 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.

#### (b) Transactions and balances

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

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.

#### - Accruals & Provisions

The Company may be required to recognise provisions for impairment of trade receivables and post year end credit notes in respect of revenue, employee bonuses and unpaid holiday leaves, dilapidations, onerous leases and corporation tax in its financial statements which may requires management to make judgements. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors.

## 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:

	2018	2017
	£	£
Americas	611,746	583,712
Asia Pacific	1,981,149	1,668,730
Europe	623,382	775,618
Middle East & Africa	547,494	574,431
	<b>3,763,771</b>	<b>3,602,491</b>

## 4. EMPLOYEES AND DIRECTORS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

	2018	2017
	£	£
Wages and salaries	54,543	50,915
Social security costs	3,564	3,314
	<b>58,107</b>	<b>54,229</b>

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

	2018	2017
Customer services and support	<b>1</b>	<b>1</b>

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.

	2018	2017
	£	£
Directors' remuneration	-	-

## 5. PROFIT BEFORE TAXATION

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

	2018	2017
	£	£
Overseas contractors	1,721,672	1,583,080
Data sourcing costs	1,480,283	1,579,751
Legal and professionals fees	41,063	36,986
Management fees	25,104	43,449
Other operating leases	4,800	18,750
Depreciation - owned assets	396	1,520
Auditor remuneration	6,150	6,000
Foreign exchange differences	26,513	(64,481)

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



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

### 6. TAXATION

Recognised in the profit and loss account

	2018	2017
	£	£
<i>UK corporation tax</i>		
Current tax on income for the period	71,777	67,290
Adjustments in respect of prior period	29	447
<b>Total current tax</b>	<b>71,806</b>	<b>67,737</b>

#### Reconciliation of effective tax rate

The tax assessed for the year is higher (2017 - higher) than the standard rate of corporation tax in the UK.

	2018	2017
	£	£
Profit before income tax	<b>377,850</b>	<b>341,632</b>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.75%)	71,792	67,473
Effects of:		
Capital allowances in excess of depreciation	(15)	(223)
Expenses not deductible for tax purposes	-	40
Adjustments to tax charge in respect to previous periods	29	447
<b>Tax expense</b>	<b>71,806</b>	<b>67,737</b>

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

## 7. DIVIDENDS

	2018 £	2017 £
Ordinary shares of 0.01 each		
Final	1,110,000	-

## 8. TANGIBLE FIXED ASSETS

	Fixtures and Fittings £	Computer Equipment £	Totals £
<b>COST</b>			
At 1st July 2017	2,522	6,424	8,946
As at 30th June 2018	2,522	6,424	8,946
<b>DEPRECIATION</b>			
At 1st July 2017	2,522	5,976	8,498
Charge for year	-	396	396
At 30th June 2018	2,522	6,372	8,894
<b>NET BOOK VALUE</b>			
At 30th June 2018	-	52	52
At 30th June 2017	-	448	448

## 9. DEBTORS

	2018 £	2017 £
Trade debtors	312,886	395,295
Amounts owed from group undertakings	62,375	59,885
Corporation tax	-	21,237
VAT	-	1,491
Accrued income	204,445	206,761
Prepayments	9,289	9,263
	588,995	693,932

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

### 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	5,131	1,825
Amounts owed to group undertakings	773,206	784,338
Corporation tax	39,660	-
Social security and other taxes	539	433
Other creditors	851	876
Accrued expenses	34,752	27,325
VAT	787	-
	<b>854,926</b>	<b>814,797</b>

### 11. OPERATING LEASE

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

	2018	2017
	£	£
Within one year	-	-

The lease rental under cancellable operating lease for office premises charged to profit and loss account during the year aggregates to **£ 4,800** (2017 : £18,750)

### 12. Related party transactions

*Identity of related parties with which the company has transacted*

During the year ended 30 June 2018, the company had transactions with Accelya World, S.L.U (part of the Canary Topco Group) in respect of recoverable cost of personnel expenses. Transaction with other entities in the Canary Topco group (who own 75% of Accelya Kale) were in respect of collection management services, Verdi expense and common amenities expenses.

	Sales		Administrative expenses	
	2018	2017	2018	2017
	£	£	£	£
Associates	60,596	57,029	1,461,922	1,632,828
	<b>60,596</b>	57,029	<b>3,216,044</b>	3,290,686
	Receivables outstanding		Creditors outstanding	
	2018	2017	2018	2017
	£	£	£	£
Associates	9,962	9,107	477,780	496,967
	<b>62,375</b>	59,885	<b>773,206</b>	784,338

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2018

### 13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class	Nominal Value	2018 £	2017 £
111,000	Ordinary	0.01	<u>1,110</u>	<u>1,110</u>

### 14. RESERVES

	Retained earnings £	Share premium £	Total £
At 1st July 2017	1,281,850	249,890	1,531,740
Profit for the year	306,044	-	306,044
Dividend paid during the year	(1,110,000)	-	(1,110,000)
At 30th June 2018	<u>477,894</u>	<u>249,890</u>	<u>727,784</u>

### 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.