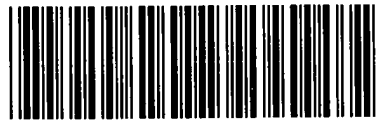


Registered number: 05366382

PNMSOFT UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

WEDNESDAY



A9G4PSIR

A12

21/10/2020

#237

COMPANIES HOUSE

PNMSOFT UK LIMITED

COMPANY INFORMATION

Directors	Gal Horvitz (resigned 16 September 2019) Stuart Bridges (appointed 25 September 2019)
Company secretary	Entity Central Corporate Services (UK) Limited
Registered number	05366382
Registered office	6 Lloyds Avenue Suite 4cl London United Kingdom EC3N 3AX
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF

PNMSOFT UK LIMITED

CONTENTS

	Page
Strategic Report	1
Director's Report	2 - 4
Independent Auditor's Report	5 - 7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10 - 11
Notes to the Financial Statements	12 - 31

PNMSOFT UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The Director presents their strategic report for the year ended 31 December 2019.

Business review

The Company continued its principal activities of consultancy services.

The Company is a global consulting and technology services firm focusing on applications outsourcing, technology consulting and systems integration. The Company applies its vertical industry domain knowledge, technical experience and methodologies in collaboration with its clients to provide solutions that address important business opportunities and needs.

Principal risks and uncertainties

The Company has risks relating to the retention of employees, competition in the market, currency and credit risk. The board reviews and agrees policies for managing each of these risks, which are summarised below:

Foreign currency risk

The Company is exposed to foreign currency risks arising from sales or purchases by businesses in currencies other than its functional currency. The Company manages this risk by maintaining bank accounts denominated in the currencies in which it transacts. The Company's transactions are mainly in UK Pounds Sterling and US dollars, as a result of which the Company is exposed to foreign exchange rate fluctuation. The company does not hedge its currency exposures.

Interest rate risk

The Company manages its interest rate risk by financing its operations through a mixture of retained profits, cash balances and balances with group undertakings.

Credit risk

The Company manages its credit risk by thorough rigorous debt collection procedures.

Employee retention risk


The Company manages its retention risk by ensuring role and profile alignment, ensuring appropriate utilisation of employees, offering competitive compensation and maintaining policies and programs that promote employee development and career advancement.

Financial key performance indicators

Management use a range of performance measures to monitor and manage the Company's business. The performance measures are split into financial and non-financial key performance indicators. As shown in the Company's profit and loss account, the Company's total revenues for 2019 have increased from the previous year. The company made a profit before tax of £146,921 (2018 - £206,961) during the year. The net asset position increased to £986,499 (2018 - £900,834) at the year end.

This report was approved by the board on 30-Sep-2020 | 3:27 AM BIT and signed on its behalf.

Stuart Bridges
Director

DocuSigned by:

40E6241F30C1480...

PNMSOFT UK LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The director presents their report and the financial statements for the year ended 31 December 2019.

Director's responsibilities statement

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £85,665 (2018 - £186,982).

There were no dividends paid during the year (2018 - £Nil).

Directors

The directors who served during the year were:

Gal Horvitz (resigned 16 September 2019)

Stuart Bridges (appointed 25 September 2019)

PNMSOFT UK LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Financial Risk Assessment

The Company has a well-defined and embedded Enterprise Risk Management (ERM) framework. While the focus is primarily on compliance risk and operational risk, financial risk is also considered as part of this framework. In particular:

Price risk

The pricing elements of the contracts with clients are secured until the renewal dates and therefore will not change unless by mutual renegotiation and agreement from both parties. Supplier pricing is managed through the Genpact Vendor Governance Office with regular reviews conducted to ensure stability and market alignment.

Credit risk

As the Company does not provide any loan services, credit risk exposure is limited. Our clients are highly regarded, stable and financially robust organisations and present a 'low' risk of default.

Liquidity and cash flow risks

PNMSOFT UK is backed by the parent group, which is a well-financed organisation, and ensures our continued financial security.

Future developments

There are no future developments to be disclosed.

Impact of Covid-19

As for Covid-19 preparation, PNMSOFT UK Limited has worked with clients to allow all its employees to work from home and assured delivery of projects in the pipeline is not being impacted and that the support level is kept. As to date we continue to provide a full service and our clients are not impacted. For the purposes of assessing the impact of Covid-19 on our going concern status, we are currently satisfied that it will not be adversely impacted. However, we are constantly assessing the situation as the pandemic develops.

Impact of Brexit

PNMSOFT UK Limited through its Brexit Committee, which is sponsored by Genpact's Global Leadership Committee, has assessed the impact of Brexit (including a no-deal Brexit) on its clients, suppliers and employees. We have evaluated the risks across a range of areas, including restrictions on free movement and potential travel interruption, limitation on transfers of personal data, currency risks as well as barriers to trade between the EU and the UK. The outcome of our analysis is that even in a "no-deal Brexit" scenario, given the global nature of our business, the location of our delivery centres, the type of services we deliver to our clients and services we receive from our suppliers, we don't envisage a material risk to our business and where we have seen that there are potential risks, we have taken all reasonable steps to mitigate their impact.

Matters covered in the strategic report

As permitted by section 414C(11) of the Companies Act 2006, certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report instead. These matters relate to; business review, principal risks and uncertainties and key performance indicators.

PNMSOFT UK LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Director's Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

After the year end, the global pandemic of Covid-19 has given rise to a non-adjusting post balance sheet event. For further commentary on the impact of the virus on the Company, please see page 3.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Stuart Bridges
Director

DocuSigned by:

Stuart Bridges

40E6241F30C1480...

Date: 30-Sep-2020 | 3:11 AM BIT

PNMSOFT UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PNMSOFT UK LIMITED

Opinion

We have audited the financial statements of PNMSOFT UK Limited (the 'Company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework" and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the Company financial statements, which is not modified, we draw your attention to the directors' view on the impact of COVID-19 as disclosed on page 3, and the consideration in the going concern basis of preparation on page 13 and non-adjusting post balance sheet events on page 31.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19, The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy.

PNMSOFT UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PNMSOFT UK LIMITED

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

PNMSOFT UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PNMSOFT UK LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.


Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in 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.


Stephen Brown (Oct 1, 2020 10:22 GMT+1)

Stephen Brown (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date: Oct 1, 2020

PNMSOFT UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Turnover	4	5,574,297	7,333,525
Cost of sales		(4,313,622)	(5,548,531)
Gross profit		1,260,675	1,784,994
Administrative expenses		(1,112,400)	(1,578,033)
Operating profit		148,275	206,961
Interest payable and expenses	9	(1,354)	-
Profit before tax		146,921	206,961
Tax on profit	10	(61,256)	(19,979)
Profit for the financial year		85,665	186,982
Total comprehensive income for the year		85,665	186,982

The notes on pages 12 to 31 form part of these financial statements.


PNMSOFT UK LIMITED
REGISTERED NUMBER: 05366382

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	46,993	14,158
		<u>46,993</u>	<u>14,158</u>
Current assets			
Debtors: amounts falling due after more than one year	12	-	10,855
Debtors: amounts falling due within one year	12	14,911,002	10,323,765
Cash at bank and in hand	13	2,251,637	445,765
		<u>17,162,639</u>	<u>10,780,385</u>
Current liabilities	14	(16,221,475)	(9,893,709)
Net current assets		941,164	886,676
Provisions for liabilities			
Deferred taxation	17	(1,658)	-
Net assets		<u>986,499</u>	<u>900,834</u>
Capital and reserves			
Called up share capital	18	100	100
Share premium account	19	359,998	359,998
Profit and loss account	19	626,401	540,736
		<u>986,499</u>	<u>900,834</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Stuart Bridges
 Director

DocuSigned by:

 40E8241F30C1480...

Date: 30-Sep-2020 | 3:11 AM BIT

The notes on pages 12 to 31 form part of these financial statements.

PNMSOFT UK LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	100	359,998	540,736	900,834
Comprehensive income for the year				
Profit for the year	-	-	85,665	85,665
Total comprehensive income for the year	-	-	85,665	85,665
Total transactions with owners	-	-	-	-
At 31 December 2019	100	359,998	626,401	986,499

The notes on pages 12 to 31 form part of these financial statements.

PNMSOFT UK LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018	100	359,998	353,754	713,852
Comprehensive income for the year				
Profit for the year	-	-	186,982	186,982
Total comprehensive income for the year	-	-	186,982	186,982
Total transactions with owners	-	-	-	-
At 31 December 2018	100	359,998	540,736	900,834

The notes on pages 12 to 31 form part of these financial statements.

PNMSOFT UK LIMITED

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

1. General information

PNMSOFT UK Limited is a private company, limited by shares, domiciled and incorporated in England and Wales. The address of its registered office and principal place of business is 6 Lloyds Avenue, Suite 4cl, London, EC3N 3AX. Company number 05366382.

The activity of the Company is of consultancy services.

The financial statements are prepared in Pounds Sterling as this is the functional currency of the economic environment in which the Company operates.

Monetary amounts in these financial statements are rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The results of the Company are included in the consolidated financial statements of Genpact Limited, registered office Canon's Court, 22 Victoria Street, Hamilton, HM EX, Bermuda.

The preparation of financial statements in compliance with FRS101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3.)

The following principal accounting policies have been applied:

PNMSOFT UK LIMITED

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

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- 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;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 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 paragraph 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, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

This information is included in the consolidated financial statements of Genpact Limited as at 31 December 2019, and these accounts may be obtained from Canon's Court, 22 Victoria Street, Hamilton, HM EX, Bermuda.

2.3 Going concern

These financial statements have been prepared on a going concern basis. The Directors have received assurance from the ultimate parent undertaking, Genpact Limited Bermuda, that they will receive financial assistance as necessary to continue to enable PNMsoft UK Limited to continue to meet its liabilities as they fall due for the foreseeable future which is expected to be more than 12 months post signing of the financial statements.

PNMSOFT UK LIMITED

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

2. Accounting policies (continued)

2.4 Impact of new international reporting standards, amendments and interpretations

IFRS 16

The Company has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019.

On transition to IFRS 16, the Company elected to apply the following practical expedients:

- the Company has not reassessed contracts that were not identified as leases under IAS 17 and IFRIC 4 to determine whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or modified on or after 1 January 2019.

For leases previously classified as operating leases under IAS 17 -

- the Company has applied a single discount rate to a portfolio of leases with similar characteristics.
- the Company has excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- the Company has used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 1 January 2019 are determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

The following tables summarise the impacts of adopting new reporting standards on the Company's financial statements.

Balance Sheet (extract)

	31 December 2018 As originally presented £	IFRS 16 £	1 January 2019 Adjusted balance £
Fixed assets			
Tangible assets	14,158	78,697	92,855
	<u>-</u>	<u>78,697</u>	<u>78,697</u>
Current assets			
Debtors: amounts falling due after more than one year	10,855	-	10,855
Debtors: amounts falling due within one year	10,323,765	(15,000)	10,308,765
Cash at bank and in hand	445,765	-	445,765
Total current assets	<u>-</u>	<u>(15,000)</u>	<u>(15,000)</u>

PNMSOFT UK LIMITED

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

2. Accounting policies (continued)

2.4 Impact of new international reporting standards, amendments and interpretations (continued)

Balance Sheet (extract) (continued)

	31 December 2018 As originally presented £	IFRS 16 £	1 January 2019 Adjusted balance £
Creditors: amounts falling due within one year	(9,893,709)	(63,697)	(9,957,406)
Total assets less current liabilities	-	-	-
Net assets	900,834	-	900,834
Capital and reserves			
Called up share capital	100	-	100
Share premium account	359,998	-	359,998
Profit and loss account	540,736	-	540,736
	900,834	-	900,834

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

PNMSOFT UK LIMITED

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

2. Accounting policies (continued)

2.6 Revenue

The Company derives its revenue primarily from business process management including analytics, consulting and related digital solutions and information technology services which are provided primarily on a time-and-material, transaction or fixed monthly price basis. The Company recognizes revenue when the promised services are delivered to customers for an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. Revenues from services rendered under time-and-material and transaction-based contracts are recognized as the services are provided. The Company accrues for revenue and unbilled receivables for services rendered between the last billing date and the balance sheet date.

The Company records deferred revenue attributable to certain process transition activities where such activities do not represent separate performance obligations. Revenues relating to such transition activities are classified under contract liabilities and subsequently recognized ratably over the period in which the related services are performed. Costs relating to such transition activities are fulfillment costs which are directly related to the contract and result in the generation or enhancement of resources. Such costs are expected to be recoverable under the contract and are therefore classified as contract cost assets and recognized ratably over the estimated expected period of benefit under cost of revenue.

Revenues are reported net of value-added tax, business tax and applicable discounts and allowances. Reimbursements of out-of-pocket expenses received from clients have been included as part of revenues.

The Company enters into multiple-element revenue arrangements in which a client may purchase a combination of products or services. Revenue from multiple-element arrangements is recognized, for each element, based on an allocation of the transaction price to each performance obligation on a relative standalone basis.

Certain contracts may include offerings such as sale of licenses, which may be perpetual or subscription-based. Revenue from distinct perpetual licenses is recognized upfront at the point in time when the software is made available to the client. Revenue from distinct subscription based licenses is recognized at the point in time it is transferred to the client. Revenue from any associated maintenance or ongoing support services is recognized ratably over the term of the contract. For a combined software license/services performance obligation, revenue is recognized over the period that the services are performed.

PNMSOFT UK LIMITED

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

2. Accounting policies (continued)

2.7 Leased assets: the Company as lessee

The Company leases one office. Rental contracts are typically made for fixed periods.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants other than the security interest in the leased assets that are held by the lessor. Lease assets may not be used as security for borrowing purposes.

Until 31 December 2018, leases of office and computer equipment, and buildings were classified as either finance leases or operating leases. From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased assets are available for use by the Company.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The incremental borrowing rate has been assessed with reference to a third party financing rate for an equivalent term.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives

The lease liability is included in 'Creditors' on the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lessor transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Tangible Fixed Assets' lines, as applicable, in the Balance Sheet.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.9.

PNMSOFT UK LIMITED

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

2. Accounting policies (continued)

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

2.8 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

PNMSOFT UK LIMITED

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

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- over 4 years
Fixtures and fittings	- over 4 years
Right-of-use asset	- over the life of the lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. Provisions are discounted to their present values, where the time value of money is material.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

PNMSOFT UK LIMITED

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

2. Accounting policies (continued)

2.15 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Financial liabilities

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

PNMSOFT UK LIMITED

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

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the Companies accounting policies, the Directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Director's judgements, estimates and assumptions are based on the best and most reliable evidence at the time when the decisions are made, and based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects both current and future periods.

There are no material judgements or estimates during the year ended 31 December 2019.

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Consultancy services	5,574,297	7,333,525

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	5,315,600	2,661,796
Rest of the world	258,697	4,671,729
	<u>5,574,297</u>	<u>7,333,525</u>

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	71,846	27,318
Exchange differences	190,728	(87,287)
	<u>190,728</u>	<u>(87,287)</u>

PNMSOFT UK LIMITED

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

6. Auditor's remuneration

	2019	2018
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	9,748	9,748
	<u>9,748</u>	<u>9,748</u>
Fees payable to the Company's auditor in respect of:		
All other services	1,200	1,850
	<u>1,200</u>	<u>1,850</u>

7. Employees

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

	2019	2018
	No.	No.
Chargeable staff	16	18
Sales and administration	8	9
	<u>24</u>	<u>27</u>

8. Employee costs

Staff costs were as follows:

	2019	2018
	£	£
Wages and salaries	1,967,657	2,234,002
Social security costs	328,799	300,372
Cost of defined contribution scheme	138,625	93,885
	<u>2,435,081</u>	<u>2,628,259</u>

PNMSOFT UK LIMITED

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

9. Interest payable and similar expenses

	2019 £	2018 £
Interest payable and expenses	1,354	-
	<u>1,354</u>	<u>-</u>

10. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	32,524	48,601
	<u>32,524</u>	<u>48,601</u>
Total current tax	<u>32,524</u>	<u>48,601</u>
Deferred tax		
Origination and reversal of timing differences	28,732	(28,622)
	<u>28,732</u>	<u>(28,622)</u>
Total deferred tax	<u>28,732</u>	<u>(28,622)</u>
Taxation on profit on ordinary activities	<u>61,256</u>	<u>19,979</u>

PNMSOFT UK LIMITED

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

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	146,921	206,961
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	27,915	39,323
Effects of:		
Permanent differences	4,609	(21,649)
Short term timing difference leading to an increase (decrease) in taxation	28,732	2,305
Total tax charge for the year	61,256	19,979

Factors that may affect future tax charges

Changes to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Subsequently, the amendment at April 2020 was not enacted and the rate remains at 19%. Deferred tax balances have been calculated at 17%.

PNMSOFT UK LIMITED

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

11. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Right-of-use asset £	Total £
Cost or valuation				
At 1 January 2019	26,906	126,245	-	153,151
Impact of change in accounting policy	-	-	78,697	78,697
At 1 January 2019 (adjusted balance)	26,906	126,245	78,697	231,848
Additions	-	25,984	-	25,984
At 31 December 2019	26,906	152,229	78,697	257,832
Depreciation				
At 1 January 2019	26,369	112,624	-	138,993
Charge for the year on owned assets	510	12,381	58,955	71,846
At 31 December 2019	26,879	125,005	58,955	210,839
Net book value				
At 31 December 2019	27	27,224	19,742	46,993
At 31 December 2018	537	13,621	-	14,158

Depreciation is charged to administrative expenses in the Statement of Comprehensive Income.

PNMSOFT UK LIMITED

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

12. Debtors

	2019 £	2018 £
Due after more than one year		
Other debtors	-	10,855
	<u> </u>	<u> </u>
	2019 £	2018 £
Due within one year		
Trade debtors	868,629	1,660,046
Amounts owed by group undertakings	13,413,132	8,520,644
Other debtors	605,728	94,387
Prepayments and accrued income	23,513	21,614
Deferred taxation (note 16)	-	27,074
	<u> </u>	<u> </u>
	<u>14,911,002</u>	<u>10,323,765</u>

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

13. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	2,251,637	445,765
	<u> </u>	<u> </u>

PNMSOFT UK LIMITED

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

14. Current liabilities

	2019 £	2018 £
Trade creditors	25,104	52,906
Amounts owed to group undertakings	15,416,442	8,874,448
Corporation tax	29,526	77,892
Other taxation and social security	119,956	456,200
Lease liability (note 14)	4,964	-
Other creditors	182,072	-
Accruals and deferred income	443,411	432,263
	<u>16,221,475</u>	<u>9,893,709</u>

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

15. Leases: the Company as a lessee

The Company leases one office. Rental contracts are typically made for fixed periods of up to year 2025.

Lease liabilities are due as follows:

	2019 £
1 - 2 years	4,964
2 - 5 years	-
	<u>4,964</u>

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2019 £
Lease liabilities interest	997
Depreciation expense charged in the year on right-of-use asset	58,955
	<u>59,952</u>

PNMSOFT UK LIMITED

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

14. Lease liability (continued)

Measurement of lease liabilities

	2019 £
Operating lease commitments disclosed as at 31 December 2018	80,000
Restatement	(15,000)
Operating lease commitments restated as at 31 December 2018	65,000
Discounted using incremental borrowing rate @ 2.2%	(1,033)
Operating lease liabilities after discounted as on 1 January 2019	<u>63,967</u>

The total cash outflow for leases in 2019 was £60,000, split as follows:

- cash payments of £59,003 for the principal portion of the lease liabilities
- cash payments £997 for the interest portion of the lease liabilities

16. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	2,251,637	445,765
Financial assets that are debt instruments measured at amortised cost	14,887,489	10,285,932
	<u>17,139,126</u>	<u>10,731,697</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>15,628,582</u>	<u>8,927,354</u>

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

16. Financial instruments (continued)

Financial Assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, amounts owed to group undertakings, other creditors and lease liability.

The Company uses various financial instruments which include cash, overdrafts, intra group borrowings, equity and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to finance the working capital of the Company's operations.

The main risks arising from the Company's financial instruments are interest rate risk, currency risk, liquidity risk and credit risk. The Directors review and agree policies for managing each of these risks and they are summarised below.

Interest rate risk

The Company seeks to reduce its exposure to interest rate risk where possible, but this is offset by the availability of trade finance arrangements which are transaction specific to meet liquidity needs and so have variable interest rate terms.

Foreign currency risk

The Company's functional currency is Sterling and as such the Company is exposed to foreign exchange movements on monetary assets and liabilities denominated in other currencies. Currently there are no foreign exchange hedge programmes in place. However, the treasury function manages the purchase of foreign currency to meet operational requirements.

Liquidity risk

The Company seeks to manage financial risk, to ensure financial liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved through trade finance arrangements, overdrafts and intra group borrowing facilities.

Credit risk

The Company's principal financial assets are cash and trade receivables. The credit risk associated with the cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises therefore from its trade receivables.

In order to manage credit risk, the Directors set limits for customers based on a combination of payment history and third-party credit references and these limits are reviewed regularly.

PNMSOFT UK LIMITED

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

17. Deferred taxation

	2019 £
At beginning of year	27,074
Charged to profit or loss	(28,732)
Utilised in year	-
At end of year	<u><u>(1,658)</u></u>

The deferred taxation balance is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(1,658)	27,074
	<u><u>(1,658)</u></u>	<u><u>27,074</u></u>

18. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
100 (2018 - 100) Ordinary shares of £1.00 each	100	100
	<u><u>100</u></u>	<u><u>100</u></u>

The shares have attached to them full voting and distribution rights but no right of redemption.

19. Reserves

Share premium account

This reserve represents the excess in consideration paid over the nominal value of shares issued.

Profit and loss account

This reserve represents the accumulated profits and losses of the Company, less any dividends paid.

PNMSOFT UK LIMITED

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

20. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £138,625 (2018 - £93,855). Contributions totalling £12,102 (2018 - £10,068) were payable to the fund at the balance sheet date and are included within creditors.

21. Related party transactions

As a wholly owned subsidiary of Genpact Limited, the Company is exempt from the requirements of IAS 24 Related Party Disclosures to disclose transactions with other members of the group headed by Genpact Limited.

22. Post balance sheet events

After the year end, the global pandemic of Covid-19 has given rise to a non-adjusting post balance sheet event. For further commentary on the impact of the virus on the Company, please see page 3.

23. Ultimate parent company and controlling party

The ultimate parent company is Genpact Limited, a company incorporated in Bermuda.

The company's immediate parent undertaking is PNMSOFT Israel, a company incorporated in Israel.

The largest and smallest group in which the results of the Company are consolidated is that headed by the company's ultimate parent undertaking, Genpact Limited. The consolidated financial statements of Genpact Limited are available to the public and may be obtained from Canon's Court, 22 Victoria Street, Hamilton, HM EX, Bermuda.