

Genpact (UK) Limited

Annual reports and financial statements
Registered no.: 04217635
31 December 2017

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Genpact (UK) Limited

Registered no.: 04217635

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Genpact (UK) Limited

Registered no.: 04217635

Strategic Report

The directors present their strategic report for the year ended 31 December 2017.

Genpact (UK) Limited is a subsidiary of Genpact Global Holdings (Bermuda) Limited. Our current focus remains on providing IT and BPO services across the globe. We have strengthened our business development team to have better penetration in the United Kingdom and European region.

Genpact reimagines client business by extending digital's power all the way through the middle and back office where it can generate growth, cost efficiency and business agility. We put digital technology and analytics to work. Importantly, our approach is designed to help large enterprises with complex, often dated pre-existing operations, embrace the art of the possible.

Business review

The directors are pleased to report that 2017 was another successful year for Genpact (UK) Ltd.

The Company continued its principal activities of providing IT related support, software implementation and support, analytics, re-engineering and accounting services to other associated companies within the Genpact group.

Management uses a range of performance indicators to monitor and manage the 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 revenue level for 2017 increased by £8,873,000 from the previous year (2017 - £74,664,000 and 2016 - £65,791,000). The net asset position also increased by £7,737,000 (2017 - £27,297,000 and 2016 - £19,560,000).

We integrated Genpact & Headstrong's capabilities to meet our client's needs and create a differentiation for ourselves in the marketplace. We also focussed on achieving operational efficiencies and cost control wherever possible.

We are cautiously optimistic about the future. Genpact's end clients are under continued pressure to reduce cost due to margin pressure and regulatory fines. This provides Genpact an opportunity to provide more outsourcing. Our clients are looking at vendor consolidation to reduce costs. Our clients' process for taking on new vendors is becoming more complex and time consuming. We have been able to bundle Genpact and Headstrong capabilities and positioned ourselves as a "One Stop Shop" to help us get on preferred vendor lists. We are focusing on existing accounts in order to generate target revenues and working with prospective clients to get onto their preferred vendor lists in future.

Principal Risks and Uncertainties

The company is a global consulting and technology services firm focusing on IT related support, software implementation and support, analytics, re-engineering and accounting services. 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.

The company is continuing to assess the impact of Britain's exit from the European Union ('Brexit'), at the current time the impact remains uncertain. Negative risks include cost of supply increases, for example if free trade is restricted or higher tariffs to trade are introduced.

The company has risks relating to retention of employees, competition in the market and currency fluctuations. The board reviews and agrees policies for managing each of these risks and which are summarized below.

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Strategic Report (continued)

Foreign currency risk

The company is exposed to foreign currency risk arising from sales or purchases by businesses in currencies other than its functional currency. The company manages this risk by operating its business transactions from local currency bank account.

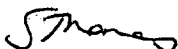
Interest rate risk

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

Employee retention risk

This is managed by job role and profile alignment, ensuring good utilisation of employees, competitive pay and employee friendly HR policies.

By order of the board



Sharon Thomas- Director

Date- 1 November 2018

Genpact (UK) Limited

Registered no.: 04217635

Directors' report

The Directors present their Directors' Report and Financial Statements for the year ended 31 December 2017.

Principal activities

The Company provides IT related support, software implementation and support, analytics, re-engineering and accounting services to other associated companies within the Genpact group.

Results and dividends

The profit for the year, after taxation, amounted to £7,737, 397 (2016: £6,180,711):

The directors do not recommend the payment of a dividend (2016: £nil).

Directors and directors' interests

The directors who held office during the year and up to the date of the Directors' Report were as follows:

Ahmed Mazhari
Santosh Pushpangadan Kallattu
Sharon Thomas

Political and charitable contributions

There are no directors' indemnification arrangements. The Company made no political donation during the year (2016: £Nil).

Disclosure of information to auditor.


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

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

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Sharon Thomas
Director



Date- 1 November 2018

66 Buckingham Gate,
4th Floor, London, SW1E 6AU

Genpact (UK) Limited

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Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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;
- 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.

Genpact (UK) Limited

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENPACT (UK) LIMITED

Opinion

We have audited the financial statements of Genpact (UK) Limited ("the company") for the year ended 31 December 2017, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

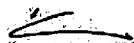
Auditor's responsibilities

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

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

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Hine (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL
United Kingdom
2 November 2018

Genpact (UK) Limited

Registered no.: 04217635

Profit and loss account for the year ended 31 December 2017

	<i>Note</i>	2017 £000	2016 £000
Turnover	2	74,664	65,791
Cost of Sales		(37,033)	(28,729)
Gross profit		37,631	37,063
Administrative expenses		(27,679)	(29,010)
Other operating expense		(284)	(371)
Operating profit/(loss)	3	9,668	7,682
Profit on ordinary activities before taxation		9,668	7,682
Taxation on profit on ordinary activities	6	(1,931)	(1,501)
Profit for the financial year		7,737	6,181

The results in the above profit and loss account relate entirely to continuing operations.

The notes on pages 12 to 20 form part of the financial statements.

There have been no recognised gains and losses for the current financial year or the prior financial period other than as stated in the profit and loss account and, accordingly, no separate statement of total recognised gains and losses is presented.

Genpact (UK) Limited

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Balance sheet

as at 31 December 2017

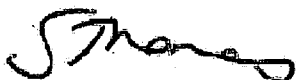
	<i>Note</i>	2017 £000	2016 £000
Fixed assets			
Tangible fixed assets	7	258	277
Current assets			
Debtors	8	44,300	34,584
Cash and bank balances		1,260	1,914
Creditors: amounts falling due within one year	9	(18,521)	(17,215)
Net current assets		27,039	19,283
Net assets		27,297	19,560
Capital and reserves			
Called up share capital	11	0	0
Profit and loss account	12	27,297	19,560
Shareholders' funds		27,297	19,560

Company registered number: 04217635

The notes on pages 11 to 19 form part of these financial statements.

These financial statements were approved by the board of directors on behalf by:

2018 and were signed on its



Sharon Thomas
Director

Genpact (UK) Limited

Registered no.: 04217635

Statement of Changes in Equity

As at 31 December 2017

	£000 Called up Share capital	£000 Profit and loss account	£000 Total Equity
Balance at 1st January 2017	-	19,560	19,560
Total Comprehensive income for the period			
Profit		7,737	7,737
Other Comprehensive Income	-	-	-
Total Comprehensive Income	-	7,737	7,737
Balance at 31st December 2017	-	27,297	27,297

Genpact (UK) Limited

Registered no.: 04217635

Notes to the financial statements

(forming part of the financial statements)

1. Accounting policies

Genpact UK Limited is a private limited company incorporated, domiciled and registered in UK. The registered number is 04217635 and the registered address is 66 Buckingham Gate, 4th floor, London.SW1E6AU.

The following accounting policies have been applied consistently in dealing with items, which are considered material in relation to the Company's financial statements, except as noted below.

(a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" as issued in 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The year ended 31 December 2017 is the first year that the financial statements have been prepared under FRS 102. In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments. The presentation currency of these financial statements is sterling. All amounts in the financial statement have been rounded off to nearest £1,000.

In these financial statements, the company is considered to be a qualifying entity (for the purpose of this FRS) and has applied the exemptions available under FRS 102 in respect of following disclosures;

- Preparation of cash flow statements and related notes.
- Disclosure of related party transactions with and between wholly-owned subsidiaries;
- Disclosures relating to financial instruments

(b) Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: biological assets, investment property, tangible fixed assets and intangible assets measured in accordance with the revaluation model

(c) Going concern assumption

After making due enquiries, the directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future and therefore continue to adopt the going basis in preparing the accounts.

(d) Turnover

Turnover represents the amounts derived from IT and accounting services provided to customers during the period, excluding value added tax. Revenue from time and material contracts are recognized as related services are performed in accordance with rates specified in the agreement. Revenue from cost plus contracts is recognized based on the chargeable cost and appropriate mark up as per the terms of the agreement.

(e) Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

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Notes to the financial statements

(forming part of the financial statements)

(f) Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents comprise cash balances and call deposits.

(g) Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

(h) Tangible fixed assets and depreciation

Tangible fixed assets are included at historical cost less accumulated depreciation. The profit or loss on sale of tangible fixed assets is calculated by reference to the carrying value of the assets.

Depreciation is calculated at rates appropriate to write off the cost less the estimated residual value of tangible fixed assets by equal annual instalments over their estimated useful economic lives mainly as follows:

Computer software	4 years (25% per annum)
Computer equipment and servers	4 years (25% per annum)
Furniture & Fixtures	4 years (25% per annum)
Plant, machinery and equipment	4 years (25% per annum)
Leasehold improvements	10 years or leasehold period whichever is less.

(i) Leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

(j) Employee Benefits

Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which the services are rendered by the employees.

(k) Taxation

Tax on 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 timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

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Notes to the financial statements *(continued)*

2. Turnover

	2017 £000	2016 £000
By geographical market:		
United Kingdom	74,664	65,791
	<u>74,664</u>	<u>65,791</u>

	2017 £000	2016 £000
By Activity		
Rendering of Services (United Kingdom)	74,664	65,791
	<u>74,664</u>	<u>65,791</u>

3. Operating profit

Operating profit is stated after charging:

	2017 £000	2016 £000
Foreign exchange losses	284	371
Auditor's remuneration	15	15
Depreciation	121	119
Operating Lease rentals - Building	316	130

Note: Auditor's remuneration is in relation to the audit of these financial statements

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Notes to the financial statements *(continued)*

4. Directors' emoluments

Directors received remuneration from the company in respect of their services to the company during the current and previous financial year, as set out below.

	2017 £000	2016 £000
Aggregate emoluments	1,244	1,071

In the current year the emoluments paid to the highest paid director amounted to £717,035 (2016: £520,411) who served for full year in 2017 and had served full year in 2016 as well. There were 3 directors in 2017 & same in 2016.

5. Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2017 Number	2016 Number
Directors	3	3
IT and accounting	250	226
Administration	46	22
	<u>299</u>	<u>251</u>

The aggregate payroll costs of these persons were as follows:

	2017 £000	2016 £000
Wages and salaries	41,458	33,726
Pension costs	1,605	1,444
Social security costs	3,883	3,235
Total	<u>46,946</u>	<u>38,405</u>

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Notes to the financial statements *(continued)*

6. Tax on profit on ordinary activities

a) Current Tax

	2017 £000	2016 £000
Current Tax on Income for the period	1,925	1,611
Adjustment in respect of prior periods	(23)	(51)
Total current tax	<u>1,902</u>	<u>1,560</u>
Deferred tax		
Origination and reversal of timing differences	30	(58)
Total deferred tax	30	(58)
Total Tax	<u>1,931</u>	<u>1,501</u>

b) Factors affecting current tax charge in year

	2017 £000	2016 £000
Profit on ordinary activities before tax	9,668	7,682
Tax using standard rate of 19.25% (2016 : 20%)	1,861	1,536
Effects of:		
Short term timing differences	3	(17)
Capital allowance in excess of depreciation	(32)	(28)
Adjustment in respect of previous periods	(23)	-
Expenses not deductible for tax purposes	93	68
Total Tax Expense included in profit or loss	<u>1,902</u>	<u>1,560</u>

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Notes to the financial statements *(continued)*

Reduction in the UK tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1st April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax (asset/liability) at 31st December 2017 has been calculated based on these rates.

Additional reduction to 17% (effective from 1st April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly and reduce the deferred tax asset/liability at 31st December 2020.

7. Fixed Assets Schedule

<u>COST</u>	Computer equipment and servers	Plant, machinery and equipments	Leasehold Improvements	Furniture and fixtures	Software	Total
	£000	£000	£000	£000	£000	£000
Balance at 1st January 2017	487	382	94	45	11	1,019
Additions	102	0	0	0	0	102
Disposals	0	0	0	0	0	0
Balance at 31st December 2017	589	382	94	45	11	1,121
 <u>DEPRECIATION</u>						
Balance at 1st January 2017	226	371	90	44	11	742
Depreciation Charge for the year	110	8	3	0	0	121
Disposals	0	0	0	0	0	0
Balance at 31st December 2017	336	379	93	44	11	863
 <u>NET BOOK VALUE at 1st January 2017</u>	261	11	4	1	0	277
<u>NET BOOK VALUE at 31st December 2017</u>	253	3	1	1	0	258

8. Debtors

	2017	2016
	£000	£000
Amounts owed by group undertakings	42,147	32,457
Other debtors	1,925	1,869
Deferred tax (note 10)	228	258
	<u>44,300</u>	<u>34,584</u>

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Notes to the financial statements *(continued)*

9. Creditors

	2017 £000	2016 £000
Amounts owed to group undertakings	1,391	1,669
Other taxes and social security	3,041	2,321
Corporation tax payable	321	(466)
Other creditors	2,631	4,623
Accruals and deferred income	11,137	9,068
	18,521	17,215

10. Deferred tax

The movements in deferred taxation during the year were as follows:

	2017 £000	2016 £000
At beginning of year	258	200
Short term timing differences	(30)	58
At end of year	228	258

The deferred tax asset is made up as follows:

	2017 £000	2016 £000
Difference between accumulated depreciation and amortisation and capital allowances	(39)	(7)
Other timing differences	267	265
Deferred tax asset (see Note 6)	228	258

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Notes to the financial statements *(continued)*

11. Called up share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid:</i>		
1 ordinary share of £1 each	1	1

12. Reconciliation of shareholders' funds

	2017 £000	2016 £000
Profit for the financial year	7,737	6,181
Dividend paid	-	-
Increase in shareholders fund for the year	7,737	6,181
Opening equity shareholders fund	19,560	13,379
Closing equity shareholders fund	<u>27,297</u>	<u>19,560</u>

13. Operating Lease Commitments

At 31st December 2017 the company had annual commitments under non-cancellable operating lease as follows:-

	2017 £000 Building	2016 £000 Building
Expiry Date:		
Within one year	316	130
Between one and five years	331	517
More than five years	-	-

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Notes to the financial statements *(continued)*

	2017	2016
14. Cash and Cash equivalent/Bank Overdraft	£000	£000
Cash at bank and in Hand	1,260	1,914
	1,260	1,914

15. Ultimate parent Company and parent undertaking of larger group of which the Company is a member

The Company's immediate parent undertaking is Genpact Global Holdings (Bermuda) Limited, a company registered at Canon's Court, 22 Victoria Street, Hamilton, HM EX, Bermuda.

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