

**Company Registration No. 10937961 (England and Wales)**

**KORNIT DIGITAL UK LTD**

**FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
31 DECEMBER 2018**

**PAGES FOR FILING WITH REGISTRAR**



## **KORNIT DIGITAL UK LTD**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2018**

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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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 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.

Company Registration No. 10937961

**KORNIT DIGITAL UK LTD****STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018**

	Notes	2018 \$	\$
<b>Current assets</b>			
Debtors	3	50,966	
Cash at bank and in hand		110,390	
		<u>161,356</u>	
<b>Creditors: amounts falling due within one year</b>	4	(118,333)	
		<u></u>	
<b>Net current assets</b>			<u>43,023</u>
<b>Capital and reserves</b>			
Called up share capital	5		1
Profit and loss reserves			<u>43,022</u>
<b>Total equity</b>			<u>43,023</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on May 26, 2019 and are signed on its behalf by:

DocuSigned by:  
  
 69E2DD8E59094CE:.....  
 G Avidan  
 Director

**KORNIT DIGITAL UK LTD****STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	Notes	Share capital \$	Profit and loss reserves \$	Total \$
<b>Period ended 31 December 2018:</b>				
Profit and total comprehensive income for the period		-	43,022	43,022
Issue of share capital	5	1	-	1
<b>Balance at 31 December 2018</b>		<u>1</u>	<u>43,022</u>	<u>43,023</u>

# KORNIT DIGITAL UK LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

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### 1 Accounting policies

#### Company information

Kornit Digital UK Ltd is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Suite 1, 3rd Floor, 11-12 St. James's Square, London, SW1Y 4LB.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

The financial statements are prepared in US Dollars, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest \$1.

At the year end the exchange rate from Sterling to US Dollars was 1.2933.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### Going concern

The financial statements have been prepared on the going concern basis as the directors have received written communication of the willingness of Kornit Digital Ltd, the parent company, to provide continued financial support to enable the company to meet its normal trading obligations as they fall due for the foreseeable future. The foreseeable future for this purpose is defined as being no less than 12 months from the date of signing these financial statements. The directors consider it appropriate to adopt the going concern basis in preparing these financial statements.

#### Reporting period

The financial statements represent the period from incorporation on 30 August 2017 to 31 December 2018.

#### Turnover

The turnover shown in the statement of comprehensive income represents amounts receivable from a fellow group company, Kornit Digital Europe GmbH, for the provision of sales, marketing and consultancy support functions, exclusive of Value Added Tax.

Turnover in respect of services provided to Kornit Digital Europe GmbH is calculated as attributable costs plus a mark up in accordance with an intercompany agreement between Kornit Digital UK Ltd and Kornit Digital Europe GmbH.

#### Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

# KORNIT DIGITAL UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2018

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### 1 Accounting policies (Continued)

#### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, amounts due to fellow group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs.

#### **Taxation**

The tax expense represents the current tax expense based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

# KORNIT DIGITAL UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2018

### 1 Accounting policies (Continued)

#### Share-based payments

The company participates in a group share-based payment arrangement operated by its parent company, Kornit Digital Ltd, which grants share options to certain of its employees and employees of its subsidiaries which includes Kornit Digital UK Ltd.

The company has elected to recognise and measure its share-based payments expense on the basis of a reasonable allocation of the expense to the group recognised in its consolidated financial statements. The directors consider the number of unvested options granted to the company's employees compared to the total unvested options granted under the group plan to be a reasonable basis for allocating the expense.

#### Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

#### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 4.

### 3 Debtors

	<b>2018</b>
	<b>\$</b>
<b>Amounts falling due within one year:</b>	
Amounts owed by group undertakings	44,633
Other debtors	6,333
	<u>50,966</u>

**KORNIT DIGITAL UK LTD****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2018****4 Creditors: amounts falling due within one year**

	<b>2018</b>
	<b>\$</b>
Trade creditors	7,799
Corporation tax	9,574
Other taxation and social security	17,322
Other creditors	83,638
	<u>118,333</u>

**5 Called up share capital**

	<b>2018</b>
	<b>\$</b>
<b>Ordinary share capital</b>	
<b>Issued and fully paid</b>	
100 Ordinary shares of £0.01 each	1
	<u>1</u>

On incorporation the company issued 100 Ordinary £0.01 shares at par value for cash consideration.

**6 Parent company**

The immediate and ultimate parent company is Kornit Digital Ltd, a company incorporated in Israel. The registered office of Kornit Digital Ltd is: 12 HaAmal St., Afek Park, Rosh-HaAyin 4809246, Israel. Kornit Digital Ltd are the smallest and largest group to consolidate the results of this company.

**7 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Mayulee Pinkerton CA.  
The auditor was RSM UK Audit LLP.