

Registration number: NI036899

Aepona Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2017

KNAV UK Limited
Statutory Auditors
Kajaine House
57-67 High Street
Edgware
HA8 7DD



Aepona Limited

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Aepona Limited

Company Information

Directors Mr Narayanan Rajagopalan
Mr Nitin Shantaram Kulkarni
Mr Sunil Sapre
Mr Sudhir Kulkarni

Company secretary Mr Sunil Sapre

Registered office Charles House 1st Floor
103-111 Donegall Street
Belfast
Northern Ireland
BT1 2FJ

Auditors KNAV UK Limited
Statutory Auditors
Kajaine House
57-67 High Street
Edgware
HA8 7DD

Aepona Limited

Strategic Report for the Year Ended 31 March 2017

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

Principal activity

The company's principal activity during the period was that of the provision of telecommunications software products, services and solutions.

Fair review of the business

The company achieved a turnover of £6,778,808 (2016: £14,485,897) and a sales margin of £1,711,641 (2016: £11,239,320).

The loss for the period, after taxation, amounted to £1,926,474 (2016: profit for the period: £1,080,836).

The directors expect improved results in 2018 and in future years. The management is focused on generating increased revenues by providing products, including business critical infrastructure software to telecommunications operators and the public sector.

The directors monitor performance through the monthly production of management accounts and key performance indicators to ensure they are within acceptable parameters. These include utilisation rates, gross margins, operating profits, earnings before interest, tax, working capital and cash flows from operating activities.

Principal risks and uncertainties

The company considers that the principal risks and uncertainties it faces include product lifecycle management, reliance on intellectual human resources which are inherent in the information technology sector. The company continues to operate in a multi-currency environment with the inherent risks therein.

Environmental matters

The company recognises its corporate responsibility to carry out its operations whilst minimising environmental impacts. The directors' continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.


Health and safety

The company is committed to achieving the highest practicable standards in health and safety management and strives to make all offices safe environments for employees and customers alike.

Human resources

The company's most important resource is its people; their knowledge and experience is crucial to meeting customer requirements. Retention of key staff is critical and the company has invested increasingly in employment training and development and has introduced appropriate incentive and career progression arrangements.

Approved by the Board on 31 January 2018 and signed on its behalf by:



Mr Sunil Sapre
Company secretary and director

Aepona Limited

Directors' Report for the Year Ended 31 March 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Directors of the company

The directors who held office during the year were as follows:

Mr Narayanan Rajagopalan

Mr Sunil Sapre - Company secretary and director

Mr Sudhir Kulkarni

Dr Anand Deshpande (resigned 24 April 2017)

The following director was appointed after the year end:

Mr Nitin Shantaram Kulkarni (appointed 24 April 2017)

Financial instruments

Objectives and policies

The directors make use of the parent company's risk management team to monitor and where possible mitigate the risks faced by the business. This includes credit risk, liquidity risk, interest rate risks and foreign exchange risk.

Price risk, credit risk, liquidity risk and cash flow risk

Credit risk

The company has implemented policies which requires appropriate credit checks on potential customers before sales are made. The amount of exposure to any customer is subject to a limit. Moreover, the management assess the limits on a periodic basis.

Liquidity risk

The company actively maintains a mixture of long term and short term finance that is designed to ensure the company has sufficient available funds for operations and planned expansions.

Interest rate risk

The company interest bearing liabilities. Interest bearing liabilities relate to inter corporate deposit from the group company which bear interest.

Foreign currency risk

The company is exposed to some foreign exchange risk in the normal course of business, principally on sales in US dollars. While the company has not used financial instruments to date to hedge foreign exchange exposure, this position is kept constantly under review.

Research and development activities

The company is undertaking research and development of new software products especially for Internet of Things (IoT) products in the telecommunications market.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

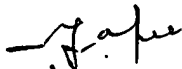
Aepona Limited

Directors' Report for the Year Ended 31 March 2017

Reappointment of auditors

The auditors KNAV UK Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 31 January 2018 and signed on its behalf by:



.....
Mr Sunil Sapre
Company secretary and director

Aepona Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Aepona Limited

Independent Auditor's Report to the Members of Aepona Limited

We have audited the financial statements of Aepona Limited for the year ended 31 March 2017, set out on pages 8 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 5), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Aepona Limited

Independent Auditor's Report to the Members of Aepona Limited

Opinion on other matter prescribed by the Companies Act 2006

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

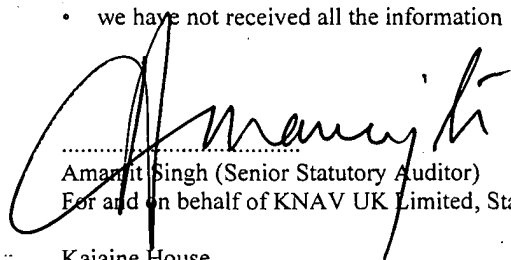
- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of our 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 and the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



Amanjit Singh (Senior Statutory Auditor)
For and on behalf of KNAV UK Limited, Statutory Auditor

Kajaine House
57-67 High Street
Edgware
HA8 7DD

31 January 2018

Aepona Limited

Profit and Loss Account for the Year Ended 31 March 2017

	Note	12 Months ended 31 March 2017 £	15 Months ended 31 March 2016 £
Turnover	3	6,778,808	14,485,897
Cost of sales		<u>(5,067,167)</u>	<u>(3,246,577)</u>
Gross profit		1,711,641	11,239,320
Administrative expenses		(3,536,515)	(10,073,228)
Other operating income		<u>30</u>	<u>-</u>
Operating (loss)/profit	4	<u>(1,824,844)</u>	<u>1,166,092</u>
Interest payable and similar expenses	5	<u>(101,630)</u>	<u>(85,256)</u>
		<u>(101,630)</u>	<u>(85,256)</u>
(Loss)/profit before tax		<u>(1,926,474)</u>	<u>1,080,836</u>
(Loss)/profit for the financial year		<u><u>(1,926,474)</u></u>	<u><u>1,080,836</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

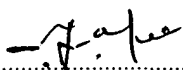
Aepona Limited

(Registration number: NI036899)
Balance Sheet as at 31 March 2017

	Note	31 March 2017 £	31 March 2016 £
Fixed assets			
Intangible assets	9	541,236	516,892
Tangible assets	10	<u>15,619</u>	<u>70,908</u>
		<u>556,855</u>	<u>587,800</u>
Current assets			
Debtors	11	3,074,144	5,557,118
Cash at bank and in hand	12	<u>431,157</u>	<u>803,569</u>
		3,505,301	6,360,687
Creditors: Amounts falling due within one year	13	<u>(5,015,346)</u>	<u>(5,975,203)</u>
Net current (liabilities)/assets		<u>(1,510,045)</u>	<u>385,484</u>
Net (liabilities)/assets		<u>(953,190)</u>	<u>973,284</u>
Capital and reserves			
Called up share capital	14	12,393,827	12,393,827
Profit and loss account		<u>(13,347,017)</u>	<u>(11,420,543)</u>
Total equity		<u>(953,190)</u>	<u>973,284</u>

Under the Companies Act 2006, s454, on a voluntary basis, the directors can amend these financial statements if they subsequently prove to be defective.

Approved and authorised by the Board on 31 January 2018 and signed on its behalf by:



Mr Sunil Sapre
Company secretary and director

Aepona Limited

Statement of Changes in Equity for the Year Ended 31 March 2017

	Share capital £	Profit and loss account £	Total £
At 1 April 2016	12,393,827	(11,420,543)	973,284
Loss for the year	-	(1,926,474)	(1,926,474)
Total comprehensive income	-	(1,926,474)	(1,926,474)
At 31 March 2017	<u>12,393,827</u>	<u>(13,347,017)</u>	<u>(953,190)</u>
	Share capital £	Profit and loss account £	Total £
At 1 January 2015	5,000	(12,501,379)	(12,496,379)
Profit for the year	-	1,080,836	1,080,836
Total comprehensive income	-	1,080,836	1,080,836
New share capital subscribed	<u>12,388,827</u>	-	<u>12,388,827</u>
At 31 March 2016	<u>12,393,827</u>	<u>(11,420,543)</u>	<u>973,284</u>

The notes on pages 11 to 20 form an integral part of these financial statements.
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Aepona Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

1 General information

The company is a private company limited by share capital, incorporated in the UK.

The address of its registered office is:

Charles House 1st Floor

103-111 Donegall Street

Belfast

Northern Ireland

BT1 2FJ

United Kingdom

These financial statements were authorised for issue by the Board on 31 January 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The company has taken advantage of the exemption under FRS 102, from preparing:

- a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Persistent Systems Limited includes the company's cash flows in its own consolidated financial statements.
- certain financial instrument disclosures providing equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.
- the non-disclosure of key management personnel compensation in total.

This information is included in the consolidated financial statements of Persistent Systems Limited as at 31 March 2017 and these financial statements may be obtained from Bhageerath, 402 Senapati Bapat Road, Pune 411016.

Going concern

The financial statements have been prepared on the assumption that the company remains a going concern. The directors consider that the ultimate parent company will continue to provide financial support and honour the company's obligations as they arise.

Aepona Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Revenue recognition

The company sells software and related professional services. As the related service are considered essential to the customers use of software products, both the software licence revenue and the service revenue are recognised in conformity with the percentage of completion contract accounting method. Changes in estimated costs and anticipated losses, if any, are recognised immediately in the period in which they are determined.

The policy for revenue recognition is as follows:

Product sales:

Revenue for licences, integration, implementation and added functionality are treated as one contract and recognised based on an estimate of percentage completion.

Service sales:

Revenue for consultancy is recognised based on time and expenses incurred;

Revenue for training services is recognised based on the provision of services;

Revenue for fixed price contracts is recognised based on an estimate of percentage completion; and

Revenue for maintenance and support is recognised based on time apportionment over the length of the contract.

When services are completed in advance of invoicing the customer, the associated revenue is recorded on the balance sheet as accrued income. When invoicing occurs in advance of completion of service the revenue attributable to uncompleted work is recorded on the balance sheet as deferred income.

Functional and presentational currency

The Company's functional and presentational currency is UK sterling.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future, at rates expected to apply when they crystallise, based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Aepona Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Research and development

Research and development expenditure relating to diagnostic products manufactured by the company is written off as incurred, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised and amortised over the period during which the company is expected to benefit. This period is typically three years. Provision is made for any impairment.

Capitalised development costs include direct labour costs and overheads relating to development expenditure. Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the product so that it will be available for use;
- management intends to complete the product and use or sell it;
- there is an ability to use or sell the product;
- it can be demonstrated how the product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the product are available; and
- the expenditure attributable to the product during its development can be reliably measured.

Other development costs that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	Straight line over 3 years
Equipment, fixtures & fittings and computers	Straight line over 3 years

Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The intangible asset is being amortised over three years on a straight line basis.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Development Expenditure	Straight line over 3 years

Aepona Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Aepona Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Financial instruments

Classification

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans from related parties.

Recognition and measurement

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other debtors and creditors, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

Debt instruments that are payable or receivable within one year, typically trade creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms of financed at a rate of interest that is not a market rate or in case of an out-right short term loan not at a market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Impairment

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured as amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discounted rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

3 Revenue

The whole of the turnover is attributable to the company's main activities.

No geographical analysis of turnover is presented as the directors consider such disclosure to be seriously prejudicial to the company's interest's.

Aepona Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

4 Operating loss

Arrived at after charging/(crediting)

	12 Months ended 31 March 2017 £	15 Months ended 31 March 2016 £
Depreciation expense	74,564	388,441
Amortisation expense	208,009	-
Foreign exchange (gains)/losses	<u>(160,420)</u>	<u>56,962</u>

Also included within operating profit is £833,831 of costs related to research and development (2016: £4,689,077), of which £555,385 related to employee costs (2016: £3,899,285).

5 Interest payable and similar expenses

	12 Months ended 31 March 2017 £	15 Months ended 31 March 2016 £
Interest expense on other finance liabilities	-	2,266
Interest payable on loans from group undertakings	<u>101,630</u>	<u>82,990</u>
	<u>101,630</u>	<u>85,256</u>

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	12 Months ended 31 March 2017 £	15 Months ended 31 March 2016 £
Wages and salaries	1,343,616	5,690,742
Social security costs	128,492	736,000
Pension costs, defined contribution scheme	60,646	222,000
Share-based payment expenses	-	205,000
Other employee expense	<u>115,147</u>	<u>-</u>
	<u>1,647,901</u>	<u>6,853,742</u>

Aepona Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

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

	12 Months ended 31 March 2017 No.	15 Months ended 31 March 2016 No.
Administration and support	5	8
Sales, marketing and distribution	1	2
Engineering	20	71
	<u>26</u>	<u>81</u>

7 Directors' remuneration

The company's directors were not remunerated for their services to the company but instead received emoluments for their services to the Persistent Systems Limited group of companies. The directors do not believe that it is practicable to apportion this amount between services as a director of the company and services as a director of other group companies.

8 Auditors' remuneration

	12 Months ended 31 March 2017 £	15 Months ended 31 March 2016 £
Audit of the financial statements	<u>10,000</u>	<u>19,527</u>

Aepona Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

9 Intangible assets

	Internally generated software development costs £	Total £
Cost or valuation		
At 1 April 2016	516,892	516,892
Additions internally developed	232,353	232,353
At 31 March 2017	749,245	749,245
Amortisation		
Amortisation charge	208,009	208,009
At 31 March 2017	208,009	208,009
Carrying amount		
At 31 March 2017	541,236	541,236
At 31 March 2016	516,892	516,892

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2016 - £Nil).

10 Tangible assets

	Leasehold improvements £	Equipment, fixtures, fittings and computers £	Total £
Cost or valuation			
At 1 April 2016	176,740	4,164,011	4,340,751
Additions	-	19,275	19,275
At 31 March 2017	176,740	4,183,286	4,360,026
Depreciation			
At 1 April 2016	176,740	4,093,103	4,269,843
Charge for the year	-	74,564	74,564
At 31 March 2017	176,740	4,167,667	4,344,407
Carrying amount			
At 31 March 2017	-	15,619	15,619
At 31 March 2016	-	70,908	70,908

Included within the net book value of land and buildings above is £Nil (2016 - £Nil) in respect of long leasehold land and buildings.

Aepona Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

11 Debtors

	Note	31 March 2017 £	31 March 2016 £
Trade debtors		1,345,607	1,752,171
Amounts owed by related parties	15	890,701	3,230,081
Other debtors		187,175	89,409
Prepayments		223,974	309,485
Accrued income		426,687	175,972
Total current trade and other debtors		<u>3,074,144</u>	<u>5,557,118</u>

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

In 2016, amounts owed by group undertakings is stated after recognising a provision of £521,894.

12 Cash and cash equivalents

	31 March 2017 £	31 March 2016 £
Cash at bank	<u>431,157</u>	<u>803,569</u>

13 Creditors

	Note	31 March 2017 £	31 March 2016 £
Due within one year			
Trade creditors		267,688	108,325
Amounts due to related parties	15	3,299,492	4,212,813
Social security and other taxes		36,704	-
Outstanding defined contribution pension costs		36,383	-
Other payables		49,030	45,352
Accrued expenses		316,891	385,572
Deferred income		<u>1,009,158</u>	<u>1,223,141</u>
		<u>5,015,346</u>	<u>5,975,203</u>

Amount owed to group undertakings are unsecured, payable on demand and incur interest at a rate of LIBOR plus 3%.

Aepona Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

14 Share capital

Allotted, called up and fully paid shares

	31 March 2017		31 March 2016	
	No.	£	No.	£
Ordinary Shares of £1 each	<u>12,393,827</u>	<u>12,393,827</u>	<u>12,393,827</u>	<u>12,393,827</u>

325,000 preference shares were converted to ordinary shares on 21 September 2015. Further, on 1 October 2015, 12,063,827 ordinary shares were issued at nominal value of £1 per share. The total amount received for these shares were £11,793,961 and an unpaid amount of £269,866 is owed from Aepona Group Limited and is included in amounts owed from group undertakings.

15 Related party transactions

The company has taken advantage of the exemptions available in FRS 102 from disclosing related party transactions with other companies that are wholly owned within the group.

16 Parent and ultimate parent undertaking

The immediate parent undertaking of Aepona Limited for the year ended 31 March 2017 is Aepona Group Limited.

The ultimate parent undertaking is Persistent Systems Limited, incorporated in India. The most senior parent entity producing publicly available financial statements is Persistent Systems Limited. These financial statements are available upon request from:

Persistent Systems Limited
Bhageerath
402 Senapati Bapat Road
Pune 411016
India

The ultimate controlling party is Persistent Systems Limited.

Aepona Limited

Detailed Profit and Loss Account for the Year Ended 31 March 2017

	12 Months ended 31 March 2017 £	15 Months ended 31 March 2016 £
Turnover (analysed below)	6,778,808	14,485,897
Cost of sales (analysed below)	<u>(5,067,167)</u>	<u>(3,246,577)</u>
Gross profit	<u>1,711,641</u>	<u>11,239,320</u>
Gross profit (%)	25.25%	77.59%
Administrative expenses		
Employment costs (analysed below)	(717,025)	(4,825,159)
Establishment costs (analysed below)	(375,923)	(463,918)
General administrative expenses (analysed below)	(2,154,446)	(4,395,710)
Finance charges (analysed below)	(6,548)	-
Depreciation costs (analysed below)	<u>(282,573)</u>	<u>(388,441)</u>
	(3,536,515)	(10,073,228)
Other operating income (analysed below)	<u>30</u>	<u>-</u>
Operating (loss)/profit	(1,824,844)	1,166,092
Interest payable and similar charges (analysed below)	<u>(101,630)</u>	<u>(85,256)</u>
(Loss)/profit before tax	<u><u>(1,926,474)</u></u>	<u><u>1,080,836</u></u>

Aepona Limited

Detailed Profit and Loss Account for the Year Ended 31 March 2017

	12 Months ended 31 March 2017 £	15 Months ended 31 March 2016 £
Turnover		
Sale of goods, UK	<u>6,778,808</u>	<u>14,485,897</u>
Cost of sales		
Direct costs	(827,581)	(604,950)
Wages and salaries (excluding directors)	(930,876)	(2,371,651)
Subcontract cost	-	(191,960)
Travel & Subsistence	-	(41,108)
Legal & Professional	(3,308,710)	-
Sundry expenses	<u>-</u>	<u>(36,908)</u>
	<u>(5,067,167)</u>	<u>(3,246,577)</u>
Employment costs		
Wages and salaries	(412,740)	(3,319,091)
Staff NIC (Employers)	(128,492)	(736,000)
Staff pensions (Defined contribution)	(60,646)	(222,000)
Subcontract cost	-	(343,068)
Commissions payable	(104,047)	-
Staff training	(5,962)	-
Staff welfare	(5,138)	-
Share-based payment expense	<u>-</u>	<u>(205,000)</u>
	<u>(717,025)</u>	<u>(4,825,159)</u>
Establishment costs		
Rent and rates	(263,281)	(321,203)
Rates	(7,948)	-
Light, heat and power	(45,325)	(66,420)
Insurance	(1,355)	(63,118)
Repairs and maintenance	<u>(58,014)</u>	<u>(13,177)</u>
	<u>(375,923)</u>	<u>(463,918)</u>
General administrative expenses		
Telephone and fax	(98,760)	(84,794)
Computer software and maintenance costs	(653,745)	(674,794)
Printing, postage and stationery	(11,253)	(3,942)
Trade subscriptions	(5,415)	-
Sundry expenses	(8,539)	(406,082)
Cleaning	(5,821)	-
Travel and subsistence	(29,440)	(125,740)
Advertising	(25,777)	-

This page does not form part of the statutory financial statements.

Aepona Limited

Detailed Profit and Loss Account for the Year Ended 31 March 2017

	12 Months ended 31 March 2017 £	15 Months ended 31 March 2016 £
Promotional expenses	-	(2,925)
Customer entertaining (disallowable for tax)	(2,397)	(4,163)
Accountancy fees	(2,359)	-
Auditor's remuneration - The audit of the company's annual accounts	(10,000)	(19,527)
Legal and professional fees	(1,368,101)	(2,306,164)
Bad debts written off	(93,259)	(188,723)
Foreign currency (gains)/losses - operating expense	160,420	(56,962)
Exceptional administrative expenses	-	(521,894)
	<u>(2,154,446)</u>	<u>(4,395,710)</u>
Finance charges		
Bank charges	<u>(6,548)</u>	<u>-</u>
Depreciation costs		
Amortisation of development costs	(208,009)	-
Depreciation of long leasehold property	-	(14,652)
Depreciation of fixtures and fittings (owned)	<u>(74,564)</u>	<u>(373,789)</u>
	<u>(282,573)</u>	<u>(388,441)</u>
Other operating income		
Other operating income	<u>30</u>	<u>-</u>
Interest payable and similar expenses		
Other interest payable	-	(2,266)
Interest payable to group undertakings	<u>(101,630)</u>	<u>(82,990)</u>
	<u>(101,630)</u>	<u>(85,256)</u>