

Kale Softech, Inc.	2
Zero Octa UK Limited	12

Director's Report

To,
The Shareholders,

The Board of Directors of Kale Softech, Inc. ("the Company") presents its report in respect of the year ended 30 June 2015.

Directors

The names of the directors in office till the end of the financial year are:

Names	Position
Mr. Philippe Lesueur	Director
Mr. Vipul Jain	Director
Mr. Christian Leman	Director

All the above directors held their position as a director as of the date of this report.

Principal Activity

The principal activity of the Company during the financial year was marketing software solutions and outsourced services to the travel and transportation industry. No significant change in the nature of business activities occurred during the year.

Results

The revenue of the Company during the year ended June 30, 2015 was USD 10,673,223 as compared to USD 11,745,638 for the year ended June 30, 2014. The Company made a Net Profit of USD 348,679 for the year ended June 30, 2015 as compared to USD 484,264 for the year ended June 30, 2014.

Dividends

The company paid a dividend of USD 425,000 during the year.

Review of Operations

During the year, the Company lost one customer and expanded business with existing customer. The total numbers of customers in the America are eleven.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Company during the financial year other than those disclosed in this report.

Significant Event after Balance Sheet Date

There are no significant event to report since the book-close and balance sheet date of June 30, 2015.

Likely Developments and Future Results

The Company will continue to focus on pursuing opportunities in the Travel & Transportation industry for software solutions and outsourced services in the local markets.

With the domain expertise and in depth knowledge of the Travel and Transportation industry, the Company is confident that more and more airlines will sign up as their preferred solution provider.

Environmental Regulation Performance

The Company's operations are not subjected to any particular and significant environmental regulation under a law of the US Federal or any State Government. Accordingly, no environmental disclosure is required.

Director's Interests

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit, other than benefits disclosed in the financial statements as emoluments or the fixed salary of a full-time employee of the Company or a related body corporate by reason of a contract made by the Company or a related body corporate with the director or with a firm of which the director is a member, or with a company in which the director has a substantial interest.

Indemnification of Officers

The Company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Company.

- Indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- Paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

Director's Responsibility Statement

Your Directors confirm that-

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b. The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss for that period.
- c. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d. The directors had prepared the annual accounts on a going concern basis.

This report has been made in accordance with a resolution of directors.

For and on behalf of the Board of Directors

Place: New Jersey
Date: August 4, 2015

Vipul Jain
Director

**PROFESSIONAL ACCOUNTANT ASSOCIATES
ACCOUNTING & TAX SERVICES**

22 Meridian Road, Unit 6, Edison, NJ 08820

Tel: (732) 603 8220

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

Dear Sirs,

I have reviewed the accompanying balance sheet of Kale Softech, Inc., as of June 30, 2015, and the related statements of income, retained earnings and cash flows, for the financial year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements.

My responsibility is to conduct the review in accordance with the Statements on Standard for Accounting and Review services issued by the American Institute of Certified Public Accountants. Those standards require us to perform the procedures to obtain assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

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

ANJALI PATEL, CPA

August 4, 2015

BALANCE SHEET JUNE 30, 2015

	30 June 2015 \$	30 June 2014 \$
Assets		
Current assets:		
Cash at bank	1,226,904	924,046
Accounts receivable (net)	1,194,449	2,034,689
Advances	59,578	20,086
Overpaid corp taxes	3,846	-
Deferred tax assets	79,378	36,321
Prepaid expenses	133,871	61,786
Total current assets	<u>2,698,026</u>	<u>3,076,928</u>
Property and equipment, net	<u>4,552</u>	<u>3,943</u>
Other assets		
Security deposits	12,773	12,773
Total other assets	<u>12,773</u>	<u>12,773</u>
Total assets	<u><u>2,715,351</u></u>	<u><u>3,093,644</u></u>
Liabilities and member's deficit		
Current liabilities:		
Accounts payable & accruals	919,751	1,203,276
Corporate tax payable	-	31,345
Deferred income	86,997	73,767
Total current liabilities	<u>1,006,748</u>	<u>1,308,388</u>
Stockholder's equity		
Common stock- \$0.001Par value;100,000,000 shares authorized; 1,300,000 Shares issued and outstanding	13,000	13,000
Additional paid in capital	1,287,000	1,287,000
Preferred share capital-500,000 shares authorized, 450,000 Shares issued and redeemed	-	-
Retained earnings	408,603	485,256
Total stockholder's equity	<u>1,708,603</u>	<u>1,785,256</u>
Total liabilities and stockholder's equity	<u><u>2,715,351</u></u>	<u><u>3,093,644</u></u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REVIEW REPORTS

For Kale Softech, Inc.

Place : New Jersey
Date : August 4, 2015Vipul Jain
Director

STATEMENT OF RETAINED EARNINGS JUNE 30,2015

	30 June 2015	30 June 2014
	\$	\$
Retained earnings - Beginning	485,256	468,992
Prior year tax charges	(332)	-
Add: Profit for the year	348,679	484,264
Less: Dividend	(425,000)	(468,000)
Retained earnings-ending	<u>408,603</u>	<u>485,256</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT’S REVIEW REPORTS

For Kale Softech, Inc.

Place : New Jersey
Date : August 4, 2015

Vipul Jain
Director

STATEMENT OF OPERATION JULY 1, 2014 TO JUNE 30, 2015

	Year ended 30 June 2015 \$	Year ended 30 June 2014 \$
Revenue		
Income	10,673,223	11,745,638
Less: Cost of goods solds (Schedule A)	9,365,138	10,453,618
Gross Revenue	<u>1,308,085</u>	<u>1,292,020</u>
Operating Expenses:		
Salaries & payroll taxes	850,231	896,496
General and administrative (Schedule B)	419,209	332,295
Provision for bad debts	7,039	7,900
Depreciation	1,866	1,962
Total operating expenses	<u>1,278,345</u>	<u>1,238,653</u>
Profit from operations before interest and taxes	<u>29,740</u>	<u>53,367</u>
Other Income/(Expenses)		
Recovered/Reimbursed expenses	558,268	757,066
Gain on currency fluctuation	(2,984)	(3,120)
Total other expenses	<u>555,284</u>	<u>753,946</u>
Profit before taxes and interest	585,024	807,313
Interest income	-	350
Corporate tax	(236,345)	(323,399)
Net profit for the year	<u><u>348,679</u></u>	<u><u>484,264</u></u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REVIEW REPORTS

For Kale Softech, Inc.

Place : New Jersey
Date : August 4, 2015Vipul Jain
Director

STATEMENT OF OPERATION JULY 1, 2014 TO JUNE 30, 2015

	Year ended 30 June 2015 \$	Year ended 30 June 2014 \$
Schedule A		
Cost of Sales		
Consultants and subcontractors expenses	9,365,138	10,453,618
Total cost of sales	<u>9,365,138</u>	<u>10,453,618</u>
Schedule B		
General and administrative expenses		
Bank and credit card charges	1,862	2,139
Conference and seminars	-	3,144
Dues and subscriptions	37,655	37,200
Employees benefits	79,410	92,963
Entertainment	1,765	745
Insurance	7,065	8,732
Legal and professional fees	26,902	19,825
Miscellaneous charges	117	-
Office expenses	1,644	(5,027)
Postage/Shipping	1,815	1,779
Rent and property tax	33,140	29,875
Repairs and maintenance	1,046	346
Recruitment expenses	28,377	1,100
Telecommunication	19,933	18,526
Travel	178,478	120,948
Total general and administrative expenses	<u>419,209</u>	<u>332,295</u>

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REVIEW REPORTS

For Kale Softech, Inc.

Place : New Jersey
Date : August 4, 2015

Vipul Jain
Director

STATEMENT OF CASH FLOWS JULY 1, 2014 TO JUNE 30, 2015

	Year ended 30 June 2015 \$	Year ended 30 June 2014 \$
Net Profit	348,679	484,264
Adjustment to reconcile net profit to net cash Used in operating activities:		
Prior year tax adjustment	(332)	-
Depreciation	1,866	1,962
Accounts receivable	840,240	(814,236)
Advances	(39,492)	29,177
Prepaid expenses	(72,085)	74,518
Accounts payable and accrued liabilities	(283,524)	255,832
Deferred tax assets	(43,057)	(36,321)
Corporate tax payable	(35,191)	99,042
Deferred income	13,229	(41,240)
Net cash generated in operating activities	<u>730,333</u>	<u>52,998</u>
Cash flow from investing activities		
Fixed asset purchased	(2,475)	(1,542)
Net cash used in investing activities	<u>(2,475)</u>	<u>(1,542)</u>
Cash flows from financing activities		
Dividend paid	(425,000)	(468,000)
Net cash used in financing activities	<u>(425,000)</u>	<u>(468,000)</u>
Net increase/(decrease) in cash	302,858	(416,544)
Cash at the beginning of the period	924,046	1,340,590
Cash at the end of the period	<u>1,226,904</u>	<u>924,046</u>
Supplemental disclosures of cash flow information		
Corporation tax paid	283,182	327,073
Dividend paid	425,000	468,000

SEE ACCOMPANYING NOTES AND ACCOUNTANT'S REVIEW REPORTS

For Kale Softech, Inc.

Place : New Jersey
Date : August 4, 2015Vipul Jain
Director

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

1. Organization and operation

Kale Softech, Inc. (KSI) was incorporated on November 16, 1998 in the State of New Jersey. The primary business activity during the financial year was marketing software solutions and outsourced services to travel and transportation industry. The Company began its operation on January 1, 1999. It is a wholly owned subsidiary of Accelya Kale Solutions Limited (formerly known as Kale Consultants Limited) in India which is a leading solution provider to global Airline and Travel Industry. KSI enter into contract with the end customers in the Americas and is responsible for invoicing and collection. All KSI's offering are sourced through the parent company. The customers of KSI are serviced and supported out of the delivery centers of Accelya Kale in India.

2. Summary of Significant Accounting Policies

Basis of Accounting

Assets, liabilities, revenue and expenses are recognized on accrual basis of accounting for both financial statements and federal income tax purposes. The accounts are prepared on a going concern basis.

3. Cash at Bank

Balance in the bank, as on June 30, 2015, was \$ 1,226,904 between two banks. The balance in the banks exceeds the limit of FDIC insurance of \$ 250,000 per account this year.

4. Property and Equipment

Equipment and furniture & fixture are carried at cost. Total depreciation for period July 1, 2014 to June 30, 2015 as per the policy is \$ 1,866. The estimated useful life for computer and equipment is 4 year and furniture & fixtures is 6 years, retroactively to date of purchase. The difference in depreciation due to estimated lives is presented below:

New Estimated Lives Policy

	Computers	Equipment	Furniture & Fixtures
Cost Basis	\$ 32,120	\$ 4,618	\$ 18,130
Add:- Additions	\$ 1,919	556	-
Less: Accumulated depreciation	\$ (30,931)	(4,525)	(17,335)
Net Property & Equipment	\$ 3,108	\$ 649	\$ 795

5. Accounts Receivable

The total accounts receivable of \$ 1,194,449 as on June 30, 2015, are fully collectible. The total receivables include \$ 23,812 due from the Accelya Kale Solutions Limited, India. The Company also has \$ 25,132 outstanding from other customers that is over 90 days old.

Geographical concentration of sales is:

61 %	USA
12 %	Brazil
25 %	Chile
2 %	Canada

6. Overpaid Corporation Tax

\$ 164,778	Taxes paid during the year
118,404	Foreign tax credit
16	Refund due for FY2014
(43,057)	Alternative minimum tax payable
236,295	Corporate state and federal tax liability for year ended June 30, 2015
\$ 3,846	Total taxes overpaid for 2015

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

7. Operating Lease

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

May 11, 2015 to April 10, 2016 is at \$ 3,675 per month.
 May 11, 2016 to April 10, 2017 is at \$ 3,749 per month.
 May 11, 2017 to April 10, 2018 is at \$ 3,824 per month.
 May 11, 2018 to October 10, 2018 is at \$ 3,901 per month.

8. Other Asset

Details are as under:

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

9. Deferred Tax Assets

Deferred Tax Assets include tax paid as Alternative Minimum Tax of \$ 79,378 to be offset against future tax liability.

10. Accounts Payable

The total accounts payable is \$ 919,751 as on June 30, 2015. Accounts Payable includes \$ 622,962 payable to Accelya Kale Solutions Limited., India after netting off advances.

11. Commitment and contingencies

There is no provision for contingencies as on June 30, 2015.

12. Dividends

Dividend paid on equity share \$ 425,000.

13. Related Party Transactions

a) The company has the following transactions -

\$ 9,365,137	Subcontracting charges for the year from Accelya Kale Solutions Limited
\$ 516,075	Other Income – expense reimbursed by Accelya Kale Solutions Limited
\$ 38,873	Other Income – expense reimbursed from Zero Octa UK Ltd.
\$ 4,25,000	Dividend distribution to Accelya Kale Solutions Limited

During the year, subcontracting agreement with Accelya Kale Solutions Limited was change effective from 1 April 2015. The subcontracting charge was change and the company will bear all its expenses.

b) Temporary advance given during the year

\$ 429,962	Accelya Kale Solutions Limited
\$ 5,673	Zero Octa Solutions Limited
\$ 14,620	Accelya Holding World S.L.U
\$ 5,187	Accelya World,S.L.U

All the above temporary advance was recovered during the year

c) Temporary advance taken during the year

\$ 109,664	Accelya Kale Solutions Limited
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All the above temporary advance was paid during the year

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

14. Shareholder’s Equity

The total authorized share capital of the Company is 35,000,000 shares of common Stock, par value \$ 0.01 per share, divided into 2 classes as under:

25,000,000	Class A voting shares of common stock.
10,000,000	Class B non-voting shares of common stock.
500,000	Preference shares.

Issued Capital is as under:

1,300,000 Class A shares at USD 0.01 per share have been issued to Accelya Kale Solutions Limited (a foreign Corporation, formerly Kale Consultants Limited, India), who owns 100% of the current issued share capital.

For and on behalf of Board of Directors

Place : New Jersey
Date : August 4, 2015

Vipul Jain
Director

Company information for the year ended 30th June, 2015

DIRECTORS:

Vipul Jain
PhilippeLesueur

REGISTERED OFFICE:

Avenue Court, Victoria Avenue
Camberley, Surrey
GU15 3HX
United Kingdom,

REGISTERED NUMBER:

03772143 (England and Wales)

AUDITORS:

KPMG LLP
Chartered Accountants & Statutory Auditors
15 Canada Square
London
E14 5GL

Director's Report

The directors present their report with the financial statements of the company for the year ended 30 June 2015.

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of providers of business and financial management outsourced services.

REVIEW OF BUSINESS

Kale Revenue Assurance Services Limited ('KRAS') previously owned the entire issued share capital of Zero Octa UK Limited ('ZOUK') and is now undergoing the process of Member Voluntary Liquidation ('MVL') with effect from 20 May 2015.

Subsequent to MVL of KRAS, the entire issued share capital of ZOUK was transferred to Accelya Kale Solutions Limited ('AKSL') an Indian company listed on the Bombay Stock Exchange ('BSE') and the National Stock Exchange ('NSE') being the owner of KRAS, by the Liquidator of the Company who being appointed to carry out the liquidation process.

Zero Octa is a world-class outsource service provider to the international air transport industry with an internationally recognised identity which is synonymous with quality, accuracy and exceptional customer service.

The company's principal financial instruments comprise bank balances and trade debtors which have been generated through the company's regular operations. Due to the nature of the financial instruments used by the company there is low exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned are as follows: In respect of bank balances the liquidity risk is managed by maintaining a positive bank balance ensuring there are sufficient funds to meet the payments as they fall due. Trade debtors are managed in respect of credit and cash flow risk by the regular monitoring of amounts outstanding, and discussion with clients.

During the period under review, Zero Octa experienced a decrease of 12.35% (2014: decrease of 16%) in turnover. The financial position at the end of the period is good, with no external debt and a strong positive cash flow situation, which is forecast to continue.

DIVIDENDS

The company paid dividends of £666,000 (2014: £1,078,041) during the year.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st July 2014 to the date of this report.

Vipul Jain
Philippe Lesueur

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Report of the Directors 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The Auditor, KPMG LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Vipul Jain - Director

Date: August 4, 2015

Auditor's Report

We have audited the financial statements of Zero Octa UK Limited for the year ended 30th June 2015 on pages five to thirteen. 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 a Report of the Auditors 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report

Timothy Rush (Senior Statutory Auditor)
KPMG LLP
15 Canada Square
London
E14 5GL

Date: August 4, 2015

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2015

	Notes	2015		2014	
		£	£	£	£
TURNOVER	2		3,429,545		3,912,619
Other operating income			-		41
			3,429,545		3,912,660
Staff costs	3	261,170		250,007	
Depreciation		1,932		2,226	
Other operating charges		2,115,269		2,712,278	
			2,378,371		2,964,511
OPERATING PROFIT/ PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4		1,051,174		948,149
			1,390,756		855,041
Tax on profit on ordinary activities	5		216,579		204,298
PROFIT FOR THE FINANCIAL YEAR	12		834,595		743,851

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

BALANCE SHEET 30TH JUNE 2015

	Notes	2015		2014	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		<u>3,667</u>		<u>4,992</u>
			3,667		4,992
CURRENT ASSETS					
Debtors	8	595,812		644,919	
Cash at bank and in hand		<u>872,064</u>		<u>719,885</u>	
		1,467,876		1,364,804	
CREDITORS					
Amounts falling due within one year	9	<u>367,849</u>		<u>434,697</u>	
NET CURRENT ASSETS			<u>1,100,027</u>		<u>930,107</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,103,694		935,099
CAPITAL AND RESERVES					
Called up share capital	11		1,110		1,110
Share premium	12		249,890		249,890
Profit and loss account	12		<u>852,694</u>		<u>684,099</u>
SHAREHOLDERS' FUNDS	15		<u>1,103,694</u>		<u>930,099</u>

The financial statements were approved by the Board of Directors on 4 August 2015 and were signed on its behalf by:

Vipul Jain
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2015

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The directors have reviewed the company's affairs as at the balance sheet date, and projections for the next year. No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified.

These financial statements have accordingly been prepared on the going concern basis.

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Preparation of consolidated financial statements

The financial statements contain information about Zero Octa UK Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Accelya Holding World S.LU., a company registered in Spain.

Cash flow statement - exemption

Exemption has been taken from preparing a cash flow statement under FRS 1 on the grounds that the ultimate parent company includes the subsidiary in its published financial statements.

Related party exemption

The company has taken advantage of exemption, under the terms of the Companies Act and Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with members of the Accelya Kale Solutions Limited group, as all such companies are 100% owned by the parent.

Turnover

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

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

Accrued income

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

Provision for credit notes

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	-	25% on cost
Computer equipment	-	25% on cost

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2015

Hire purchase and leasing commitments

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

Fixed asset investments

Fixed asset investments are held at cost, less any provision for permanent diminution in value.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax if material is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2015 £	2014 £
Americas	789,525	1,525,965
Asia Pacific	1,542,822	1,509,710
Europe	565,620	368,562
Middle East & Africa	531,578	508,382
	<u>3,429,545</u>	<u>3,912,619</u>

3. STAFF COSTS

	2015 £	2014 £
Wages and salaries	234,346	227,526
Social security costs	26,824	22,481
	<u>261,170</u>	<u>250,007</u>

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

	2015	2014
Customer services and support	<u>5</u>	<u>5</u>

Some of the employee's and director's contracts of service are with Accelya Kale Solutions Limited ("Accelya Kale"), a group company, and their remuneration is included in that company's financial statements. The management charge that "Accelya Kale" charges to Zero Octa UK Limited includes the costs of these employees and directors; however, it is impossible to ascertain separately the element of the management charge that relates to staff costs and director's salaries.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2015

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2015 £	2014 £
Other operating leases	46,800	45,894
Depreciation - owned assets	1,932	2,226
Auditors remuneration	6,000	6,000
Foreign exchange differences	(4,840)	(114,926)
Directors' remuneration	-	-

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

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows :

	2015 £	2014 £
Current tax:		
UK corporation tax	216,579	214,848
Prior year	-	(10,550)
Tax on profit on ordinary activities	<u>216,579</u>	<u>204,298</u>

Factors affecting the tax charge

The tax assessed for the year is lower (2014: higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	1,051,174	948,149
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.750% (2014 - 22.500%)	218,119	213,334
Effects of:		
Expenses not deductible for tax purposes	-	-
Depreciation in excess of capital allowances	155	630
Differences in estimates	-	1,374
Group relief - current period	(1,695)	(490)
Group relief - prior periods	-	(10,550)
Current tax charge	<u>216,579</u>	<u>204,298</u>

6. DIVIDENDS

	2015 £	2014 £
Ordinary shares of 0.01 each		
Final	<u>666,000</u>	<u>1,078,041</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2015

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1st July 2014	2,522	11,578	14,100
Additions	-	607	607
At 30th June 2015	<u>2,522</u>	<u>12,185</u>	<u>14,707</u>
DEPRECIATION			
At 1st July 2014	2,522	6,586	9,108
Charge for year	-	1,932	1,932
At 30th June 2015	<u>2,522</u>	<u>8,518</u>	<u>11,040</u>
NET BOOK VALUE			
At 30th June 2015	<u>-</u>	<u>3,667</u>	<u>3,667</u>
At 30th June 2014	<u>-</u>	<u>4,992</u>	<u>4,992</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade debtors	308,470	307,195
Amounts owed to group undertakings	140,340	115,402
VAT	9,339	9,208
Accrued income	136,235	207,672
Prepayments	1,428	5,441
	<u>595,812</u>	<u>644,919</u>

9. CREDITORS: AMOUNTS FALLING DUE WITH IN ONE YEAR

	2015 £	2014 £
Trade creditors	5,899	9,350
Amounts owed to group undertakings	109,065	150,685
Taxation	116,411	110,348
Social security and other taxes	6,944	6,589
Accrued expenses	129,530	157,725
	<u>367,849</u>	<u>434,697</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2015

10. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

		Land and buildings
	2015	2014
	£	£
Expiring:		
Within one year	-	8,790
	<u> </u>	<u> </u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:					
Number:	Class:	Nominal value:		2015	2014
				£	£
111,000	Ordinary	0.01		1,110	1,110
				<u> </u>	<u> </u>

12. RESERVES

	Profit and loss account	Share premium
	£	£
At 1st July 2014	684,099	249,890
Profit for the year	834,595	-
Dividends	(666,000)	-
At 30th June 2015	852,694	249,890
	<u> </u>	<u> </u>

13. ULTIMATE PARENT COMPANY

Accelya Holding World S.L.U (incorporated in Spain) is regarded by the directors as being the company's ultimate parent company.

Group accounts incorporating the results of this company are prepared by Accelya Kale Solutions Limited, the parent Company, and by Accelya Holding World S.L. which is the ultimate parent. These financial statements can be obtained from Accelya Enclave, 685/2B & 2C, 1st Floor, Sharada Arcade, Satara Road, Pune 411037, India and Accelya Holding World S.L.U, Avenida Diagonal, number 567, 3rd floor, Barcelona, Spain.

14. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Chequers Capital XV FCPR.

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2015	2014
	£	£
Profit for the financial year	834,595	743,851
Dividends	(666,000)	(1,078,041)
Net addition to shareholder's funds	168,595	(334,190)
Opening shareholders' funds	935,099	1,269,289
Closing shareholder's funds	1,103,694	935,099
	<u> </u>	<u> </u>