

API Telecom Limited

Registered number: 07945651

Directors' report and financial statements

For the period ended 31 March 2016



API TELECOM LIMITED

COMPANY INFORMATION

Directors	Kevin Paul Scott-Cowell Bryan R Martin Mary Ellen Genovese Vikram Verma
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Company secretary	E A Kemp
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Registered number	07945651
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Registered office	Oxford House Bell Business Park Smeaton Close Aylesbury HP19 8JR
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API TELECOM LIMITED

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API TELECOM LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2016

The Directors present their report and the financial statements for the period ended 31 March 2016.

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the Company's financial statements and then apply them consistently;
- make judgments 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.

Results and dividends

The profit for the period, after taxation, amounted to £407 (Year ended 31 December 2014 - £984).

The Directors do not recommend a payment of a dividend (Year ended 31 December 2014 - £NIL).

Directors

The Directors who served during the period were:

Kevin Paul Scott-Cowell (appointed 14 March 2016)
Bryan R Martin (appointed 29 May 2015)
Mary Ellen Genovese (appointed 29 May 2015)
Vikram Verma (appointed 29 May 2015)
Nicholas Justin John Holland (resigned 29 May 2015)
Lisa Marie Clark (resigned 29 May 2015)

Future developments

In the future, the Directors expect the Company to be dormant as trade has been moved into DXI Limited, a fellow subsidiary company.

API TELECOM LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2016

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

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

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

This report was approved by the board on 22 December 2016 and signed on its behalf.


Alec Kemp (Dec 22, 2016)

E A Kemp
Secretary

API TELECOM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF API TELECOM LIMITED

We have audited the financial statements of API Telecom Limited for the period ended 31 March 2016 which comprise the Statement of Total Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. 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) including Financial Reporting Standard 102 'Reduced Disclosure Framework' "The Financial Reporting Framework applicable in the UK and the Republic of Ireland".

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 Ethical Standards for Auditors. 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.

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 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 2016 and of its profit for the period 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.

Opinion on the other matter prescribed by the Companies Act 2006

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

API TELECOM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF API TELECOM LIMITED

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.



Robert Neate (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Tower Bridge House
St Katharine's Way
London
E1W 1DD

22 December 2016

API TELECOM LIMITED

STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2016

	Note	15 months ended 31 March 2016 £	Year ended 31 December 2014 £
Turnover	4	985,369	1,040,710
Cost of sales		(972,364)	(999,082)
Gross profit		13,005	41,628
Administrative expenses		(12,496)	(40,460)
Operating profit		509	1,168
Tax on profit	7	(102)	(184)
Profit for the period		407	984
Other comprehensive income for the period			
Other comprehensive income for the period		-	-
Total comprehensive income for the period		407	984

All operations are classified as discontinued operations.

API TELECOM LIMITED
REGISTERED NUMBER: 07945651

BALANCE SHEET
AS AT 31 MARCH 2016

	Note	31 March 2016 £	31 March 2016 £	31 December 2014 £	31 December 2014 £
Current assets					
Debtors: amounts falling due within one year	8	-		258,202	
Cash at bank and in hand	9	17,120		48	
		<u>17,120</u>		<u>258,250</u>	
Creditors: amounts falling due within one year	10	(16,128)		(257,665)	
Net current assets			992		585
Total assets less current liabilities			<u>992</u>		<u>585</u>
Net assets			<u>992</u>		<u>585</u>
Capital and reserves					
Called up share capital	11		1		1
Profit and loss account	12		991		584
			<u>992</u>		<u>585</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 December 2016.


 Kevin Scott-Cowell (Dec 22, 2016)

Kevin Paul Scott-Cowell

Director

The notes on pages 8 to 14 form part of these financial statements.

API TELECOM LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	1	584	585
Comprehensive income for the period			
Profit for the period	-	407	407
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the period	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	407	407
	<hr/>	<hr/>	<hr/>
At 31 March 2016	1	991	992
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2014	1	(400)	(399)
Comprehensive income for the year			
Profit for the year	-	984	984
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	984	984
	<hr/>	<hr/>	<hr/>
At 31 December 2014	1	584	585
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 8 to 14 form part of these financial statements.

API TELECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

1. General information

API Telecom Limited ("the Company") is a limited company incorporated in England and Wales. The address of its registered office is Oxford House, Bell Business Park, Smeaton Close, Aylesbury, HP19 8JR.

The principal activity of the Company is that of telecommunication activities. In the future, the Directors expect the Company to be dormant as trade has been moved into DXI Limited, a fellow subsidiary company.

These financial statements are presented in pound sterling, which is also the functional currency of the Company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

These are the first financial statements that have been prepared in accordance with FRS 102. The date of transition to FRS 102 is therefore 1 January 2014.

These financial statements have been presented for a period of 15 months in order to bring the year end date in line with the rest of the 8x8 Group. Therefore comparative amounts in these financial statements are not entirely comparable.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of 8x8 Inc., as at 31 December 2016 and these financial statements may be obtained from <http://investors.8x8.com>.

API TELECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Debtors

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

2.5 Cash and cash equivalents

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

2.6 Financial instruments

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, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, 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 payables or receivables, 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 or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at 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.

API TELECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.6 Financial instruments (continued)

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 Statement of Total Comprehensive Income.

For financial assets measured at 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 discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

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.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Taxation

Tax is recognised in the Statement of Total Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

The preparation of financial statements in conformity with FRS 102 requires the use of judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. There are not considered to be any significant areas of estimation uncertainty in the entity.

API TELECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

4. Turnover

	15 months ended 31 March 2016 £	Year ended 31 December 2014 £
Rendering of services	985,369	1,040,710
	<u>985,369</u>	<u>1,040,710</u>

Analysis of turnover by country of destination:

	15 months ended 31 March 2016 £	Year ended 31 December 2014 £
United Kingdom	985,369	1,040,710
	<u>985,369</u>	<u>1,040,710</u>

5. Auditor's remuneration

	15 months ended 31 March 2016 £	Year ended 31 December 2014 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	3,750	-
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	1,500	-
All other services	1,350	-
	<u>2,850</u>	<u>-</u>

6. Employees

The average monthly number of employees, including the Directors, during the period was 3 (2014: 2). All employees, including the Directors, were remunerated through another group company.

API TELECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

7. Taxation

	15 months ended 31 March 2016 £	Year ended 31 December 2014 £
Corporation tax		
Current tax on profits for the year	102	184
	<u>102</u>	<u>184</u>
Total current tax	<u>102</u>	<u>184</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>102</u>	<u>184</u>

Factors affecting tax charge for the period/year

The tax assessed for the period/year is the same as (2014 - the same as) the standard rate of corporation tax in the UK of 20% (2014 - 20%) as set out below:

	15 months ended 31 March 2016 £	Year ended 31 December 2014 £
Profit on ordinary activities before tax	509	1,168
	<u>509</u>	<u>1,168</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 20%)	102	234
Effects of:		
Relief for brought forward losses	-	(50)
Total tax charge for the period/year	<u>102</u>	<u>184</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

API TELECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

8. Debtors

	31 March 2016 £	31 December 2014 £
Amounts owed by group undertakings	-	255,701
Other debtors	-	2,501
	<u>-</u>	<u>258,202</u>

9. Cash and cash equivalents

	31 March 2016 £	31 December 2014 £
Cash at bank and in hand	17,120	48
	<u>17,120</u>	<u>48</u>

10. Creditors: Amounts falling due within one year

	31 March 2016 £	31 December 2014 £
Trade creditors	5,129	153,356
Amounts owed to group undertakings	10,897	-
Corporation tax	102	184
Taxation and social security	-	33,918
Accruals and deferred income	-	70,207
	<u>16,128</u>	<u>257,665</u>

API TELECOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

11. Share capital

	31 March 2016 £	31 December 2014 £
Shares classified as equity		
Allotted, called up and fully paid		
1 ordinary share of £1	1	1

Ordinary shares carry voting rights, but no right to fixed income.

12. Reserves

Profit & loss account

This reserve represents the accumulated profits and losses of the Company.

13. Controlling party

The immediate parent undertaking is 8X8 UK Investments Limited, an entity incorporated in England and Wales.

The ultimate parent undertaking and controlling party is 8x8 Inc., a NASDAQ listed Company registered in the state of Delaware, USA with its principal executive offices in San Jose, California, USA. This is the smallest and largest group the Company is included in. The consolidated financial statements may be obtained from <http://investors.8x8.com>.

14. Related party transactions

The Company is a wholly owned member of 8x8 Inc. and as such has taken advantage of the exemption permitted by Section 33 *Related Party Disclosures*, not to provide disclosures of transactions entered into with other wholly owned members of the Group.

15. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.