

**XPEDITE SYSTEMS (UK) LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2015**

**Company Number 02778084**

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## **XPEDITE SYSTEMS (UK) LIMITED**

### **CONTENTS**

<b>Company information</b>	<b>2</b>
<b>Directors' report</b>	<b>3</b>
<b>Independent auditor's report to the members of Xpedite Systems (UK) Limited</b>	<b>6</b>
<b>Profit and loss account</b>	<b>8</b>
<b>Balance sheet</b>	<b>9</b>
<b>Notes to the financial statements</b>	<b>10</b>

## **XPEDITE SYSTEMS (UK) LIMITED**

### **COMPANY INFORMATION**

Company number	02778084
Directors	Gordon Davies Christian Waida Paul McFeeters (resigned 30 September 2014)
Registered office	420 Thames Valley Park Drive Thames Valley Park Reading Berkshire RG6 1PT
Independent auditor	KPMG LLP Arlington Business Park Theale Berkshire RG7 4SD

## **XPEDITE SYSTEMS (UK) LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report and audited financial statements for the year ended 30 June 2015.

#### **Principal activities and business review**

The principal activity of the company is to provide web related communication solutions, facsimile broadcast services and other enhanced facsimile and messaging services.

The company conducts its business activities primarily in the United Kingdom.

The directors' objectives for the company continues to be to grow market share in all target markets; to focus resources on areas with maximum potential; to achieve a position of value while maximising revenue; to source replacement technology to ensure that such technology is capable of rapid implementation; and to adapt to changing market conditions.

Based on its size, the company has met the requirements in Section 414B Companies Act 2016 to obtain the exemption from preparing a strategic report.

#### **Results and dividends**

The results for the year are given in the profit and loss account on page 8.

During the year the company made a profit on ordinary activities before taxation of £1,126,944 (2014 - loss of £30,375).

The directors do not recommend payment of a dividend (2014 - £Nil).

#### **Financial overview**

Turnover for 2015 was £3,085k (2014 £3,069k).

#### **Gross profit**

Gross profit for 2015 amounted to £1,971k (2014 - £1,835k)

#### **Principal risks and uncertainties**

The company makes little use of financial instruments other than an operational bank account and so its exposure to price risk, credit risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

#### **Political and charitable contributions**

The group made no political or charitable contributions during the period (2014 - £Nil).

## **XPEDITE SYSTEMS (UK) LIMITED**

### **DIRECTORS' REPORT *(continued)***

#### **Directors**

The directors who served during the year and up to the date of signing the financial statements were:

Gordon Davies

Christian Waida

Paul McFeeters (resigned 30 September 2014)

None of the directors who held office at the end of the financial period had any disclosable interest in shares of the company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the financial period.

#### **Small company provision**

This report has been prepared in accordance with the special provision for small companies under Chapter 1 of Part 15 of the Companies Act 2006.

#### **Going concern**

After making appropriate enquiries the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason the directors have adopted the going concern basis in preparing the company's financial statements.

#### **Independent Auditor**

Prior year auditor, PricewaterhouseCoopers LLP resigned during the year and KPMG LLP were appointed. Pursuant to Section 487 of the Companies Act, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

## **XPEDITE SYSTEMS (UK) LIMITED**

### **DIRECTORS' REPORT *(continued)***

#### **Statement of directors' responsibilities**

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 period. Under that law the directors have prepared 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 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.

#### **Disclosure of information to auditors**

In so far as the directors are, individually, aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

*Signed on behalf of the directors*



Gordon Davies, Director  
Date: 6 May 2016

## **XPEDITE SYSTEMS (UK) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XPEDITE SYSTEMS (UK) LIMITED**

We have audited the financial statements of Xpedite Systems (UK) Limited for the year ended 30 June 2015 set out on pages 8 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 Directors' Responsibilities Statement 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 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](http://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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **XPEDITE SYSTEMS (UK) 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



6 May 2016

Simon Baxter (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
Theale  
Berkshire  
RG7 4SD



**XPEDITE SYSTEMS (UK) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 JUNE 2015**

		Year ended 30-Jun-15 2015 £	Year ended 30-Jun-14 2014 £
	Note		
Turnover		3,085,367	3,069,353
Cost of sales		<u>(1,114,448)</u>	<u>(1,234,828)</u>
Gross profit		1,970,919	1,834,525
Administrative expenses		(1,054,615)	(1,972,052)
Other operating income		111,257	
Operating profit/(loss)	4	<u>1,027,561</u>	<u>(137,527)</u>
Interest receivable	5	<u>99,383</u>	<u>107,152</u>
Profit on ordinary activities before taxation		1,126,944	(30,375)
Taxation on profit on ordinary activities	6	(268,125)	(22,582)
Profit/(loss) for the financial year	12	<u><u>858,819</u></u>	<u><u>(52,957)</u></u>

All of the activities of the company are classed as continuing.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

The Company has no recognised gains and losses other than the profit as presented above and therefore no separate statement of total recognised gains and losses has been presented.

The accompanying notes on pages 10 to 16 form an integral part of these financial statements.

**XPEDITE SYSTEMS (UK) LIMITED**  
**BALANCE SHEET**  
**AS AT 30 JUNE 2015**

		2015		2014	
	Note	£	£	£	£
<b>ASSETS</b>					
<b>Fixed assets</b>					
Tangible assets	7		<u>14,394</u>		<u>63,358</u>
			14,394		63,358
<b>Current assets</b>					
Debtors	8	4,527,581		4,395,492	
Cash at bank and in hand		<u>4,428,930</u>		<u>3,509,316</u>	
		8,956,511		7,904,808	
Creditors: Amounts falling due within one year	10	<u>(758,486)</u>		<u>(614,566)</u>	
<b>Net current assets</b>			<u>8,198,025</u>		<u>7,290,242</u>
<b>Net assets</b>			<u>8,212,419</u>		<u>7,353,600</u>
<b>LIABILITIES</b>					
<b>Capital and reserves</b>					
Called up share capital	11	6,351,711		6,351,711	
Other reserves	12	4,057,487		4,057,487	
Profit and loss account	12	<u>(2,196,779)</u>		<u>(3,055,598)</u>	
<b>Total shareholders' funds</b>	13	<u>8,212,419</u>		<u>7,353,600</u>	

The accompanying notes on page 10 to 16 form an integral part of these financial statements.

These financial statements were approved by a director of the company on 6 May 2016:

  
Gordon Davies  
Director

Registered Number: 02778084

## XPEDITE SYSTEMS (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

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#### 1 Principal accounting policies

##### *Basis of accounting*

The financial statements have been prepared on a going concern basis under the historical cost convention, and in accordance with applicable UK accounting standards and provisions of the Companies Act 2006. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

The principal accounting policies have remained unchanged from the previous year and have been consistently applied. The directors have reviewed the principal accounting policies adopted by the company and consider them to be the most appropriate.

##### *Going concern*

The directors have, at the time of approving the financial statements, a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### *Cash flow statement*

The company has taken advantage of the exemption in Financial Reporting Standard No.1 "Cash flow statements" from the requirement to produce a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

##### *Turnover*

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

The company derives its revenue from the provision of facsimile broadcasting services and messages services. Revenue is recognised when the broadcast or message service has been delivered. Income from the provision of teleconferencing and web related communication solutions services is recognised at the point of delivery of the service, provided all obligations relating to the provision of services are complete.

##### *Tangible fixed assets*

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

##### *Depreciation*

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment - 3 years

Depreciation is provided on all tangible fixed assets.

## XPEDITE SYSTEMS (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

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#### 1 Principal accounting policies (continued)

##### *Pension*

The company does not operate a pension scheme nor does it make contributions to employees' individual stakeholder schemes.

##### *Deferred taxation*

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rate and laws enacted or substantively enacted at the balance sheet date.

##### *Foreign currencies*

Monetary assets and liabilities denominated 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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

##### *Financial liabilities and equity instruments*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement entered into.

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Accordingly, a financial instrument is treated as equity if:

(i) there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable, and

(ii) the instrument is a non-derivative that contains no contractual obligations to deliver a variable number of shares or is a derivative that will be settled only by the Company exchanging a fixed amount of cash or other assets for a fixed number of the Company's own equity instruments.

When shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet, measured initially at the issued nominal amount. The corresponding dividends relating to the liability component are charged as interest expense in the income statement.

## XPEDITE SYSTEMS (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 1 Principal accounting policies (continued)

##### *Impairment*

When there is an indication of impairment, the company reviews the carrying value of its assets to determine whether those assets have suffered an impairment loss. The recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

Where an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss would have been recognised for the asset in prior years.

#### 2 Employees

The average number of employees, including directors, during the year was 2 (30 June 2014 - 3).

#### 3 Directors' remuneration

The emoluments of the directors have been borne by the parent company Open Text Corporation. The directors of the company are also directors or officers of a number of companies within the Open Text Group. The directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the year ended 30 June 2015.

#### 4 Operating profit/(loss)

	Year ended 30 June 2015 £	Year ended 30 June 2014 £
Operating profit/(loss) is stated after charging:		
Depreciation	56,717	275,209
Auditors' remuneration	14,282	13,454
Foreign exchange (gain)/loss	<u>(111,256)</u>	<u>375,969</u>

#### 5 Interest receivable

	Year ended 30 June 2015 £	Year ended 30 June 2014 £
Interest receivable on group loans and balances	<u>99,383</u>	<u>107,152</u>

# XPEDITE SYSTEMS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 6 Taxation on profit on ordinary activities

(a) Analysis of charge in the year	Year ended 30 June 2015 £	Year ended 30 June 2014 £
Current tax:		
UK Corporation tax on profits	197,696	-
Adjustments in respect of prior years/periods	23,347	(2,743)
Total current tax	221,043	(2,743)
Deferred tax:		
Origination and reversal of timing differences	47,082	25,325
Taxation on profit on ordinary activities	268,125	22,582

### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower (2014: higher) than the standard rate of corporation tax in the UK of 20.75% (2014 - 22.50%).

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 20.75%.

	Year ended 30 June 2015 £	Year ended 30 June 2014 £
Profit/(Loss) on ordinary activities before taxation	1,126,944	(30,375)
Current tax at 20.75% (30 June 2014 - 22.50%)	233,841	(6,834)
Effects of:		
Expenses not deductible for tax purposes	-	992
Capital allowances for period in excess of depreciation	(36,145)	(1,055)
Group relief	-	6,897
Under/(Over) provision in prior year	23,347	(2,743)
Current tax charge for period	221,043	(2,743)

The company also has a deferred tax asset of £207,510 (30 June 2014 - £254,592) in respect of utilised capital allowances which will also reduce future tax payments.

# XPEDITE SYSTEMS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 7 Tangible assets

	Equipment £	Total £
<b>Cost</b>		
At 1 July 2014	683,014	683,014
Additions	7,750	7,750
Disposals	-	-
At 30 June 2015	<u>690,764</u>	<u>690,764</u>
<b>Accumulated depreciation</b>		
At 1 July 2014	619,655	619,655
Charge for the year	56,716	56,716
Disposals	-	-
At 30 June 2015	<u>676,371</u>	<u>676,371</u>
<b>Net book amount</b>		
At 30 June 2015	<u>14,394</u>	<u>14,394</u>
At 30 June 2014	<u>63,358</u>	<u>63,358</u>

### 8 Debtors

	30 June 2015 £	30 June 2014 £
Trade debtors	616,908	719,428
Amounts owed by group undertakings	3,703,163	3,367,979
Corporate tax	-	53,493
Deferred tax asset (note 9)	207,510	254,592
	<u>4,527,581</u>	<u>4,395,492</u>

### 9 Deferred taxation

	30 June 2015 £	30 June 2014 £
The deferred tax included in the Balance sheet is as follows:		
Included in debtors	<u>207,510</u>	<u>254,592</u>

The movement in the deferred taxation account during the year was:

	30 June 2015 £	30 June 2014 £
At 1 July 2014	254,592	279,917
Profit and loss account movement arising during the year (note 6)	(47,082)	(25,325)
At 30 June 2015	<u>207,510</u>	<u>254,592</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

Accelerated capital allowances	<u>207,510</u>	<u>254,592</u>
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The deferred tax asset has been recognised as the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

# XPEDITE SYSTEMS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 10 Creditors: amounts falling due within one year

	30 June 2015	30 June 2014
	£	£
Trade creditors	60,261	32,206
Amounts owed to group undertakings	449,227	431,944
Other taxes	82,452	89,425
Corporation tax	103,391	
Accruals and deferred income	63,155	60,991
	<u>758,486</u>	<u>614,566</u>

### 11 Called up share capital

#### Authorised share capital:

	30 June 2015 Number	30 June 2014 Number	30 June 2015 £	30 June 2014 £
Ordinary shares of £1 each	<u>22,195,040</u>	<u>22,195,040</u>	<u>22,195,040</u>	<u>22,195,040</u>

#### Allotted, called up and fully paid:

	30 June 2015 Number	30 June 2014 Number	30 June 2015 £	30 June 2014 £
Ordinary shares of £1 each	<u>6,351,711</u>	<u>6,351,711</u>	<u>6,351,711</u>	<u>6,351,711</u>

### 12 Other reserves

	Other reserves £	Profit and loss account £
At 30 June 2014	4,057,487	(3,055,598)
Profit for the year		858,819
At 30 June 2015	<u>4,057,487</u>	<u>(2,196,779)</u>

### 13 Reconciliation of movements in shareholders' funds

	30 June 2015 £	30 June 2014 £
Profit/(loss) for the financial year	858,819	(52,957)
Opening shareholders' funds	<u>7,353,600</u>	<u>7,406,557</u>
Closing shareholders' funds	<u>8,212,419</u>	<u>7,353,600</u>



## **XPEDITE SYSTEMS (UK) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

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#### **14 Related party disclosure**

The Company is exempt under Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Open Text Corporation group.

#### **15 Ultimate parent company and controlling party**

The directors regard Open Text UK Limited to be the immediate parent undertaking. The directors also regard Open Text Corporation, a company registered in Canada, as the ultimate parent company and controlling party, and the largest group for which consolidated financial statements, which include Open Text UK Limited, are available. The consolidated financial statements can be found at [www.opentext.com](http://www.opentext.com). Open Text Corporation is located at 275 Frank Tompa Drive, Waterloo, Ontario, N2L 0A1, Canada.