

IPC Network Services UK Holdings Limited

Report and Financial Statements

30 September 2015

THURSDAY



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30/06/2016
COMPANIES HOUSE

Directors

D Hart
M Wall

Secretary

L Pennington-Benton

Auditor

Ernst & Young LLP
1 More London Place
London SE1 2AF

Registered Office

Tower House
67-73 Worship Street
London EC2A 2DZ

Strategic Report

The directors present their strategic report for the year ended 30 September 2015.

Principal activity and review of the business

The company did not trade during the period and continues to act as a parent undertaking for investments in fellow group undertakings. The investments held by the company in the period are listed in note 7 to the financial statements.

The company's key financial and other performance indicators during the year were as follows:

	2015	2014	Change
	£	£	%
Operating loss	(425)	(330)	(28.8)
Profit before tax	5,440,503	2,584,177	110.5
Average number of employees	-	-	-

Principal risks and uncertainties

The principal risks and uncertainties facing the company are those faced by its subsidiary undertakings as the company is a holding company and its income is derived from its investments.

Market risk

The company's subsidiary undertakings principal activity is the provision of voice and data communication services mainly to the financial services community and therefore to a certain extent its existing revenue and future revenue growth are linked to the state of the financial markets.

Competitive risk

The company's subsidiaries operate in a competitive market and therefore its revenues could be affected by increased price competition and changes in technology.

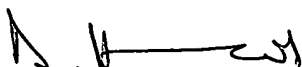
Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

Liquidity risk

This is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets. The company also manages liquidity risk to the extent required via financial support from its ultimate parent undertaking, IPC Corp.

Approved by the Board on 13 June 2016 and signed on its behalf by:



D Hart
Director

Registered No. 05887379

Directors' report

The directors present their report and financial statements for the year ended 30 September 2015.

Dividends

The directors do not recommend a final dividend (2014 – £nil). Interim dividends were paid of £6,939,000 (2014 - £2,585,000).

Directors

The directors who served the company during the year were as follows:

D Hart
M Wall

Future developments

The directors do not anticipate any change in the principal activity of the company in the foreseeable future.

Events since the balance sheet date

There were no other material events since the balance sheet date that required revision to the financial statements.

Going concern

The financial statements have been prepared on the going concern basis. The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast doubt about the ability of the company to continue as a going concern.

Directors' qualifying third party indemnity provision

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the company's Articles of Association and the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Directors' report (continued)

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A resolution to reappoint Ernst & Young LLP as auditor will be put to the members at the Annual General Meeting.

Approved by the Board on 13 June 2016 and signed on its behalf by:



D Hart
Director

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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.

Independent auditor's report

to the members of IPC Network Services UK Holdings Limited

We have audited the financial statements of IPC Network Services UK Holdings Limited for the year ended 30 September 2015 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 13. 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 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

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 Report and Financial Statements 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 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 September 2015 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report (continued)

to the members of IPC Network Services UK Holdings 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.

Ernst & Young LLP

Mirco Bardella (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

29 June 2016

Profit and loss account

for the year ended 30 September 2015

	<i>Notes</i>	<i>2015</i> £	<i>2014</i> £
Administrative expenses		(425)	(330)
Operating loss	2	(425)	(330)
Income from investments		2,991,873	–
Interest receivable and similar income	4	2,449,055	2,584,507
Profit on ordinary activities before taxation		5,440,503	2,584,177
Tax on profit on ordinary activities	5	–	–
Profit for the financial year	11	5,440,503	2,584,177

All amounts relate to continuing activities.

Statement of total recognised gains and losses

for the year ended 30 September 2015

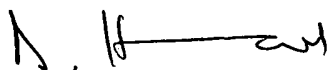
There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £5,440,503 in the year ended 30 September 2015 (2014 – profit of £2,584,177).

Balance sheet

at 30 September 2015

	<i>Notes</i>	<i>2015</i>	<i>2014</i>
		<i>£</i>	<i>£</i>
Fixed assets			
Investments	7	25,771,619	25,771,619
Current assets			
Debtors	8	30,807,981	32,337,012
Cash at bank and in hand		407	17,825
		<u>30,808,388</u>	<u>32,354,837</u>
Creditors: amounts falling due within one year	9	–	(47,952)
Net current assets		<u>30,808,388</u>	<u>32,306,885</u>
Total assets less current liabilities		<u>56,580,007</u>	<u>58,078,504</u>
Capital and reserves			
Called up share capital	10	55,430,101	55,430,101
Profit and loss account	11	1,149,906	2,648,403
Shareholders' funds	11	<u>56,580,007</u>	<u>58,078,504</u>

Approved by the Board on 13 June 2016 and signed on its behalf by:



D Hart
Director

Notes to the financial statements

at 30 September 2015

1. Accounting policies

Basis of preparation

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

Going concern

The financial statements have been prepared on a going concern basis. The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

Group financial statements

The company is exempt from the requirements to prepare group financial statements by virtue of section 401 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not its group.

Statement of cash flows

In accordance with FRS 1 "Statement of Cash flows" the company has taken advantage of the exemption available to companies that are at least 90% owned and whose parent prepares group financial statements which include the company and are publicly available. Accordingly, no statement of cash flows has been included with the financial statements.

Investments

Fixed asset investments are initially recorded at cost.

The carrying values of fixed asset investments are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Deferred taxation

Deferred taxation is recognised in respect of all 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 right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that 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 differences can be deducted.

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 rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling on the last day of the previous month. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

2. Operating loss

Auditor's remuneration in the current and preceding year has been borne by the company's subsidiary undertaking, IPC Network Services Limited.

Notes to the financial statements

at 30 September 2015

3. Directors' remuneration and staff costs

Damian Hart and Michelle Wall are employees of IPC Network Services Limited and IPC Information Systems respectively and their remuneration is borne by those entities. The level of qualifying services they provide for IPC Network Services UK Holdings Limited are negligible compared to their main roles so they have determined their remuneration for these services is £nil.

There are no employees other than the directors.

4. Interest receivable and similar income

	2015 £	2014 £
Interest receivable on loans to fellow group undertakings	<u>2,449,055</u>	<u>2,584,507</u>

5. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2015 £	2014 £
Current tax:		
Total current tax (note 5(b))	<u>–</u>	<u>–</u>

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20.8% (2014 – 22%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>5,440,503</u>	<u>2,584,177</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.8% (2014– 22%)	1,130,352	568,519
<i>Effects of:</i>		
Income not taxable	(628,293)	–
Group relief claimed – nil paid	<u>(502,059)</u>	<u>(568,519)</u>
Current tax for the year (note 5(a))	<u>–</u>	<u>–</u>

(c) Deferred tax

The company has no recognised and unrecognised deferred tax assets.

6. Dividends

	2015 £	2014 £
Declared and paid during the year	<u>6,939,000</u>	<u>2,585,000</u>

All dividends were paid to IPC Information Systems UK Holdings Limited.

Notes to the financial statements

at 30 September 2015

7. Investments

*Subsidiary
undertakings*
£

Cost:

At 1 October 2014 and 30 September 2015

25,771,619

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

<i>Name of company</i>	<i>Holding</i>	<i>Effective proportion held</i>
IPC NS UK SPC Limited	Ordinary	99.73%
IPC Network Services Limited *	Ordinary	100.00%
IPC Network Services EMEA Limited *	Ordinary	100.00%
Westcom Europe Limited *	Ordinary	100.00%
Westcom Dedicated Private Lines Limited *	Ordinary	100.00%
Lexar UK Limited *	Ordinary	100.00%

* Held by subsidiary undertaking.

All subsidiary undertaking are incorporated in Great Britain.

8. Debtors

	<i>2015</i>	<i>2014</i>
	£	£
Amounts owed by fellow group undertakings	30,807,981	32,337,012
	<u>30,807,981</u>	<u>32,337,012</u>

The amount owed by a fellow group undertaking includes a loan note of £30,306,332 bearing interest of 8% and is repayable on demand. The amount owed by another fellow group undertaking includes a loan note of £500,000 that does not bear interest and is repayable on demand.

9. Creditors: amounts falling due within one year

	<i>2015</i>	<i>2014</i>
	£	£
Amounts owed to fellow group undertakings	–	47,952

10. Issued share capital

	<i>2015</i>		<i>2014</i>	
<i>Allotted, called up and fully paid</i>	<i>No.</i>	£	<i>No.</i>	£
Ordinary shares of £1 each	55,430,101	<u>55,430,101</u>	55,430,101	<u>55,430,101</u>

Notes to the financial statements

at 30 September 2015

11. Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total share- holders' funds</i>
	£	£	£
At 1 October 2013	55,430,101	2,649,226	58,079,327
Profit for the year	–	2,584,177	2,584,177
Dividends paid during the year	–	(2,585,000)	(2,585,000)
At 1 October 2014	<u>55,430,101</u>	<u>2,648,403</u>	<u>58,078,504</u>
Profit for the year	–	5,440,503	5,440,503
Dividends paid during the year	–	(6,939,000)	(6,939,000)
At 30 September 2015	<u>55,430,101</u>	<u>1,149,906</u>	<u>56,580,007</u>

12. Related party transactions

The company has taken advantage of the exemption available under FRS 8 not to disclose transactions with other members of the IPC Corp. group in these financial statements as the company is a wholly owned subsidiary of a parent which prepares group financial statements available to the public.

13. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking as at 30 September 2015 is IPC Information Systems UK Holdings Limited.

IPC Corp., (formerly known as IPC Systems Super Holdings Corp.) is the parent undertaking of the only group for which group financial statements are prepared, and of which the company is a member as at 30 September 2015. Its group financial statements are publicly available from The Registrar, Companies House, Crown Way, Cardiff, CF14 3UZ.

The directors consider the company's ultimate controlling party to be Centerbridge Capital Partners II, L.P. as at 30 September 2015 following their acquisition of the company's ultimate parent company from Silver Lake II Partners LP (the company's previous ultimate controlling party) on 6 February 2015.