

Registration number: 02660615

Actix Limited

Annual Report and Financial Statements
for the Year Ended 30 September 2016



Actix Limited

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Actix Limited

Company Information

Directors	Eli Tuson (Irish) Philip John Butler (Irish) Mariana Eleni Smila (Cypriot)
Company secretary	Philip John Butler (Irish)
Registered office	Cannon Place 78 Cannon Street London EC4N 6AF
Solicitors	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF
Bankers	JP Morgan Chase Bank N.A. 125 London Wall London EC2Y 5AJ HSBC West End Corporate 70 Pall Mall London SW1Y 5EZ
Auditor	Ernst & Young Chartered Accountants Ernst & Young Building Harcourt Centre Harcourt Street Dublin 2

Actix Limited

Strategic Report for the Year Ended 30 September 2016

The directors present their strategic report for the year ended 30 September 2016.

Fair review of the business

During the year the company transitioned from previously extant UK GAAP to FRS 101 - Reduced Disclosure Framework (FRS101) and has taken advantage of the disclosure exemptions allowed under this standard. The Company's sole shareholder was notified of and did not object to, the use of the EU-adopted IFRS disclosure exemptions.

Actix Limited is a provider of software and services within the communications industry with products that enhance the performance, capacity and profitability of mobile phone networks operators (MNOs).

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

Turnover increased from \$15,716,395 in 2015 to \$25,249,938 in 2016. The company made a profit before tax of \$5,436,235 compared to \$2,994,132 in 2015. The company made an operating profit of \$4,921,417 comparing to \$3,155,860 in 2015.

After deducting tax of \$1,456,252 (2015: \$1,038,318) a profit of \$3,979,983 (2015: profit of \$1,955,814) has been transferred to reserves. Shareholder's funds at 30 September 2016 amounted to \$30,339,632 (2015: Funds of \$26,297,220).

Principal risks and uncertainties

The principal risks and uncertainties facing the company are summarised below.

- the pace with which new communications products and services emerge,
- the nature and pace of technological change within the communications industry,
- the extent to which consolidation within the communications industry will continue,
- the extent to which communications services will continue to converge,
- the increasing need for communications service providers to reduce costs and retain high value customers in a highly competitive environment; and
- general global economic conditions, particularly market conditions in the communications industry.

To the fullest possible extent we believe the company has taken sufficient measures to mitigate these risks and uncertainties and turn these into opportunities for future growth.

Approved by the Board on 24 August 17 and signed on its behalf by:



Philip John Butler (Irish)
Director

Actix Limited

Directors' Report for the Year Ended 30 September 2016

The directors present their report and the financial statements for the year ended 30 September 2016.

Directors' of the company

The directors, who held office during the year and to the date of this report, were as follows:

Eli Tuson (Irish)

Philip John Butler (Irish)

Mariana Eleni Smila (Cypriot)

Dividends

No dividend was paid to the parent company during the year (2015: \$Nil).

Financial instruments

Profit/loss on ordinary activities and amounts due from fellow subsidiary undertakings are sensitive to movements in exchange rates between US Dollar and Sterling.

Interest Risk

Our interest expenses and income are sensitive to changes in interest rates, as are our cash reserves and our loans due to/from other group undertakings.

Political donations

There were no political donations made during the year (2015: \$NIL).

Future developments

It is the intention of the directors to continue to develop the current activities of the company.

Creditor payment policy

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

At September 2016, the company had an average of 26.4 days purchases outstanding in trade creditors.

Going concern

At the time of approving the financial statements the company has reviewed its financial projections of future profits, cash flows and working capital in terms of its position within the overall Amdocs Group. The directors have a reasonable expectation that the company will have sufficient resources to continue to trade satisfactorily and hence continue to adopt the going concern basis in preparing these financial statements.

Events after the reporting date

On 30 January 2017, the Company passed a resolution to reduce the share capital of the company by £7,485,855 by reducing the share premium account by £3,988,432 and by cancelling and extinguishing 34,974,236,100 ordinary shares of £0.0001 each. On 13 February 2017 the company declared an interim dividend of \$16,970,043.

On 5 June 2017, the Company disposed of its investment in Actix Pte Ltd to another group company for a consideration of \$3,318,071.

Disclosure of information to the auditor

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

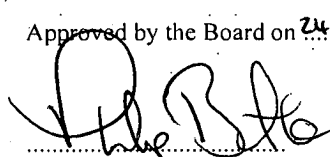
Actix Limited

Directors' Report for the Year Ended 30 September 2016

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Ernst & Young as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 24 August 17 and signed on its behalf by:



Philip John Butler (Irish)
Director

Actix Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has 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.

Approved by the Board on 24 August 19 and signed on its behalf by:



Philip John Butler (Irish)

Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIX LIMITED

We have audited the financial statements of Actix Limited for the year ended 30 September 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 24. 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 101 'Reduced Disclosure Framework'.

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 Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on 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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIX LIMITED (continued)

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.

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.

*Dermot Quinn (Senior statutory auditor)
for and on behalf of Ernst & Young, Statutory Auditor
Dublin*

Date: 29 August 2017

Actix Limited

Statement of Comprehensive Income for the Year Ended 30 September 2016

	Note	2016 \$	2015 \$
Turnover	2	25,249,938	15,716,395
Cost of sales		<u>(19,887,453)</u>	<u>(11,081,391)</u>
Gross profit		5,362,485	4,635,004
Administrative expenses		<u>(441,068)</u>	<u>(1,479,144)</u>
Operating profit	3	<u>4,921,417</u>	<u>3,155,860</u>
Other interest receivable and similar income	4	5,370	468
Interest payable and similar charges	5	(60,343)	(162,196)
Dividend income		<u>569,791</u>	<u>-</u>
		<u>514,818</u>	<u>(161,728)</u>
Profit on ordinary activities before tax		5,436,235	2,994,132
Tax on profit on ordinary activities	8	<u>(1,456,252)</u>	<u>(1,038,318)</u>
Profit for the financial year and total comprehensive income for the year		<u><u>3,979,983</u></u>	<u><u>1,955,814</u></u>

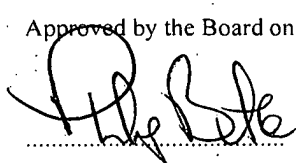
The above results were derived from continuing operations.

Actix Limited

Statement of Financial Position as at 30 September 2016

	Note	2016 \$	2015 \$
Fixed assets			
Intangible assets	10	94,929	119,920
Tangible assets	9	951,458	900,760
Investments	11	<u>2,572,772</u>	<u>2,572,772</u>
		<u>3,619,159</u>	<u>3,593,452</u>
Current assets			
Trade and other debtors	12	49,988,556	44,412,217
Cash at bank and in hand		<u>302,705</u>	<u>969,918</u>
		50,291,261	45,382,135
Creditors: Amounts falling due within one year	16	<u>(23,501,119)</u>	<u>(22,596,192)</u>
Net current assets		<u>26,790,142</u>	<u>22,785,943</u>
Total assets less current liabilities		30,409,301	26,379,395
Creditors: Amounts falling due after more than one year	17	(46,856)	(59,616)
Provisions for liabilities	15	<u>(22,813)</u>	<u>(22,559)</u>
Net assets		<u>30,339,632</u>	<u>26,297,220</u>
Capital and reserves			
Called up share capital	13	5,700,551	5,700,551
Share premium reserve		6,394,792	6,394,792
Profit and loss account		<u>18,244,289</u>	<u>14,201,877</u>
Shareholder's funds		<u>30,339,632</u>	<u>26,297,220</u>

Approved by the Board on 24 August 17 and signed on its behalf by:



Philip John Butler (Irish)
Director

Actix Limited

Statement of Changes in Equity for the Year Ended 30 September 2016

	Share capital \$	Share premium \$	Other reserves \$	Profit and loss account \$	Total \$
At 1 October 2015	5,700,551	6,394,792	-	14,201,877	26,297,220
Profit for the year	-	-	-	3,979,983	3,979,983
Total comprehensive income	-	-	-	3,979,983	3,979,983
Share based payment transactions	-	-	153,302	-	153,302
Transfer to profit and loss reserve	-	-	(153,302)	153,302	-
Recharge from ultimate parent	-	-	-	(90,873)	(90,873)
At 30 September 2016	5,700,551	6,394,792	-	18,244,289	30,339,632
	Share capital \$	Share premium \$	Other reserves \$	Profit and loss account \$	Total \$
At 1 October 2014	5,700,551	6,394,792	-	12,187,184	24,282,527
Profit for the year	-	-	-	1,955,814	1,955,814
Total comprehensive income	-	-	-	1,955,814	1,955,814
Share based payment transactions	-	-	91,334	-	91,334
Transfer to profit and loss reserve	-	-	(91,334)	91,334	-
Recharge from ultimate parent	-	-	-	(32,455)	(32,455)
At 30 September 2015	5,700,551	6,394,792	-	14,201,877	26,297,220

The notes on pages 11 to 29 form an integral part of these financial statements.

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The financial statements have been prepared in accordance with applicable Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The financial statements are prepared under the historical cost convention. A summary of the more important accounting policies, which have been applied consistently, are set out below.

Basis of preparation

The Company transitioned from previously extant UK GAAP to FRS 101 for all periods presented. Transition reconciliations showing all material adjustments are disclosed in note 10. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 30 September 2016.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IFRS 7 Financial Instruments: Disclosures;
- (b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- (c) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- (d) the requirements of IAS 7 Statement of Cash Flows;
- (e) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (f) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- (g) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (h) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets; and
- (i) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment: because the share based payments concerns the instruments of another group entity.

Going concern

In preparing the financial statements, the directors consider it appropriate to continue to use the going concern assumption on the basis that the company will have sufficient resources to enable it to meet its liabilities as they fall due, including, if required, provision of adequate financial support from its immediate parent undertaking.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 October 2015 have had a material effect on the financial statements.

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

1 Accounting policies (continued)

Revenue recognition

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied and the value of long term contract work done, as outlined below.

The company usually sells its software as part of an overall solution offered to a customer, in which significant customisation and modification to the company's software generally is required. As a result, revenue generally is recognised over the course of these long term projects.

Initial license fee for software revenue is recognised as work is performed, under the percentage of completion method of accounting. Subsequent license fee revenue is recognised upon completion of the specified conditions in each contract. Service revenue that involves significant ongoing obligations, including fees for customisation, implementation and modification, is recognised as work is performed, under the percentage of completion method of accounting.

Software revenue that does not require significant customisation and modification, is recognised upon delivery and installation. In managed service contracts, revenue from operation and maintenance of customers' billing systems is recognised in the period in which the bills are produced. Revenue from ongoing support is recognised as work is performed. Revenue from third-party hardware and software sales is recognised upon delivery and installation, and recorded at gross or net amount according to whether the company acts as a Principal or as an Agent. Maintenance revenue is recognised ratably over the term of the maintenance agreement, which in most cases is one year or less. Losses are recognised on contracts in the period in which the liability is identified.

The amount by which recorded turnover is in excess of amounts invoiced is shown within debtors as amounts recoverable on contracts. The amount by which revenue recognised falls short of the amount invoiced is shown within creditors as payments on account.

Foreign currency transactions and balances

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

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

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

1 Accounting policies (continued)

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and are recognised only to the extent that it is probable that taxable profit will be available against which temporary differences, carried forward credits or tax losses can be utilised.

Tangible assets

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

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

Depreciation

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

Asset class

Computer equipment

Office equipment

Leasehold improvements

Depreciation method

3.5 - 7 years

5 - 10 years

Shorter of the estimated useful life and the term of the lease

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

1 Accounting policies (continued)

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Goodwill is not subject to amortisation but is tested for impairment.

Negative goodwill arising on an acquisition is recognised directly in the statement of comprehensive income. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss recognised in the statement of comprehensive income on disposal.

Intangible assets represent the acquisition of core technology, customer contracts, trademarks, intellectual property and computer software.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least once during the reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Amortisation

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

Asset class	Amortisation method
Computer software	4 years

Cash and cash equivalents

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

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

1 Accounting policies (continued)

Impairment of assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in statement of comprehensive income. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

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

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

1 Accounting policies (continued)

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Authorised share capital

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

Defined contribution pension obligation

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

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

1 Accounting policies (continued)

Share based payments

Employees of the company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award.

Fair value is determined by using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company's ultimate parent undertaking, Amdocs Limited, (market conditions).

The cost of equity-settled transactions are recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employee becomes fully entitled to the award ("vesting date"). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit for a period, reflected in the statement of comprehensive income, represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the statement of comprehensive income for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the statement of comprehensive income.

Group financial statements

Section 400 of the Companies Act 2006 exempts an intermediate parent entity whose own parent entity is established under the law of an EEA state from the need to prepare consolidated financial statements. The company has availed itself of this exemption and consequently has prepared these financial statements on a stand alone basis.

Investment in subsidiary companies

Subsidiaries are all entities that the Company controls. Investments in subsidiary companies are initially recognised at cost, being the fair value of the consideration given. After initial recognition investments are stated at cost less provision for impairment in accordance with IAS 36 "Impairment of assets". If the carrying amount exceeds the recoverable amount then the carrying value of the investment is written down to its recoverable amount.

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

1 Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognised in the statement of comprehensive income in finance costs for loans and in cost of sales or other operating expenses for receivables.

This category generally applies to loans receivable from related parties and trade and other debtors. For more information, refer to note 12.

Payables

Payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Hedging

The company enters into foreign exchange contracts to reduce its exposure to market risks from changes in foreign exchange rates. These forward exchange contracts have maturities of no more than 12 months and are entered into for the sole purpose of hedging exposures arising from the normal course of business. Gains and losses on derivative contracts used to hedge foreign exchange trading exposures are recognised in the statement of comprehensive income when the hedged transactions settle.

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

2 Turnover

The company operates in one principal area of activity, that of providing software and services within the communications industry. It also operates within two geographical markets: Europe and the rest of the world.

The directors are of the opinion that disclosure of the analysis of the turnover by geographical market would be seriously prejudicial to the interests of the business and have taken advantage of the exemption available.

3 Operating profit

Arrived at after charging/(crediting)

	2016 \$	2015 \$
Depreciation expense	371,005	308,392
Amortisation expense	42,341	31,440
Foreign exchange (gains)/losses	(225,214)	691,298
Operating lease expense - property	423,808	399,427
Operating lease expense - other	-	110,330
Auditor's remuneration - audit services	<u>38,000</u>	<u>38,000</u>

4 Other interest receivable and similar income

	2016 \$	2015 \$
Interest income on bank deposits	5,370	468
Dividend income	<u>569,791</u>	<u>-</u>
	<u>575,161</u>	<u>468</u>

5 Interest payable and similar charges

	2016 \$	2015 \$
Bank charges	10,355	14,390
Other interest payable	433	1,572
Interest on loans from fellow subsidiaries	<u>49,555</u>	<u>146,234</u>
	<u>60,343</u>	<u>162,196</u>

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

6 Staff costs

The aggregate payroll costs were as follows:

	2016 \$	2015 \$
Wages and salaries	8,575,552	9,183,044
Social security costs	824,130	972,425
Pension costs, defined contribution scheme	376,668	412,619
	<u>9,776,350</u>	<u>10,568,088</u>

Included in wages and salaries is a total expense of share-based payments of \$153,302 (2015: \$91,334) all of which arises from transactions accounted for as equity settled share-based payment transactions.

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

	2016 No.	2015 No.
Production	53	62
Administration and support	4	4
Sales	11	6
Marketing	6	7
	<u>74</u>	<u>79</u>

7 Directors' remuneration

None of the directors received any remuneration for qualifying services in either the current year or the prior year.

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

8 Income tax

Tax charged/(credited) in the statement of comprehensive income

	2016 \$	2015 \$
Current taxation		
Corporation tax	980,151	-
Corporation tax adjustment to prior periods	79,337	156,795
Foreign withholding tax charge	30,904	119,294
Current tax charge	<u>1,090,392</u>	<u>276,089</u>
Deferred taxation		
Current year movement	80	762,229
Arising from changes in tax rates and laws	29,972	-
Deferred tax prior year adjustment	335,808	-
Deferred tax (note 18)	<u>365,860</u>	<u>762,229</u>
Tax on profit on ordinary activities	<u><u>1,456,252</u></u>	<u><u>1,038,318</u></u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2016 - the same as the standard rate of corporation tax in the UK) of 20% (2015 - 20.5%).

The differences are reconciled below:

	2016 \$	2015 \$
Profit before tax	<u>5,436,235</u>	<u>2,994,132</u>
Corporation tax at standard rate	1,087,247	613,797
Increase in current tax from adjustment for prior periods	79,337	156,795
Increase from effect of capital allowances depreciation	-	161,384
(Decrease) increase from effect of expenses not deductible in determining taxable profit (tax loss)	(107,016)	4,463
Increase arising from overseas tax suffered (expensed)	30,904	119,294
Decrease in current tax from unrecognised tax loss or credit	-	(17,415)
Deferred tax expense from unrecognised temporary difference from a prior period	335,808	-
Deferred tax expense relating to changes in tax rates or laws	29,972	-
Total tax charge	<u><u>1,456,252</u></u>	<u><u>1,038,318</u></u>

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

8 Income tax (continued)

Future tax changes

The directors are not aware of any factors that will materially affect the weighted average rate of corporation tax in the foreseeable future. The average rate of corporation tax for the year in the principle jurisdictions in which the company operates were 20% (2015: 20.5%).

The closing deferred tax asset has taken into account the substantively enacted rate of corporation tax at the balance sheet date, being the rate of 17% which was substantively enacted on 6 September 2016, and enacted on 15 September 2016 when Finance Bill 2016 received Royal Assent.

9 Tangible assets

	Leasehold improvements \$	Computer equipment \$	Office equipment \$	Total \$
Cost				
At 1 October 2015	501,923	5,105,026	473,686	6,080,635
Additions	-	411,579	11,320	422,899
Disposals	-	-	(5,871)	(5,871)
At 30 September 2016	<u>501,923</u>	<u>5,516,605</u>	<u>479,135</u>	<u>6,497,663</u>
Accumulated depreciation				
At 1 October 2015	414,953	4,365,426	399,496	5,179,875
Charge for the year	36,059	304,679	30,267	371,005
Eliminated on disposal	-	-	(4,675)	(4,675)
At 30 September 2016	<u>451,012</u>	<u>4,670,105</u>	<u>425,088</u>	<u>5,546,205</u>
Net book amounts				
At 30 September 2016	<u>50,911</u>	<u>846,500</u>	<u>54,047</u>	<u>951,458</u>
At 30 September 2015	<u>86,970</u>	<u>739,600</u>	<u>74,190</u>	<u>900,760</u>

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

10 Intangible assets

	Acquired computer software \$	Total \$
Cost		
At 1 October 2015	168,045	168,045
Additions during the year	<u>17,350</u>	<u>17,350</u>
At 30 September 2016	<u>185,395</u>	<u>185,395</u>
Accumulated amortisation		
At 1 October 2015	48,125	48,125
Amortisation charge	<u>42,341</u>	<u>42,341</u>
At 30 September 2016	<u>90,466</u>	<u>90,466</u>
Net book amounts		
At 30 September 2016	<u>94,929</u>	<u>94,929</u>
At 30 September 2015	<u>119,920</u>	<u>119,920</u>

Up to the date of transition to FRS 101 Acquired Computer Software was classified under tangible fixed assets. Under FRS 101 this is classified under intangible fixed assets and is included in the above.

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

11 Investments

	2016 \$	2015 \$
Subsidiaries		
At 1 October	2,572,772	872,772
Additions	-	1,700,000
At 30 September	<u>2,572,772</u>	<u>2,572,772</u>

Details of the principal investments held by the company at 30 September 2016 of which the company holds, directly or indirectly, at least 20% of the nominal value of any class of share capital are as follows:

Name of subsidiary	Country of incorporation and principal place of business	Holdings type (stock/shares)	Proportion of ownership interest and voting rights held
Actix Inc	USA	Ordinary	100%
Actix Pte Limited	Singapore	Ordinary	100%
Actix Limited	Hong Kong	Ordinary	100%
Actix AB	Sweden	Ordinary	100%
Shanghai Di Tong Communication Technology Co Ltd	China	Ordinary	100%
Actix India Private Limited	India	Ordinary	100%
Actix K.K.	Japan	Ordinary	100%
Actix Sdn Bhd	Malaysia	Ordinary	100%
Actix Communication Technology (Beijing) Limited	China	Ordinary	100%
Actix Pty Limited	Australia	Ordinary	100%
Actix do Brasil LTDA	Brazil	Ordinary	100%

Shanghai Di Tong Communication Technology Co Ltd and Actix Communication Technology (Beijing) Limited are 100% owned by Actix Pte Limited.

Actix Limited (UK) has a branch registered in United Arab Emirates.

The directors consider the value of the investments to be supported by their underlying assets.

On 5 June 2017, the Company disposed of its investment in Actix Pte Ltd to another group company for a consideration of \$3,318,071.

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

12 Trade and other debtors

	2016	2015
	\$	\$
Trade debtors	4,090,929	3,721,363
Amounts owed by group undertakings	42,459,064	37,229,091
Accrued income	2,543,979	1,799,560
Prepayments	450,652	585,785
Other debtors	274,174	540,800
Deferred tax assets (note 18)	169,758	535,618
	<u>49,988,556</u>	<u>44,412,217</u>

Amounts owed by group undertakings are unsecured, bear interest at commercial rates and are repayable in full within one year of granting.

Amounts falling due after more than one year included above are:

\$369,758 (2015: \$768,966) of deferred tax and other debtors are classified as non current.

13 Authorised share capital

Allotted, called up and fully paid shares

	2016		2015	
	No.	\$	No.	\$
Ordinary shares of £0.0001 each	<u>35,024,236,092</u>	<u>5,700,551</u>	<u>35,024,236,092</u>	<u>5,700,545</u>

During December 2014, all share classes were re-designated as ordinary shares of £0.0001 each.

Following the year end, the company passed a resolution to reduce the share capital of the company by £7,485,855 by reducing the share premium account by £3,988,432 and by cancelling and extinguishing 34,974,236,100 ordinary shares of £0.0001 each.

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

14 Share-based payments

Actix Limited, as a member of the Amdocs group of companies, has adopted the Amdocs Stock Option and Incentive Plan (the "Plan"), which provides for the grant of restricted stock awards and stock options to employees, officers, directors and consultants. The purpose of the Plan is to enable the Company to attract and retain qualified personnel and to motivate such persons by providing them with equity participation in the Company. Awards granted under the Plan generally vest over a period of four years and stock options have a term of ten years.

Actix Limited, has availed of the exemptions under FRS 101.6-8 from the requirements of paragraphs 45(b) and 46-52 of IFRS 2 share based payments as the equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated:

15 Other provisions

	National insurance on stock options \$	Total \$
At 1 October 2015	22,559	22,559
Additional provisions	254	254
At 30 September 2016	<u>22,813</u>	<u>22,813</u>

16 Trade and other creditors

	2016 \$	2015 \$
Trade creditors	307,235	104,304
Accrued expenses	1,082,183	1,370,329
Amounts due to related parties	15,225,624	16,101,141
Social security and other taxes	1,122,046	706,233
Loans from related parties	2,793,934	2,916,907
Other current financial liabilities (note 20)	-	4,820
Deferred income	2,970,097	1,392,458
	<u>23,501,119</u>	<u>22,596,192</u>

Loans from related parties are unsecured, bear interest at commercial rates and are repayable in full within one year of granting.

17 Trade and other creditors due more than one year

	2016 \$	2015 \$
Accruals	<u>46,856</u>	<u>59,616</u>

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

18 Deferred taxation asset

	2016	2015
	\$	\$
Opening balance	535,618	1,297,847
Movement arising during the year	<u>(365,860)</u>	<u>(762,229)</u>
Closing balance	<u>169,758</u>	<u>535,618</u>

The deferred tax asset consists of the following amounts:

	2016	2015
	\$	\$
Decelerated capital allowances	143,904	169,731
Stock options	25,855	30,079
Losses	<u>-</u>	<u>335,808</u>
	<u>169,759</u>	<u>535,618</u>

There are \$530,003 of unused tax losses (2015: \$624,607) for which no deferred tax asset is recognised in the statement of financial position.

The UK corporation tax rate reduces from 20% to 19% effective for the years commencing 1 April 2017, 2018 and 2019 and further reduces it to 17% in respect of years commencing after 1 April 2020. These rates had been substantively enacted at the balance sheet date, with the final rate of 17% being substantively enacted on 6 September 2016, and enacted on 15 September 2016 when the Finance Bill 2016 received Royal Assent. The closing deferred tax asset has been calculated at a rate of 17%, being the UK corporation tax rate applicable to the periods during which it is expected to materialise.

19 Commitments

Pension commitments

The company operates defined contribution pension schemes for its employees. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the fund and amounted to \$376,668 (2015: \$412,619). Contributions payable to the fund at the year end amounted to \$- (2015: \$-).

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

20 Obligations under leases and hire purchase contracts

Finance leases

	Minimum lease payments \$	Interest \$	Present value \$
2015			
Within one year	4,820	(277)	4,543

The present values of future finance lease payments are analysed as follows:

	2016 \$	2015 \$
Current liabilities	-	4,543

Operating leases

Commitments under non-cancellable operating leases are as follows:

	2016 \$	2015 \$
Land and buildings		
Within one year	435,414	469,987
In two to five years	232,949	632,289
	668,363	1,102,276

21 Related party transactions

In common with other companies which are members of a group of companies, the financial statements reflect the effect of such membership. The company has availed of the exemption provided in Financial Reporting Standard 101, Reduced Disclosure Framework, for wholly owned subsidiary undertakings within the group, from the requirement to give details of transactions with entities that are part of the group.

22 Parent and ultimate parent undertaking

The company's immediate parent is Actix International Limited.

The ultimate parent is Amdocs Limited. These financial statements are available upon request from the company's website: www.amdocs.com.

23 Events after the reporting date

On 30 January 2017, the Company passed a resolution to reduce the share capital of the company by £7,485,855 by reducing the share premium account by £3,988,432 and by cancelling and extinguishing 34,974,236,100 ordinary shares of £0.0001 each. On 13 February 2017 the company declared an interim dividend of \$16,970,043.

On 5 June 2017, the Company disposed of its investment in Actix Pte Ltd to another group company for a consideration of \$3,318,071.

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2016

24 Board approval

The Board of Directors approved and authorised the issue of the financial statements in respect of the year ended 30 September 2016 on 24 August 2017