

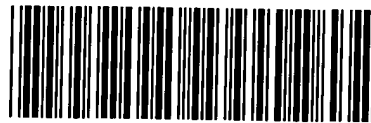
Registration number: 02660615

Actix Limited

Annual Report and Financial Statements

for the Year Ended 30 September 2017

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Actix Limited

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Actix Limited

Company Information

Directors	Philip John Butler (Irish) Marina Eleni Smila (Cypriot) Martin Joseph Barry (Irish)
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 2017

The directors present their strategic report for the year ended 30 September 2017.

Fair review of the business

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 decreased from \$25,249,938 in 2016 to \$14,282,125 in 2017. The company made a profit before tax of \$2,588,569 compared to a profit of \$5,436,235 in 2016. The company made an operating profit of \$1,313,859 compared to an operating profit of \$4,921,417 in 2016.

After crediting tax of \$387,533 (2016: deduction of \$1,456,252) a profit of \$2,976,102 (2016: profit of \$3,979,983) has been transferred to reserves. Shareholder's funds at 30 September 2017 amounted to \$16,390,542 (2016: \$30,339,632).

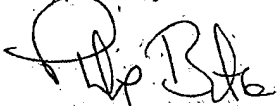
Principal risks and uncertainties

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 28 June 2018 and signed on its behalf by:



Philip John Butler (Irish)
Director

Actix Limited

Directors' Report for the Year Ended 30 September 2017

The directors present their report and the financial statements for the year ended 30 September 2017.

Directors' of the company

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

Philip John Butler (Irish)

Marina Eleni Smila (Cypriot)

The following directors were appointed after the year end:

Alexis Alexandrous (Cypriot) (appointed 12 December 2017 and resigned 1 May 2018)

Martin Joseph Barry (Irish) (appointed 1 May 2018)

Dividends

Dividend paid during the year was \$16,970,043 (2016: \$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 (2016: \$NIL).

Future developments

It is the intention of the directors to continue the current operations 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 2017, the company had an average of 28 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

There were no significant events after the reporting date that require disclosure.

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.

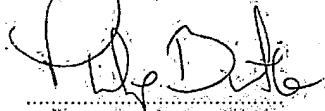
Actix Limited

Directors' Report for the Year Ended 30 September 2017

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 28 June 2018 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Philip Butler', written over a dotted line.

Philip John Butler (Irish)
Director

Actix Limited

Statement of Directors' Responsibilities

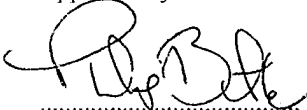
The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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 28 June 2018 and signed on its behalf by:



Philip John Butler (Irish)

Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIX LIMITED

Opinion

We have audited the financial statements of Actix Limited for the year ended 30 September 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 26, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 September 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

.../continued



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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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.

.../continued



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

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

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

Dublin

Date: 29 June 2018

Actix Limited

Statement of Comprehensive Income for the Year Ended 30 September 2017

	Note	2017 \$	2016 \$
Turnover	2	14,282,125	25,249,938
Cost of sales		<u>(12,866,573)</u>	<u>(19,887,453)</u>
Gross profit		1,415,552	5,362,485
Administrative expenses		<u>(101,693)</u>	<u>(441,068)</u>
Operating profit	3	<u>1,313,859</u>	<u>4,921,417</u>
Gain on disposal of subsidiary company	4	1,218,428	-
Other interest receivable and similar income	5	125,319	5,370
Interest payable and similar charges	6	(112,771)	(60,343)
Dividend income		<u>43,734</u>	<u>569,791</u>
		<u>1,274,710</u>	<u>514,818</u>
Profit on ordinary activities before taxation		2,588,569	5,436,235
Tax on profit on ordinary activities	9	<u>387,533</u>	<u>(1,456,252)</u>
Profit for the financial year and total comprehensive income for the year		<u><u>2,976,102</u></u>	<u><u>3,979,983</u></u>

The above results were derived from continuing operations.

Actix Limited

Statement of Financial Position as at 30 September 2017

	Note	2017 \$	2016 \$
Fixed assets			
Intangible assets	10	92,254	94,929
Tangible assets	11	702,095	951,458
Investments	12	45,272	2,572,772
		<u>839,621</u>	<u>3,619,159</u>
Current assets			
Trade and other debtors	13	33,210,255	49,988,556
Cash at bank and in hand		8,069	302,705
		<u>33,218,324</u>	<u>50,291,261</u>
Creditors: Amounts falling due within one year	15	<u>(17,571,825)</u>	<u>(23,501,119)</u>
Net current assets		<u>15,646,499</u>	<u>26,790,142</u>
Total assets less current liabilities		<u>16,486,120</u>	<u>30,409,301</u>
Creditors: Amounts falling due after more than one year	16	<u>(53,847)</u>	<u>(46,856)</u>
Provisions for liabilities	17	<u>(41,731)</u>	<u>(22,813)</u>
Net assets		<u>16,390,542</u>	<u>30,339,632</u>
Capital and reserves			
Called up share capital	19	8,073	5,700,551
Share premium reserve		-	6,394,792
Profit and loss account		<u>16,382,469</u>	<u>18,244,289</u>
Shareholder's funds		<u>16,390,542</u>	<u>30,339,632</u>

Approved by the Board on 28 June 2018 and signed on its behalf by:



Philip John Butler (Irish)
Director

The notes on pages 12 to 30 form an integral part of these financial statements.

Actix Limited

Statement of Changes in Equity for the Year Ended 30 September 2017

	Share capital \$	Share premium \$	Other reserves \$	Profit and loss account \$	Total \$
At 1 October 2016	5,700,551	6,394,792	-	18,244,289	30,339,632
Profit for the year	-	-	-	2,976,102	2,976,102
Total comprehensive income	-	-	-	2,976,102	2,976,102
Dividend	-	-	-	(16,970,043)	(16,970,043)
Capital reduction	(5,692,478)	(6,394,792)	-	12,087,270	-
Share based payment transactions	-	-	187,649	-	187,649
Transfer to profit and loss reserve	-	-	(187,649)	187,649	-
Recharge from ultimate parent	-	-	-	(142,798)	(142,798)
At 30 September 2017	8,073	-	-	16,382,469	16,390,542
	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

The notes on pages 12 to 30 form an integral part of these financial statements.

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2017

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 accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 30 September 2017.

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 requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of (i) paragraph 73(e) of IAS 16 Property, Plant and Equipment; and (ii) Paragraph 118(c) of IAS 38 Intangible Assets;
- (i) 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
- (j) 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 2016 have had a material effect on the financial statements.

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2017

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 2017

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	Depreciation method
Computer equipment	3.5 - 7 years
Office equipment	5 - 10 years
Leasehold improvements	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 2017

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 2017

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.

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2017

1 Accounting policies (continued)

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.

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.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

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 2017

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 2017

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 13.

Payables

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

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.

No detailed business and geographical segment analysis of the company is disclosed as, in the opinion of the directors, any of these disclosures would be seriously prejudicial to the interest of the company.

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2017

3 Operating profit

Arrived at after charging/(crediting)

	2017	2016
	\$	\$
Depreciation expense	325,854	371,005
Amortisation expense	44,246	42,341
Foreign exchange gains	(158,490)	(225,214)
Operating lease expense - property	374,355	423,808
Profit on disposal of property, plant and equipment	(591)	-
Auditor's remuneration - audit services	41,795	38,000
	<u>41,795</u>	<u>38,000</u>

4 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2017	2016
	\$	\$
Gain (loss) from disposals of investments	<u>1,218,428</u>	<u>-</u>

Refer to Note 12 'Investments' for further information.

5 Other interest receivable and similar income

	2017	2016
	\$	\$
Interest income on bank deposits	9,281	5,370
Interest receivable on loans to group undertakings	<u>116,038</u>	<u>-</u>
	<u>125,319</u>	<u>5,370</u>

6 Interest payable and similar charges

	2017	2016
	\$	\$
Bank charges	10,416	10,355
Other interest payable	19	433
Interest payable to group undertakings	<u>102,336</u>	<u>49,555</u>
	<u>112,771</u>	<u>60,343</u>

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2017

7 Staff costs

The aggregate payroll costs were as follows:

	2017	2016
	\$	\$
Wages and salaries	6,587,288	8,575,552
Social security costs	668,822	824,130
Pension costs, defined contribution scheme	292,648	376,668
	<u>7,548,758</u>	<u>9,776,350</u>

Included in wages and salaries is a total expense of share-based payments of \$187,649 (2016: \$153,302) 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:

	2017	2016
	No.	No.
Production	43	53
Administration and support	3	4
Sales	6	11
Marketing	5	6
	<u>57</u>	<u>74</u>

8 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 2017

9 Income tax

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

	2017 \$	2016 \$
Current taxation		
Corporation tax	194,056	980,151
Corporation tax adjustment to prior periods	(576,489)	79,337
Foreign withholding tax charge	18,438	30,904
Current tax (credit)/charge	<u>(363,995)</u>	<u>1,090,392</u>
Deferred taxation		
Current year movement	(23,538)	80
Arising from changes in tax rates and laws	-	29,972
Deferred tax prior year adjustment	-	335,808
Deferred tax (note 18)	<u>(23,538)</u>	<u>365,860</u>
Tax on profit on ordinary activities	<u><u>(387,533)</u></u>	<u><u>1,456,252</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 19.5% (2016 - 20%).

The differences are reconciled below:

	2017 \$	2016 \$
Profit before tax	<u>2,588,569</u>	<u>5,436,235</u>
Corporation tax at standard rate	504,771	1,087,247
Movement in current tax from adjustment for prior periods	(576,489)	79,337
Movement from effect of expenses not deductible in determining taxable profit (tax loss)	(337,715)	(107,016)
Movement arising from overseas tax suffered (expensed)	18,438	30,904
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
Tax at higher rate	3,462	-
Total tax (credit)/charge	<u><u>(387,533)</u></u>	<u><u>1,456,252</u></u>

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2017

9 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 UK corporation tax rate reduced from 20% to 19% effective for the years commencing 1 April 2017, 2018 and 2019. This rate had been enacted on 18 November 2015 when the Finance (No.2) Bill 2015 received Royal Assent. The UK corporation rate further reduces to 17% in respect of years commencing after 1 April 2020. This rate had been enacted on 15 September 2016 when the Finance Bill 2016 received Royal Assent. The 17% rate is only relevant for the purpose of deferred tax (if applicable).

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.

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2017

10. Intangible assets

	Acquired computer software \$	Total \$
Cost		
At 1 October 2016	185,395	185,395
Additions during the year	41,571	41,571
At 30 September 2017	226,966	226,966
Accumulated amortisation		
At 1 October 2016	90,466	90,466
Amortisation charge	44,246	44,246
At 30 September 2017	134,712	134,712
Net book amounts		
At 30 September 2017	92,254	92,254
At 30 September 2016	94,929	94,929

11. Tangible assets

	Leasehold improvements \$	Computer equipment \$	Office equipment \$	Total \$
Cost				
At 1 October 2016	501,923	5,516,605	479,135	6,497,663
Additions	5,811	67,735	7,701	81,247
Disposals	-	(5,347)	-	(5,347)
At 30 September 2017	507,734	5,578,993	486,836	6,573,563
Accumulated depreciation				
At 1 October 2016	451,012	4,670,105	425,088	5,546,205
Charge for the year	41,867	275,326	8,661	325,854
Eliminated on disposal	-	(591)	-	(591)
At 30 September 2017	492,879	4,944,840	433,749	5,871,468
Net book amounts				
At 30 September 2017	14,855	634,153	53,087	702,095
At 30 September 2016	50,911	846,500	54,047	951,458

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2017

12 Investments

	2017	2016
	\$	\$
Subsidiaries		
At 1 October	2,572,772	2,572,772
Additions	-	-
Disposal of subsidiaries	(2,527,500)	-
At 30 September	<u>45,272</u>	<u>2,572,772</u>

Details of the principal investments held by the company at 30 September 2017 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 Limited	Hong Kong	Ordinary	100%
Actix AB (in liquidation)	Sweden	Ordinary	100%
Actix India Private Limited	India	Ordinary	100%
Actix K.K.	Japan	Ordinary	100%
Actix Sdn Bhd	Malaysia	Ordinary	100%
Actix Pty Limited	Australia	Ordinary	100%

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 cash consideration of \$3,318,071, resulting in a gain on disposal of \$1,618,071. Shanghai Di Tong Communication Technology Co Ltd and Actix Communication Technology (Beijing) Limited are 100% owned by Actix Pte Limited.

On 28 August 2017, the company disposed of its investment in Actix do Brazil LTDA to another group company for a cash consideration of \$427,857, resulting in a loss on disposal of \$399,643.

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2017

13. Trade and other debtors;

	2017 \$	2016 \$
Trade debtors	4,430,103	4,090,929
Amounts owed by group undertakings	24,947,611	42,459,064
Accrued income	1,184,049	2,543,979
Prepayments	189,829	450,652
Other debtors	294,201	274,174
Income tax asset	1,971,166	-
Deferred tax assets (note 18)	193,296	169,758
	<u>33,210,255</u>	<u>49,988,556</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:

\$399,860 (2016: \$369,758) of deferred tax and other debtors are classified as non current.

14. Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to \$292,648 (2016: \$376,668).

Contributions payable to the fund at year end amounted to \$Nil (2016: \$Nil)

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2017

15 Trade and other creditors

	2017	2016
	\$	\$
Trade creditors	186,091	307,235
Accrued expenses	801,717	1,082,183
Amounts due to group undertakings	14,030,642	18,019,558
Social security and other taxes	228,448	349,936
Income tax liability	-	772,110
Deferred income	2,324,927	2,970,097
	<u>17,571,825</u>	<u>23,501,119</u>

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

16 Trade and other creditors due after more than one year

	2017	2016
	\$	\$
Non-current accrued expenses	<u>53,847</u>	<u>46,856</u>

17 Other provisions

	National insurance on stock options \$	Total \$
At 1 October 2016	22,813	22,813
Additional provisions	<u>18,918</u>	<u>18,918</u>
At 30 September 2017	<u>41,731</u>	<u>41,731</u>

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2017

18 Deferred taxation asset

	2017 \$	2016 \$
Opening balance,	169,758	535,618
Movement arising during the year	23,538	(365,860)
Closing balance	<u>193,296</u>	<u>169,758</u>

The deferred tax asset consists of the following amounts:

	2017 \$	2016 \$
Decelerated capital allowances	146,000	143,904
Stock options	47,296	25,854
	<u>193,296</u>	<u>169,758</u>

There are \$508,699 (2016: \$530,003) of unused tax losses 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.

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2017

19 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	\$	No.	\$
Ordinary shares of £0.0001 each	<u>49,999,992</u>	<u>8,073</u>	<u>35,024,236,092</u>	<u>5,700,551</u>

During the year, 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.

20 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.

21 Dividends

	2017	2016
	\$	\$
Dividend paid to the parent company (\$0.34 dividend per share)	<u>16,970,043</u>	<u>-</u>

Actix Limited

Notes to the Financial Statements for the Year Ended 30 September 2017

22 Obligations under leases and hire purchase contracts

Operating leases

Commitments under non-cancellable operating leases are as follows:

	2017 \$	2016 \$
Land and buildings		
Within one year	304,048	435,414
In two to five years	-	232,949
	<u>304,048</u>	<u>668,363</u>

23 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.

24 Parent and ultimate parent undertaking

The company's immediate parent is Actix International Limited.

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

25 Events after the reporting date

There were no events after the reporting date noted.

26 Board approval

The Board of Directors approved and authorised the issue of the financial statements in respect of the year ended 30 September 2017 on 28/6/18