Financial statements as at
31 December 2016

Cibernet Limited

Registered No. 3074721

Registered office:

18 Mansell Street
London E1 8AA

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Cibernet Limited

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Directors' report

The directors present their report and financial statements for the year ended 31 December 2016.

Results and dividends

The profit before tax for the financial year amounted to £2,440,000 (2015 - loss of £1,339,000). During the year, no interim dividends were paid. The directors do not recommend the payment of a final dividend.

Principal activities and review of the business

The principal activity of Cibernet Limited is financial clearing and settlement and is an extension of Data Clearing Services performed by the Syniverse Group (the group of companies headed by Syniverse Holdings, Inc.) in the communications technology industry.

Revenue in 2016 and 2015 was the subscription revenue from those customers who continue to contract with Cibernet Limited.

Directors

The directors who served the company during 2016 and up until the filing of this report were as follows:

Laura Binion
Thomas Ford
Robert Reich

Small company exemptions

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

By order of the Board

Thomas Ford
Director
Date: 28th September 2017

The accompanying notes form an integral part of these unaudited financial statements

Statement of directors' responsibilities

The directors are responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards including FRS 102). 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 its profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper 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.

The shareholder has not required the company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of the accounts.

Cibernet Limited

Statement of comprehensive income

for the year ended 31 December 2016

	note	2016	2015
		£'000	£'000
Turnover	2	461	517
Cost of sales		(548)	(3,584)
Gross profit		(87)	(3,067)
Administrative expenses		(13)	(22)
Other operating income		2,540	1,750
Operating profit / (loss)	3	2,440	(1,339)
Income tax (expense) / benefit	4	(1,294)	440
Profit / (loss) for the financial year		**1,146**	**(899)**
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**1,146**	**(899)**

There were no recognised gains and losses other than the profit/(loss) for the financial year presented above, and accordingly no separate statement of total recognised gains and losses has been presented.

The accompanying notes form an integral part of these unaudited financial statements

Cibernet Limited

Statement of financial position

as at 31 December 2016

	note	2016	2015
		£'000	£'000
Fixed assets			
Shares in affiliate undertakings	6	6,354	6,354
Current assets			
Debtors: amounts falling due within year			
Other Debtors	7	62	687
Amounts owed by group undertakings		14,953	11,111
Cash at bank and in hand		187	1,428
		15,202	13,226
Current liabilities			
Creditors: amounts falling due within year			
Other creditors	8	(466)	(7)
Amounts owed to group undertakings		(452)	(81)
Total Liabilities		(918)	(88)
Net current assets		14,284	13,138
Total assets less current liabilities		20,638	19,492
Capital and reserves			
Called up share capital	9	73	73
Share premium account	10	9,008	9,008
Other reserves	10	5	5
Retained earnings	10	11,552	10,406
Total Equity		20,638	19,492

These financial statements have been prepared in accordance with the special provision for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities.

For the year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts; and
- these accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Signed on behalf of the Board of Directors:

Thomas Ford
Director
Date: 28th September 2017

The accompanying notes form an integral part of these unaudited financial statements

Cibernet Limited

Statement of changes in equity

as at 31 December 2016

	Called up share capital	Share premium account	Other reserves	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000
At 1 January 2015	73	2,654	5	11,305	14,037
Share premium	-	6,354	-	-	6,354
Profit / (loss) for the financial year	-	-	-	(899)	(899)
At 31 December 2015	**73**	**9,008**	**5**	**10,406**	**19,492**
Profit / (loss) for the financial year	-	-	-	1,146	1,146
At 31 December 2016	**73**	**9,008**	**5**	**11,552**	**20,638**

Retained earnings represents accumulated comprehensive income for the year and prior periods.

The accompanying notes form an integral part of these unaudited financial statements

1. Accounting policies

1.1. Statement of compliance

The individual financial statements of Cibernet Limited for the year ended 31 December 2016 have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

1.2. Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention. Certain comparative figures have been reclassified to conform to the presentation adopted in the current period.

1.3. Statement of cash flows

Under Financial Reporting Standard 102 the company is exempt from the requirement to prepare a statement of cash flows as the company is included in the publicly available group financial statements of Syniverse Holdings, Inc.

1.4. Turnover and revenue recognition

Turnover comprises data clearing and financial clearing revenue.

Data clearing turnover consists of per transaction processing fees. These fees are recognised at the time the transactions are processed.

Financial clearing turnover consists of fees for settlement, invoicing and consultancy services provided to telephone operators and carriers. These fees are recognised once the service has been delivered.

1.5. Taxation

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

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

1.6. Foreign currencies

Foreign currency transactions during the year are translated into sterling at the rates ruling on the dates of the transactions. Foreign currency balances at the year end are translated at the rate ruling at that date. Any exchange differences are charged to the profit and loss account in the period in which they arise.

1.7. Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

1.8. Interest

Interest is calculated using the opening and closing intercompany balance with a market rate of interest charged.

1.9. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

1.9.1. Critical judgements in applying the entity's accounting policies

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

1.9.2. Critical accounting estimates and assumptions

There are no key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

2. Turnover

The company carries on a single class of business, being the principal activity of financial clearing and settlement services, which is carried on entirely within the UK. All turnover, results and assets arise from this single class of business.

3. Operating profit / (loss)

Operating profit / (loss) is stated after charging/(crediting):

	2016	2015
	£'000	£'000
Other operating charges	548	3,584
Foreign exchange losses / (gains)	(2,540)	(1,750)

4. Directors' remuneration

In the current and prior years the directors have been remunerated by a fellow group undertaking in respect of qualifying service to the company, and it is not practical to allocate an appropriate amount to the company.

5. Tax

Tax expense included in statement of comprehensive income:

	2016	2015
	£'000	£'000
Current tax:		
UK corporation tax on the loss/profit for the year		
Total current tax	836	-
Deferred tax:		
Origination and reversal of timing differences	458	(440)
Income tax	**1,294**	**(440)**

5.1. Current tax charge for the year

The tax charge for the period differs from the standard rate of corporation tax in the UK of 20.0%. The differences are explained below:

	2016	2015
	£'000	£'000
Profit/(loss) on ordinary activities before taxation	2,440	(1,339)
Profit/(loss) on ordinary activities multiplied by standard rate of tax in UK of 20.0% (2015: 20.25%)	488	(271)
Effects of:		
Expenses not deductible for tax purposes	-	(177)
Accelerated capital allowances	(5)	(6)
Creation of tax losses		454
Prior year adjustments	353	-
Current tax	**836**	**-**

5.2. Deferred tax

The analysis of deferred tax is as follows:

	2016	2015
	£'000	£'000
Origination and reversal of timing differences	454	(448)
Adjustment in respect of previous periods	1	-
Effect of changes in tax rates	3	8
At 31 December 2016	**458**	**(440)**

	2016	2015
	£'000	£'000
At 1 January 2016	(479)	(39)
Deferred tax charge in profit and loss account for the year	458	(440)
At 31 December 2016	**(21)**	**(479)**

The accompanying notes form an integral part of these unaudited financial statements

6. Investment in subsidiary

Details of the investment in subsidiary is included in the table below

	2016	2015
	£'000	£'000
Investment in subsidiary	6,354	6,354
At 31 December 2016	**6,354**	**6,354**

On 5 January 2015, the Company acquired Syniverse Technologies Limited from another group company, Syniverse Holdings Limited, in exchange for an ordinary share in Cibernet Limited. This was part of a wider group reorganisation.

7. Other debtors

Details of other debtors are described in the table below.

	2016	2015
	£'000	£'000
Trade debtors	33	3
Other debtors	8	162
Corporation tax benefit receivable	-	47
Deferred taxes	21	475
At 31 December 2016	**62**	**687**

8. Other creditors

Details of other creditors are described in the table below.

	2016	2015
	£'000	£'000
Corporation tax payable	459	-
Other creditors	7	7
At 31 December 2016	**466**	**7**

9. Issued share capital

The Company's called up share capital consists of 72,900 (2015: 72,900) ordinary shares with a par value of £1 each.

10. Movements on reserves

	Share premium account	Other reserves	Retained earnings	Total
	£'000	£'000	£'000	£'000
At 1 January 2016	9,008	5	10,406	19,419
Profit / (loss) for the financial year	-	-	1,146	1,146
At 31 December 2016	9,008	5	11,552	20,565

11. Related party transactions

As 100% of the company's voting rights are controlled within the group headed by Syniverse Holdings, Inc., the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Syniverse Holdings, Inc., within which this company is included, can be obtained from the address given in note 11.

12. Ultimate parent undertaking and controlling party

The immediate parent undertaking of the company is Syniverse Technologies S.a.r.l., a company incorporated in Luxembourg.

The ultimate parent undertaking is the Carlyle Group and affiliated funds that own 99% of Syniverse Corporation., which owns 100% of Syniverse Holdings, Inc., a company incorporated in Delaware and the Company's indirect parent.

The Company's accounting information is included in the Syniverse Holdings, Inc. consolidation. Copies of Syniverse Holdings, Inc. financial statements may be obtained from Syniverse Holdings, Inc., 8125 Highwoods Palm Way, Tampa, Florida 33647, U.S.A.