

IPC Information Systems UK Holdings Limited

Report and Financial Statements

30 September 2018



Company information

Directors

D Hart

L Pennington-Benton

Secretary

L Pennington-Benton

Auditor

Ernst & Young LLP

1 More London Place

London SE1 2AF

Registered Office

Tower House

65 Clifton Street

Quick House, 2nd floor

London EC2A 4JE

United Kingdom

Bankers

JP Morgan Chase Bank, N.A. – London Branch

25 Bank Street

London E14 5JP

United Kingdom

Strategic report

The directors present their strategic report and the financial statements for the year ended 30 September 2018.

Principal activity and review of the business

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

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

	2018 £	2017 £	Change %
Income from investments	7,516,052	–	100.0%
Profit / (loss) before tax	6,988,329	(47,903,567)	(114.6%)
Shareholders' funds	87,631,602	80,850,519	8.4%

There were dividends received from subsidiary undertakings during the year of £7,516,052.

Principal risks and uncertainties

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

Market risk

The company's subsidiary undertakings principal activity is the sale, installation and servicing of telephone systems mainly to the financial services community and, to a certain extent its revenues are linked to the state of the financial markets.

Competitive risk

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

Credit risk

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

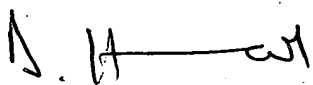
Strategic report (continued)

Principal risks and uncertainties (continued)

Liquidity risk

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

Approved by the Board on 26 June 2019 and signed on its behalf by:



D Hart
Director

Registered No. 5887371

Directors' report

The directors present their report and financial statements for the year ended 30 September 2018.

Dividends

The directors do not recommend a final dividend (2017 – £nil). Interim dividends of £nil (2017 – £nil) have been paid during the year.

Directors

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

D Hart

L Pennington-Benton

Future developments

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

Events since the balance sheet date

The company entered into a credit agreement with HPS Investment Partners, LLC for \$25m on 22 January 2019. This loan is repayable on 6 January 2020 and interest is charged at LIBOR + 6.50%.

Going concern

The financial statements have been prepared on a going concern basis. As referred to in note 14, in January 2019 the company took out a \$25m credit agreement with various lenders and HPS Investment Partners, LLC as administrative agent and collateral agent, which is due for repayment in January 2020. The company has the support of its ultimate parent undertaking IPC Corp., which has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as needed by the company to meet its liabilities as they fall due. IPC Corp. also has a letter of support from the ultimate beneficial owners Centerbridge Capital Partners II L.P. which covers the period through to 30 June 2020. On this basis the directors have concluded that any material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern are covered by the letter of support from the ultimate beneficial owners and they consider it appropriate to prepare the financial statements on a going concern basis.

Directors' qualifying third party indemnity provision

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

Disclosure of information to the auditor

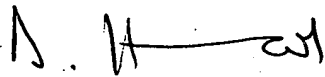
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's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

Directors' report (continued)

Auditor

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

Approved by the Board on 26 June 2019 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'D. Hart', followed by a horizontal line and a small flourish.

D Hart
Director

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of IPC Information Systems UK Holdings Limited

Opinion

We have audited the financial statements of IPC Information Systems UK Holdings Limited for the year ended 30 September 2018 which comprise the Income Statement, the Statement of Comprehensive Income, and the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 15, 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 2018 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 were:

- 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.

Independent auditors' report (continued)

to the members of IPC Information Systems UK Holdings Limited

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 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, 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.

Independent auditors' report (continued)

to the members of IPC Information Systems UK Holdings Limited

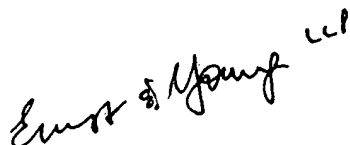
Auditor's responsibilities for the audit of the financial statements

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

A handwritten signature in black ink, appearing to read 'Ernst & Young' with a stylized flourish at the end.

Mirco Bardella (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
26 June 2019

Income Statement

for the year ended 30 September 2018

	Notes	2018 £	2017 £
Income from investments		7,516,052	–
Impairment of investments	7	(251,300)	(47,600,752)
Operating profit / (loss)		7,264,752	(47,600,752)
Interest receivable and similar income	4	–	381
Interest payable and similar charges	5	(276,423)	(303,196)
Profit / (loss) on ordinary activities before taxation		6,988,329	(47,903,567)
Tax on profit / (loss) on ordinary activities	6	51,211	59,049
Profit / (loss) for the financial year		7,039,540	(47,844,518)

All amounts relate to continuing activities.

Statement of Comprehensive Income

for the year ended 30 September 2018

	Notes	2018 £	2017 £
Profit / (loss) for the financial year		7,039,540	(47,844,518)
Finance income related to unwinding of discount on long-term loans	4	535,856	252,380
Finance expense related to unwinding of discount on long-term loans	5	(794,313)	(252,380)
		6,781,083	(47,844,518)

Statement of Changes in Equity

for the year ended 30 September 2018

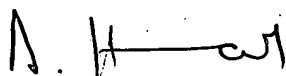
	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total share- holders' funds</i>
	£	£	£
At 1 October 2016	98,426,687	30,268,350	128,695,037
Loss for the year	–	(47,844,518)	(47,844,518)
Other comprehensive loss	–	–	–
Total comprehensive loss	–	(47,844,518)	(47,844,518)
At 1 October 2017	98,426,687	(17,576,168)	80,850,519
Profit for the year	–	7,039,540	7,039,540
Other comprehensive loss	–	(258,457)	(258,457)
Total comprehensive income	–	6,781,083	6,781,083
At 30 September 2018	98,426,687	(10,795,085)	87,631,602

Statement of Financial Position

at 30 September 2018

	Notes	2018 £	2017 £
Fixed assets			
Investments	7	91,312,767	91,564,067
		<u>91,312,767</u>	<u>91,564,067</u>
Current assets			
Debtors – amounts falling due within one year	8	176,114	124,569
Debtors – amounts falling due after more than one year	8	14,028,389	13,120,664
Cash at bank and in hand		490	490
		<u>14,204,993</u>	<u>13,245,723</u>
Creditors: amounts falling due within one year	9	<u>(5,683,387)</u>	<u>(6,003,462)</u>
Net current assets		<u>8,521,606</u>	<u>7,242,261</u>
Total assets less current liabilities		<u>99,834,373</u>	<u>98,806,328</u>
Creditors: amounts falling due after more than one year	10	<u>(12,202,771)</u>	<u>(17,955,809)</u>
Net assets		<u>87,631,602</u>	<u>80,850,519</u>
Capital and reserves			
Called up share capital	11	98,426,687	98,426,687
Profit and loss account		<u>(10,795,085)</u>	<u>(17,576,168)</u>
Shareholders' funds		<u>87,631,602</u>	<u>80,850,519</u>

Approved by the Board on 26 June 2019 and signed on its behalf by:



D Hart
Director

Notes to the financial statements

at 30 September 2018

1. Accounting policies

Statement of compliance

IPC Information Systems UK Holdings Limited is a limited company incorporated in England. The registered office is 65 Clifton Street, Quick House, 2nd floor, London EC2A 4JE.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ending 30 September 2018.

Basis of preparation

The financial statements of IPC Information Systems UK Holdings Limited were authorized for issue by the board of directors on 26 June 2019.

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards.

The financial statements are prepared in sterling which is the functional currency of the company and in whole pounds.

The Company has taken advantage of the following disclosure exemptions:-

- The requirements of Section 7 Statement of Cash Flows and Section 2 Financial Statement Presentation paragraph 3.17 (d)
- The requirements of Section 33 Related Party Disclosures paragraphs 33.1A and 33.7
- The requirements of Section 11 Basic Financial Instruments paragraphs 11.39 to 11.48A

The exemptions stated above are available to the company as it is a member of a group where the parent company of that group prepares publically available consolidated financial statements.

Going concern

The financial statements have been prepared on a going concern basis. As referred to in note 14, in January 2019 the company took out a \$25m credit agreement with various lenders and HPS Investment Partners, LLC as administrative agent and collateral agent, which is due for repayment in January 2020. The company has the support of its ultimate parent undertaking IPC Corp., which has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as needed by the company to meet its liabilities as they fall due. IPC Corp. also has a letter of support from the ultimate beneficial owners Centerbridge Capital Partners II L.P. which covers the period through to 30 June 2020. On this basis the directors have concluded that any material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern are covered by the letter of support from the ultimate beneficial owners and they consider it appropriate to prepare the financial statements on a going concern basis.

Group financial statements

The company has taken advantage of the exemption from the requirement to prepare group financial statements conferred by section 401 of the Companies Act 2006 on the basis that the company and its subsidiary are group into the group financial statements of IPC Corp., a company incorporated in the United States of America. These financial statements therefore disclose information about the company as an entity and not about its group.

Notes to the financial statements

at 30 September 2018

1. Accounting policies (continued)

Dividends

Revenue is recognised when the company's right to receive payment is established.

Investments

Fixed asset investments are initially recorded at cost.

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

Financial instruments

Intercompany loan notes which are basic financial instruments are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortised cost using the effective interest method. Loan notes receivable within one year are not discounted.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Deferred taxation

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Notes to the financial statements

at 30 September 2018

1. Accounting policies (continued)

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses for the year. The nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of investments

Where there are indicators of impairment of individual assets, the company performs impairment tests based on a value in use calculation. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budgets for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the investment. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Taxation

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

2. Operating profit

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

3. Directors' remuneration and staff costs

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

The company has no employees other than the directors.

4. Interest receivable and similar income

	2018	2017
<i>Included in Income Statement:</i>	£	£
Foreign exchange gain on loans from fellow group undertakings	—	381
<i>Included in Other Comprehensive Income:</i>		
Finance income from unwinding of discount on intercompany loan	535,856	252,380

Notes to the financial statements

at 30 September 2018

5. Interest payable and similar charges

	2018	2017
	£	£
<i>Included in Income Statement:</i>		
Interest payable on loans from fellow group undertakings	276,317	303,196
Foreign exchange loss on loans from fellow group undertakings	106	–
	<u>276,423</u>	<u>303,196</u>
<i>Included in Other Comprehensive Income:</i>		
Finance expense from unwinding of discount on intercompany loan	<u>794,313</u>	<u>252,380</u>

6. Tax

(a) Tax on profit on ordinary activities

The tax credit is made up as follows:

	2018	2017
	£	£
<i>Current tax:</i>		
UK corporation tax on the profit / (loss) for the year	(52,520)	(59,049)
Under provision in prior years	1,309	–
Tax credit on ordinary activities	<u>(51,211)</u>	<u>(59,049)</u>

(b) Factors affecting tax credit for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19.0% (2017 – 19.5%). The differences are explained below:

	2018	2017
	£	£
Profit / (loss) on ordinary activities before tax	<u>6,988,329</u>	<u>(47,903,567)</u>
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2017 – 19.5%)	1,327,783	(9,341,196)
<i>Effects of:</i>		
Income not taxable	(1,428,050)	–
Expenses not deductible for tax purposes	47,747	9,282,147
Adjustments to tax charge in respect of previous years	1,309	–
Total tax credit for the year	<u>(51,211)</u>	<u>(59,049)</u>

Notes to the financial statements

at 30 September 2018

6. Tax (continued)

(c) Deferred tax

The company has no recognised or unrecognised deferred tax assets.

(d) Factors that may affect future tax charge

The UK rate of corporation tax reduced to 19% from 1 April 2017. A further reduction from 19% to 17% effective 1 April 2020 has also been announced. This reduction was substantively enacted prior to the balance sheet date and therefore a rate of 17% has been used in calculating deferred tax balances.

7. Investments

	<i>Subsidiary undertakings £</i>
Cost:	
At 1 October 2017 and 30 September 2018	<u>139,164,819</u>
Impairment:	
At 1 October 2017	47,600,752
Provided during the year	<u>251,300</u>
At 30 September 2018	<u>47,852,052</u>
Net book value:	
At 30 September 2018	<u>91,312,767</u>
At 1 October 2017	<u>91,564,067</u>

At the year end, the company carried out an impairment assessment. The carrying values of the investments have been compared to the recoverable amounts, represented by their value in use to the company. The value in use has been derived from discounted cash flow projections using a pre-tax discount rate of 10.2%. Cashflows have been projected over five years based on management's most recent business forecast, after which a steady growth rate of 4% has been assumed.

Notes to the financial statements

at 30 September 2018

7. Investments (continued)

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

<i>Name of company</i>	<i>Country of incorporation if not Great Britain</i>	<i>Holding</i>	<i>Effective proportion held</i>
IPC Information Systems Canada Inc.	Canada	Ordinary	100%
IPC Network Services UK Holdings Limited		Ordinary	100%
IPC UK Holdings Limited		Ordinary	100%
Extra UK Holdings Limited		Ordinary	100%
IPC NS UK SPC Limited *		Ordinary	100%
IPC Network Services Limited *		Ordinary	100%
IPC Information Systems Switzerland GmbH *	Switzerland	Ordinary	100%
IPC UK SPC Limited *		Ordinary	100%
IPC Information Systems France SARL *	France	Ordinary	100%
Purple Voice Holdings Limited *		Ordinary	100%
IPC Information Systems GmbH *	Germany	Ordinary	100%
IPC Info Systems (Shanghai) Ltd. *	China	Ordinary	100%
PT IPC Information Systems Indonesia *	Indonesia	Ordinary	10%
IPC Russia LLC *	Russia	Ordinary	100%
IPC Network Services EMEA Limited *		Ordinary	100%
Westcom Europe Limited *		Ordinary	100%
Lexar UK Limited *		Ordinary	100%
Westcom Dedicated Private Lines Limited *		Ordinary	100%
IPC Information Systems *		Ordinary	100%
V Band Limited *		Ordinary	100%
IPC Information Systems SRL *	Italy	Ordinary	100%
Purple Voice Limited *		Ordinary	100%
Purple Voice, Inc. *	U.S.A.	Ordinary	100%
Extra GP LLP *	U.S.A.	Ordinary	100%
Extra Knight Holdings (Cayman) L.P. *	Cayman Islands	Ordinary	100%
NB Investment Holdings S.a.r.l. *	Luxembourg	Ordinary	100%
Extra Etrali Holdings SAS **	France	Ordinary	100%
Etrali S.A. *	France	Ordinary	100%
Etrali France S.A. **	France	Ordinary	100%
Etrali UK Limited *		Ordinary	100%
Etrali GmbH *	Germany	Ordinary	100%
Etrali (Suisse) S.A. *	Switzerland	Ordinary	100%
Etrali Espagne SA *	Spain	Ordinary	100%
Etrali Technology Trading Co. Limited *	China	Ordinary	100%
Etrali Limited *	Hong Kong	Ordinary	100%
Etrali KK *	Japan	Ordinary	100%
Etrali Singapore Pte Limited *	Singapore	Ordinary	100%
Etrali Australia Pty Limited *	Australia	Ordinary	100%
Etrali North America LLC *	U.S.A.	Ordinary	100%

* Held by subsidiary undertaking

Notes to the financial statements

at 30 September 2018

8. Debtors

Amounts falling due within one year:

	2018	2017
	£	£
Amounts owed by fellow group undertakings	176,114	124,569
	<u>176,114</u>	<u>124,569</u>

Amounts falling due after more than one year:

	2018	2017
	£	£
Amounts owed by fellow group undertakings (note 12)	14,028,389	13,120,664
	<u>14,028,389</u>	<u>13,120,664</u>

The company has various loans from Extra UK Holdings Limited totalling £16,014,417 all of which are due in more than one year. These loans are not interest bearing and are all repayable on 6 February 2022. The present value of these non-interest bearing loans is £14,028,389.

9. Creditors: amounts falling due within one year

	2018	2017
	£	£
Amounts payable to fellow group undertakings	5,634,000	5,634,000
Amounts payable to parent undertaking	49,387	369,462
	<u>5,683,387</u>	<u>6,003,462</u>

All amounts payable to fellow group undertakings and parent undertaking are repayable on demand and do not bear any interest.

10. Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Amounts payable to parent undertaking (note 12)	12,202,771	17,955,809
	<u>12,202,771</u>	<u>17,955,809</u>

The company has various loans from IPC Information Systems UK Limited totalling £13,930,342 all of which are due in more than one year. These loans are not interest bearing and are all repayable on 6 February 2022. The present value of these non-interest bearing loans is £12,202,771.

Notes to the financial statements

at 30 September 2018

11. Issued share capital

		2018		2017
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Ordinary shares of £1 each	98,426,687	<u>98,426,687</u>	98,426,687	<u>98,426,687</u>

The company is a limited private company with share capital.

12. Financial instruments

Intercompany loans receivable, included within debtors due after more than one year (Note 8), are analysed as follows:

	2018	2017
	<i>£</i>	<i>£</i>
Repayable within two to five years	<u>14,028,389</u>	<u>13,120,664</u>

Details of loans repayable within two to five years are follows:

	2018	2017
	<i>£</i>	<i>£</i>
Interest free unsecured GBP loan repayable on 6 February 2022	1,751,970	1,677,561
Interest free unsecured USD loan repayable on 6 February 2022	11,722,672	10,920,809
Interest free unsecured EUR loan repayable on 6 February 2022	<u>553,747</u>	<u>522,294</u>
	<u>14,028,389</u>	<u>13,120,664</u>

The repayment value of these loans on 6 February 2022 is £16,014,417.

Intercompany loans payable, included within creditors due after more than one year (note 10), are analysed as follows:

	2018	2017
	<i>£</i>	<i>£</i>
Repayable within two to five years	<u>12,202,771</u>	<u>17,955,809</u>

Details of loans repayable within two to five years are follows:

	2018	2017
	<i>£</i>	<i>£</i>
Interest bearing unsecured GBP loan repayable on 29 September 2021	–	4,835,145
Interest free unsecured GBP loan repayable on 6 February 2022	–	1,677,561
Interest free unsecured USD loan repayable on 6 February 2022	11,649,024	10,920,809
Interest free unsecured EUR loan repayable on 6 February 2022	<u>553,747</u>	<u>522,294</u>
	<u>12,202,771</u>	<u>17,955,809</u>

The repayment value of the loans with a repayment date of 6 February 2022 is £13,930,342.

Notes to the financial statements

at 30 September 2018

13. Related party transactions

The company has taken advantage of the exemption in FRS 102.33.1A not to disclose related party transactions with fellow wholly-owned subsidiary undertakings of IPC Corp group, which prepares publicly available consolidated financial statements (see note 15).

14. Post balance sheet events

The company entered into a credit agreement with HPS Investment Partners, LLC for \$25m on 22 January 2019. This loan is repayable on 6 January 2020 and interest is charged at LIBOR + 6.50%.

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

15. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is IPC Information Systems UK Limited.

IPC Corp, a company incorporated in the United States of America, is the parent undertaking of the only group for which group financial statements are prepared, and of which the company is a member as at 30 September 2018. Its group financial statements are publicly available from The Registrar, Companies House, and Crown Way, Cardiff, CF14 3UZ.

The directors consider the company's ultimate controlling party to be Centerbridge Capital Partners II, L.P. as at 30 September 2018.