

IPC Information Systems UK Holdings Limited

Report and Financial Statements

30 September 2021



IPC Information Systems UK Holdings Limited

Company Information

Directors

J Hogg

C Nunn

Secretary

J Tonks

Auditor

Ernst & Young LLP

1 More London Place

London SE1 2AF

Registered Office

11th Floor, 40 Bank Street

Canary Wharf

London E14 5NR

United Kingdom

Bankers

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

25 Bank Street

London E14 5JP

United Kingdom

IPC Information Systems UK Holdings Limited

Strategic report

The directors present their strategic report and the financial statements for the year ended 30 September 2021.

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 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:

	2021	2020	Change
	£	£	%
Impairment of investments	3,356,614	11,615,644	(71.1%)
Loss before tax	(6,132,056)	(13,841,190)	(55.7%)
Shareholders' funds	66,215,620	71,228,492	(7.0%)

For additional details of the impairment of investments see note 7.

Principal risks and uncertainties

The principal risks and uncertainties facing the company are those faced by its subsidiary undertakings as the company is a parent undertaking 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. These risks will also exist in subsidiary undertakings.

IPC Information Systems UK Holdings Limited

Strategic report (continued)

Liquidity risk

This is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company and its subsidiaries aim 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.

Covid-19

The Company's operating subsidiaries have continued to trade with limited impact during the Covid-19 pandemic. The goods and services provided to customers by the Company's operating subsidiaries are key in allowing the customers to themselves continue to do business. There has therefore been a limited impact on trading operations as a result of the pandemic.

Section 172 Statement

The directors of IPC Information Systems UK Holdings Limited are mindful of their duty under s.172(1) (a) to (f) of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and having regard to the likely consequences of any decisions in the long term; the interests of the Company's employees; the need to foster the Company's business relationships with customers, suppliers and others; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly between members of the Company.

As an intermediate holding company for a number of subsidiaries in the IPC Group, the Company's principal activity is closely aligned with that of the Group. The directors of the Company are therefore guided by the Group's culture, strategy and corporate governance policies. The directors of the Company however recognize that their statutory duties are owed to the Company and believe that when taking board decisions, that they acted in a way that they consider, in good faith, would be most likely to promote the success of the Company, having regard to those matters set out in section 172 of the Companies Act 2006.

As a holding company with no employees, third party suppliers or customers, the directors do not consider the factors listed in sections 172 (1)(b), interests of employees, 172(1)(c), relationships with suppliers and customers, or 172(1)(d), impact of operations on the community and environment, as relevant to the proper discharge of their duties pursuant to section 172. As a wholly owned subsidiary, the directors also do not consider section 172(1)(f), regard to the need to act fairly as between members, as relevant to the proper discharge of their duties. The only matters that are relevant to the Company are in relation to internal stakeholders, primarily in relation so, as relevant, passing through dividends from subsidiaries to the ultimate parent company of the group, writing down investments in subsidiaries, and disposing of investments in subsidiaries either to the group or externally.

IPC Information Systems UK Holdings Limited

Strategic report (continued)

Section 172 Statement (continued)

Dividends are declared depending on the profits available for distribution in accordance to the legislation contained in Part 23 of CA 2006 and also considering the solvency of the Company.

Shareholders, Lenders and Other Stakeholders

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.

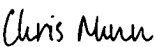
To ensure a more efficient and effective approach, shareholder and lender engagement is led at an IPC group level. Shareholder engagement is of group-wide significance and has the potential to impact the reputation of the IPC Group.

Any decisions taken will be aligned to the strategy and standards of the IPC Group, taking into account a broad range of interests; however, in balancing those interests, it isn't always possible to deliver everyone's desired outcome.

Guarantees and other commitments

The company is jointly and severally liable, along with eighteen other group undertakings, for the due and punctual payment and performance of the secured obligations under five credit facilities for a total of \$1,145,225,743. There is additionally a charge over the assets of the company associated with this guarantee (see note 14).

Approved by the Board on 30 June 2022 and signed on its behalf by:

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C Nunn
Director

IPC Information Systems UK Holdings Limited

Registered No. 5887371

Directors' report

The directors present their report and financial statements for the year ended 30 September 2021. Information in relation to the review of the business, future outlook and principal risks and uncertainties is now included in the Strategic Report, as required by section 414 C (11) of the Companies Act 2006.

Dividends

The directors do not recommend a final dividend (2020 – £nil). Interim dividends of £nil (2020 – £nil) have been paid during the year.

Directors

The directors who served the company during the year and up to the date of this report, unless otherwise indicated, were as follows:

D Hart	resigned 22 February 2022
J Hogg	
C Nunn	appointed 14 February 2022

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

On 1 October 2021, IPC Corp., the ultimate parent, successfully refinanced its credit agreements and as a result of the restructure of this financing now has credit agreements in place totalling \$700,000,000. The company continues to act as a guarantor over these new credit agreements, jointly and severally liable with 18 other companies

Going concern

The financial statements have been prepared on a going concern basis.

The directors have reviewed the current financial performance and position of the company including consideration of the impact of COVID-19 on future performance of the company and are confident it will not lead to the company no longer being a going concern. The company is in a net asset but net current liabilities position.

IPC Information Systems UK Holdings Limited

Directors' report (continued)

Going concern (continued)

Therefore, in the event that it is not possible for the company to meet its liabilities as they fall due and also due to the company being commercially interdependent on its ultimate parent IPC Corp., IPC Corp. has also agreed to provide financial support to the company in meeting its liabilities as and when they fall due until 30 June 2023 being the going concern period.

In assessing the ultimate parent's ability to provide such support, the directors of the company have obtained and reviewed the ultimate parent company's going concern assessment as well as related budgets and forecasts. The ultimate parent company's future outlook is positive and the budget for the year ending 30 September 2022 and the five-year model to 30 September 2026 show both top line and bottom line growth year on year. The directors of the company also note that the ultimate parent company has successfully restructured its debt by securing a new loan which matures on 1 October 2026 to repay the old debt, and that the ultimate parent company's projected financial information indicates that it will be able to meet all its obligations including its interest and principal repayments on its outstanding credit facilities, as well as meet all its financial covenant requirements under the new credit facilities until 30 June 2023.

The directors therefore consider it appropriate to prepare financial statements on a going concern basis

Streamlined Energy and Carbon Reporting (SECR)

The company has not consumed more than 40,000 kWh of energy in the reporting period and is therefore exempt from providing further information under The Companies (Director's Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

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.

IPC Information Systems UK Holdings Limited

Directors' report (continued)

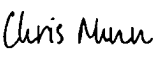
Disclosure of information to the auditor

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

Reappointment of the auditor

Pursuant to section 487 of the Companies Act 2006, the auditor is deemed to be reappointed and Ernst & Young LLP will continue in office.

Approved by the Board on 30 June 2022 and signed on its behalf by:

DocuSigned by:

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C Nunn
Director

IPC Information Systems UK Holdings Limited

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the company will continue in business; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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

Independent auditor's report

to the members of IPC Information Systems UK Holdings Limited

Opinion

We have audited the financial statements of IPC Information Systems UK Holdings Limited ('the company') for the year ended 30 September 2021 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 16, 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 2021 and of its loss 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. 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.

Independent auditor's report (continued)

to the members of IPC Information Systems UK Holdings Limited

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period until 30 June 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 contained within the annual report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Independent auditor's report (continued)

to the members of IPC Information Systems UK Holdings Limited

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 8, 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.

Independent auditor's report (continued)

to the members of IPC Information Systems UK Holdings Limited

Auditor's responsibilities for the audit of the financial statements (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to reporting framework FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), Companies Act 2006, The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 (SI 2013/1990), The Companies (Miscellaneous Reporting) Regulations 2018 (SI 2018/860), The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (SI 2018/1155) and relevant tax compliance regulations in the jurisdiction in which the company operates.
- We understood how the company is complying with those frameworks by making enquiries of management and observing the oversight of those charged with governance.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by gaining an understanding of the entity level controls and policies that the company applies. In doing so, we focused on the recoverability of investments and intercompany receivables and executed procedures to address this risk.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:
 - Enquiry of management, those charged with governance and the entity's in-house legal team for actual and potential litigation and claims;
 - Reading minutes of meetings of those charged with governance;
 - Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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.

Independent auditor's report (continued)

to the members of IPC Information Systems UK Holdings Limited

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.

Ernst & Young LLP

Jacqueline Ann Geary (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

30 June 2022

IPC Information Systems UK Holdings Limited

Income statement

for the year ended 30 September 2021

		2021	2020
	Notes	£	£
Administration costs		—	—
Operating loss	2	—	—
Impairment of investments	7	(3,356,614)	(11,615,644)
Interest receivable and similar income	4	1,067,903	1,236,890
Interest payable and similar charges	5	(3,843,345)	(3,462,436)
Loss before taxation		(6,132,056)	(13,841,190)
Tax on loss	6	506,686	402,908
Loss for the financial year		<u>(5,625,370)</u>	<u>(13,438,282)</u>

All amounts relate to continuing activities.

Statement of comprehensive income

for the year ended 30 September 2021

		2021	2020
	Notes	£	£
Loss for the financial year		(5,625,370)	(13,438,282)
Finance income related to unwinding of discount on long-term loans	4	612,498	658,081
Total Comprehensive Loss		<u>(5,012,872)</u>	<u>(12,780,201)</u>

IPC Information Systems UK Holdings Limited

Statement of changes in equity**for the year ended 30 September 2021**

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total share- holders' funds</i>
	<i>£</i>	<i>£</i>	<i>£</i>
At 1 October 2019	98,426,687	(14,417,994)	84,008,693
Loss for the year	–	(13,438,282)	(13,438,282)
Other comprehensive loss	–	658,081	658,081
Total comprehensive loss	–	(12,780,201)	(12,780,201)
At 1 October 2020	98,426,687	(27,198,195)	71,228,492
Loss for the year	–	(5,625,370)	(5,625,370)
Other comprehensive income	–	612,498	612,498
Total comprehensive loss	–	(5,012,872)	(5,012,872)
At 30 September 2021	98,426,687	(32,211,067)	66,215,620

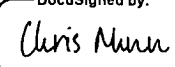
IPC Information Systems UK Holdings Limited

Statement of Financial Position

at 30 September 2021

	Notes	2021 £	2020 £
Fixed assets			
Investments	7	75,368,355	78,724,969
Current assets			
Debtors – amounts falling due within one year	8	40,562,903	25,026,585
Debtors – amounts falling due after more than one year	8	–	15,452,162
Cash at bank and in hand		337	353
		40,563,240	40,479,100
Creditors: amounts falling due within one year	9	(49,715,975)	(47,975,577)
Net current liabilities		(9,152,735)	(7,496,477)
Total assets less current liabilities		66,215,620	71,228,492
Net assets		66,215,620	71,228,492
Capital and reserves			
Called up share capital	10	98,426,687	98,426,687
Profit and loss account		(32,211,067)	(27,198,195)
Shareholders' funds		66,215,620	71,228,492

Approved by the Board on 30 June 2022 and signed on its behalf by:

DocuSigned by:

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C Nunn
 Director

IPC Information Systems UK Holdings Limited

Notes to the financial statements

at 30 September 2021

1. Accounting policies

Statement of compliance

IPC Information Systems UK Holdings Limited is a private company limited by shares incorporated in the UK and registered in England & Wales. The registered office is 11th Floor, 40 Bank Street, Canary Wharf, London E14 5NR.

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 ended 30 September 2021.

Basis of preparation

The financial statements of IPC Information Systems UK Holdings Limited were authorized for issue by the board of directors on 30 June 2022.

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 undertaking of that group prepares publicly available group financial statements.

Going concern

The financial statements have been prepared on a going concern basis.

The directors have reviewed the current financial performance and position of the company including consideration of the impact of COVID-19 on future performance of the company and are confident it will not lead to the company no longer being a going concern. The company is in a net asset but net current liabilities position.

Therefore, in the event that it is not possible for the company to meet its liabilities as they fall due and also due to the company being commercially interdependent on its ultimate parent IPC Corp., IPC Corp. has also agreed to provide financial support to the company in meeting its liabilities as and when they fall due until 30 June 2023 being the going concern period.

Notes to the financial statements

at 30 September 2021

1. Accounting policies (continued)

Going concern (continued)

In assessing the ultimate parent's ability to provide such support, the directors of the company have obtained and reviewed the ultimate parent company's going concern assessment as well as related budgets and forecasts. The ultimate parent company's future outlook is positive and the budget for the year ending 30 September 2022 and the five-year model to 30 September 2026 show both top line and bottom line growth year on year. The directors of the company also note that the ultimate parent company has successfully restructured its debt by securing a new loan which matures on 1 October 2026 to repay the old debt, and that the ultimate parent company's projected financial information indicates that it will be able to meet all its obligations including its interest and principal repayments on its outstanding credit facilities, as well as meet all its financial covenant requirements under the new credit facilities until 30 June 2023.

The directors therefore consider it appropriate to prepare 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 subsidiaries are included in 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.

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.

IPC Information Systems UK Holdings Limited

Notes to the financial statements

at 30 September 2021

1. Accounting policies (continued)

Interest receivable and payable

Interest receivable and payable are recognised on an accruals basis.

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 reporting date.

All differences are taken to profit or loss.

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 reporting 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 investee is not yet committed to or significant future investments that will enhance the 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.

2. Operating loss

Auditor's remuneration in the current and preceding year has been borne by the company's subsidiary undertaking, IPC Information Systems, for £23,700 and £21,000 respectively.

3. Directors' remuneration

The directors of the company are also directors of, and are paid by, other companies in the group in the current and prior year. They have minimal qualifying services to the company and receive no remuneration in respect of the company.

IPC Information Systems UK Holdings Limited

Notes to the financial statements

at 30 September 2021

4. Interest receivable and similar income

	2021	2020
<i>Included in Income Statement:</i>	£	£
Foreign exchange gain on loans	<u>1,067,903</u>	<u>1,236,890</u>
<i>Included in Other Comprehensive Income:</i>		
Finance income from unwinding of discount on intercompany loan	<u>612,498</u>	<u>658,081</u>

5. Interest payable and similar charges

	2021	2020
<i>Included in Income Statement:</i>	£	£
Interest payable on third party debt	<u>3,843,345</u>	<u>3,462,436</u>
	<u>3,843,345</u>	<u>3,462,436</u>

6. Tax

(a) Tax on loss

The tax credit is made up as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax on the loss for the year	(527,334)	(422,854)
Withholding taxes	20,648	19,946
Tax credit	<u>(506,686)</u>	<u>(402,908)</u>

IPC Information Systems UK Holdings Limited

Notes to the financial statements

at 30 September 2021

6. Tax (continued)

(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% (2020 – 19.0%). The differences are explained below:

	2021	2020
	£	£
Loss before tax	(6,132,056)	(13,841,190)
Loss multiplied by standard rate of corporation tax in the UK of 19.0% (2020 – 19.0%)	(1,165,091)	(2,629,826)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	637,757	2,206,972
Withholding taxes	20,648	19,946
Total tax credit for the year	(506,686)	(402,908)

(c) Deferred tax

The company has no recognised or unrecognised deferred tax assets.

(d) Factors that may affect future tax charge

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2021 (on 24 May 2021). These include increases to the main rate to 25% from 1 April 2023. The company has no deferred tax balance at the period end so measuring this at 25 percent would result in neither a deferred tax gain nor a deferred tax loss.

IPC Information Systems UK Holdings Limited

Notes to the financial statements

at 30 September 2021

7. Investments

	<i>Subsidiary undertakings £</i>
Cost:	
At 1 October 2020 and 30 September 2021	<u>139,164,819</u>
Impairment:	
At 1 October 2020	60,439,850
Provided during the year	<u>3,356,614</u>
At 30 September 2021	<u>63,796,464</u>
Net book value:	
At 30 September 2021	<u>75,368,355</u>
At 1 October 2020	<u>78,724,969</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 15.5% and 11.9% for the company's investments in IPC UK Holdings Limited and Extra UK Holdings Limited respectively (2020: 15.0% and 12.1%). Cashflows have been projected over five years based on management's most recent business forecast, after which a steady growth rate of 3.0% and 3.0% (2020: 3.0% and 3.0%) has been assumed for IPC UK Holdings Limited and Extra UK Holdings Limited respectively. As a result of this analysis, it was concluded that the carrying value of Extra UK Holdings Limited exceeded its value in use, therefore management has recognised an impairment charge of £3,356,614 in the current year.

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 England</i>	<i>Holding</i>	<i>Proportion of voting rights and shares 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 UK Holdings Limited

Notes to the financial statements

at 30 September 2021

7. Investments (continued)

<i>Name of company</i>	<i>Country of incorporation if not England</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>
IPC Information Systems Switzerland GmbH *	Switzerland	Ordinary	100%
IPC UK SPC Limited *		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 Network Services EMEA Limited *		Ordinary	100%
Westcom Europe Limited *		Ordinary	100%
Lexar UK 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%
IPC France Holdings SAS ** (formerly Extra Etrali Holdings SAS)	France	Ordinary	100%
IPC France S.A. * (formerly Etrali S.A.)	France	Ordinary	100%
IPC Systems France S.A. * (formerly Etrali France S.A.)	France	Ordinary	100%
Etrali UK Limited *		Ordinary	100%
Etrali GmbH *	Germany	Ordinary	100%
Etrali (Suisse) S.A. *	Switzerland	Ordinary	100%
IPC Information Systems Spain SAU* (formerly 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%

IPC Information Systems UK Holdings Limited

Notes to the financial statements

at 30 September 2021

7. Investments (continued)

* Held by subsidiary undertaking

The registered addresses for subsidiary undertakings registered in England are 11th Floor, 40 Bank Street, Canary Wharf, London E14 5NR.

The registered addresses for subsidiary undertakings registered in Canada are 50 Queen Street North, Suite 1020, Kitchener, Ontario N2H 6M2, Canada.

The registered addresses for subsidiary undertakings registered in Switzerland are Talacker 35, CH-8001, Zurich, Switzerland for IPC Information Systems Switzerland GmbH and 2-4 Rue de Lievre, 1227 Les Acacias, Geneve for Etrali (Suisse) S.A.

The registered addresses for subsidiary undertakings registered in France are 3-15 Rue Henri Rol Tanguy, 93100 Montreuil, France.

The registered addresses for subsidiary undertakings registered in Germany are Hanauer Landstrasse 164, 60314 Frankfurt am Main, Germany.

The registered addresses for subsidiary undertakings registered in China are NEST 1515, Prime Tower NO, 22 Chao Wai Ave, Beijing, China.

The registered addresses for subsidiary undertakings registered in Indonesia are Mayapada Tower, 11th floor suite 3, Jl. Jend. Sudirman Kav. 28, Karet – Setiabudi, Jakarta Selatan – 12920, Indonesia.

The registered addresses for subsidiary undertakings registered in Italy are Via Fieno 3, Milan, 20123, Italy.

The registered addresses for subsidiary undertakings registered in United States of America are 251 Little Falls Drive, Wilmington, DE 19808, United States of America, except Etrali North America LLC which is 1500 Broadway – Suite 1901, New York, NY 10036, United States of America.

The registered addresses for subsidiary undertakings registered in Cayman Islands are Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman, KY1-9008, Cayman Islands.

The registered addresses for subsidiary undertakings registered in Spain are Orense 34, Planta 7A – Edificio Iberia Mart II, 28020 Madrid, Spain.

IPC Information Systems UK Holdings Limited

Notes to the financial statements**at 30 September 2021****7. Investments (continued)**

The registered addresses for subsidiary undertakings registered in Hong Kong are 28/F Berkshire House, 25 Westlands Road, Quarry Bay, Hong Kong.

The registered addresses for subsidiary undertakings registered in Japan are 4F XY MAX Kamiyacho Building 5-12-13 Toranomon, Minato-ku Tokyo 105-0001, Japan.

The registered addresses for subsidiary undertakings registered in Singapore are 9 Raffles Place, Republic Plaza 2, #15-20 Singapore 048619, Singapore.

The registered addresses for subsidiary undertakings registered in Australia are Level 16, 201 Elizabeth Street, Sydney NSW 2000, Australia.

8. Debtors

Amounts falling due within one year:

	2021	2020
	£	£
Amounts owed by fellow group undertakings (note 11)	15,451,679	–
Amounts owed by parent undertaking	24,583,890	24,603,731
Corporation tax receivable	527,334	422,854
	<u>40,562,903</u>	<u>25,026,585</u>

Amounts falling due after more than one year:

	2021	2020
	£	£
Amounts owed by fellow group undertakings (note 11)	<u>–</u>	<u>15,452,162</u>

All amounts owed by parent undertaking are non- interest bearing and repayable on demand.

Amounts due from fellow group undertakings include £15,451,679 (2020 - £15,452,162) in relation to current maturities of interest free long-term loans. The value of such loans from fellow group undertakings with repayment dates are disclosed in Note 11.

IPC Information Systems UK Holdings Limited

Notes to the financial statements

at 30 September 2021

9. Creditors: amounts falling due within one year

	2021	2020
	£	£
Amounts payable to fellow group undertakings	12,281,209	9,396,604
Loan payable (note 12)	37,235,627	38,080,821
Interest payable	190,316	489,319
Corporation tax payable	8,823	8,833
	<u>49,715,975</u>	<u>47,975,577</u>

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

Loan payable reflects current maturity of long term credit agreement with HPS Investment Partners, LLC for \$50 million, which was initially repayable on 6 August 2021 on which interest was charged at adjusted LIBO rate. This means for any Interest period, an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to the greater of (i) (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate and (ii) 1.50%.

The repayment date was subsequently extended to fall in line with the group refinancing and this was settled on 1 October 2021

10. Issued share capital

		2021		2020
	No.	£	No.	£
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	98,426,687	<u>98,426,687</u>	98,426,687	<u>98,426,687</u>

IPC Information Systems UK Holdings Limited

Notes to the financial statements

at 30 September 2021

11. Intercompany loans

Intercompany loans receivable, included within debtors due within one year (2020: after more than one year) (Note 8), are analysed as follows:

	2021	2020
	£	£
Repayable within one year	15,451,679	-
Repayable within one to two years	-	15,452,162
	<u>15,451,679</u>	<u>15,452,162</u>

Details of loans wholly repayable within one year (2020: within one to two years) are as follows:

	2021	2020
	£	£
Interest free unsecured GBP loan repayable on 6 February 2022	1,975,197	1,831,764
Interest free unsecured USD loan repayable on 6 February 2022	12,870,847	13,041,446
Interest free unsecured EUR loan repayable on 6 February 2022	605,635	578,952
	<u>15,451,679</u>	<u>15,452,162</u>

The repayment value of these loans on 6 February 2022 is £15,645,709.

12. Loan repayable

The third party loan, included within creditors due within one year (2020: creditors due within one year – also see note 9), is analysed as follows:

	2021	2020
	£	£
Repayable within one year (Note 9)	37,235,627	38,080,821
	<u>37,235,627</u>	<u>38,080,821</u>

Details of loans repayable within one year (2020: within one year – also see note 9) are as follows:

	2021	2020
	£	£
\$50m loan administered by HPS Investment Partners LLC	37,235,627	38,886,296
Third party loan discount	-	(76,797)
Financing fees	-	(728,678)
	<u>37,235,627</u>	<u>38,080,821</u>

IPC Information Systems UK Holdings Limited

Notes to the financial statements**at 30 September 2021****13. Guarantees and other financial commitments**

The company has provided a guarantee against various credit agreements undertaken by fellow group undertakings. It is jointly and severally liable for these credit agreements with eighteen other companies within the IPC group.

The guarantee covers five separate credit agreements with principal amounts totalling \$1,145,225,743, set out below.

	Date	Administered by	Principal Amount \$	On behalf of	Repayment date
First Lien Credit Agreement	6 February 2015	Barclays	598,736,530	Parent undertaking	October 2021
Second Lien Credit Agreement	6 February 2015	alterDomus	214,135,000	Parent undertaking	February 2022
Second Lien Credit Agreement	6 February 2015	Barclays	150,302,044	Parent undertaking	February 2022
First Lien Credit Agreement	6 February 2015	Mid Cap	132,052,169	Parent undertaking	October 2021
Credit Agreement	22 January 2019	HPS	50,000,000	Parent undertaking	October 2021
Total			1,145,225,743		

Additionally a charge has been provided over the assets of the company as security over the credit agreements. These credit agreements were extinguished subsequent to the year end pursuant to a debt restructuring completed by the parent undertaking and replaced by a new credit agreement totalling \$700,000,000 which the company is a guarantor to (see note 14).

14. Post balance sheet events

On 1 October 2021, IPC Corp., the ultimate parent, successfully refinanced its credit agreements and as a result of the restructure of this financing now has credit agreements in place totalling \$700,000,000. The company continues to act as a guarantor over these new credit agreements, jointly and severally liable with 18 other companies.

IPC Information Systems UK Holdings Limited

Notes to the financial statements

at 30 September 2021

15. 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 group financial statements (see note 16).

16. 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 2021. Its group financial statements are publicly available from The Registrar, Companies House, Crown Way, Cardiff, CF14 3UZ.

The directors consider the company's ultimate controlling party to be Centerbridge Capital Partners II, L.P. as at 30 September 2021.