

Registered No 02708130

3Com U.K. Holdings Limited

Report and Financial Statements

31 October 2016



Directors

B van der Goorbergh
M Hamani-Samaan

Secretary

T Trower

Auditors

Ernst & Young LLP
Apex Plaza
Forbury Road
Reading
Berkshire
RG1 1YE

Registered office

Amen Corner
Cain Road
Bracknell
Berkshire
RG12 1HN

Directors' report

The directors present their report for the year ended 31 October 2016.

Review of the business

The Company's principal activity continued to be that of a holding company providing support to subsidiary undertakings as and when it is required. For further details on individual subsidiary undertakings see (note 6).

The profit for the year, after taxation, amounted to \$32,000 (2015: \$5,179,000) as set out on page 7 of the financial statements.

Directors

The directors during the year, and to date, were as follows:

B van der Goorbergh
M Hamani-Samaan

During the period, and up to the date of approval of the financial statements, the Company had in place third party indemnity provision for the benefit of all the directors of the Company.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors have adopted the going concern basis in preparing the report and the financial statements.

Principal risks and uncertainties

The Company is managed on a group basis and the principal risks and uncertainties facing it are therefore integrated with those facing the Hewlett Packard Enterprise group as a whole. There are a range of risks and uncertainties facing the Company and the list below is not intended to be exhaustive. The focus is on those specific risks and uncertainties that the directors believe could have a significant impact on the Company's position, performance and future developments.

Carrying value of investments

The directors assess the performance and position of the subsidiary undertakings in which 3Com U.K. Holdings Limited holds an investment at least once per year. If any indication exists, or when annual impairment testing for an asset is required, that an asset may be impaired, the Company makes an estimate of the recoverable amount in order to assess the appropriateness of the carrying value of the investment.

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' report (continued)

Auditors

Ernst & Young LLP continue as the Company's auditor. In accordance with the elective resolution passed by the Company under section 386 of the Companies Act 1985, which continues in force under the Companies Act 2006, the Company has elected to dispense with the obligation to appoint auditors annually.

Strategic report

Advantage has been taken of the exemption under section 414B of the Companies Act 2006 from the requirement to prepare a Strategic Report.

In preparing this report, the directors have taken advantage of the small companies exemption provided by section 415A of the Companies Act 2006.

On behalf of the Board

Bas van der Goorbergh

B van der Goorbergh

Director

Date: **Mar 27, 2017**

Directors' responsibilities statement

The directors are responsible for preparing 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 period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 3Com U.K. Holdings Limited

We have audited the financial statements of 3Com U.K. Holdings Limited for the year ended 31 October 2016 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (including FRS 101 'Reduced Disclosure Framework'); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report (continued)

to the members of 3Com U.K. Holdings Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;
- the directors were not entitled to take advantage of the small companies' exemption in not preparing the Strategic Report and take advantage of the small companies' exemption in preparing the Directors' Report.

Ernst & Young LLP

Marcus Butler (Senior statutory auditor)
For and on behalf of Ernst & Young LLP
Statutory Auditor
Reading

Date: 31/03/17.

Statement of comprehensive income

for the year ended 31 October 2016

	Notes	2016 \$'000	2015 \$'000
Dividend income		-	14,490
Impairment of fixed asset investments		-	(9,311)
Operating profit		-	5,179
Interest receivable and similar income	4	40	-
Profit on ordinary activities before taxation		40	5,179
Tax on profit on ordinary activities	5	(8)	-
Total comprehensive income for the year		32	5,179

All amounts are classed as continuing operations.

There are no other comprehensive income items recorded. The Company has not recognised gains and losses other than the results for the year as set out above.

Statement of changes in equity

for the year ended 31 October 2016

	Share capital \$ '000	Other Reserves \$ '000	Retained earnings \$ '000	Total Equity \$ '000
At 1 November 2014	-	11,946	1,398	13,344
Profit for the financial year	-	-	5,179	5,179
At 31 October 2015	-	11,946	6,577	18,523
Profit for the financial year	-	-	32	32
At 31 October 2016	-	11,946	6,609	18,555

Balance sheet

at 31 October 2016

	Notes	2016 \$'000	2015 \$'000
Fixed assets			
Investments	6	33	33
Current assets			
Debtors	7	18,530	18,490
Creditors: amounts falling due within one year	8	(8)	-
Net current assets		18,522	18,490
Net assets		18,555	18,523
Capital and reserves			
Called up share capital	9	-	-
Other reserves	10	11,946	11,946
Retained earnings		6,609	6,577
Total equity		18,555	18,523

The financial statements on pages 7 to 14 were approved by the board of directors on and signed on its behalf by:

Bas van der Goorbergh

B van der Goorbergh
Director

Date: Mar 27, 2017

Notes to the financial statements

at 31 October 2016

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of 3Com U.K. Holdings Limited Ltd (the "Company") for the year ended 31 October 2016 were authorised for issue by the board of directors on 27 March 2017 and the balance sheet was signed on the board's behalf by B van der Goorbergh. 3Com U.K. Holdings Limited is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in US Dollars, which is also the Company's functional currency, and all values are rounded to the nearest thousand (\$'000) except where otherwise stated. The exchange rate at the balance sheet date is \$1.221 to £1 (2015: \$1.539 to £1).

The Company is a wholly owned subsidiary of Hewlett Packard Enterprise Company, the consolidated financial statements of which are publicly available. As such the Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to present group accounts.

The principal accounting policies adopted by the Company are set out below.

2. Accounting policies

Basis of preparation

The Company transitioned from previously extant UK GAAP to FRS 101 for all periods presented. Transition, due to the nature and activity of the Company, caused no restatements and adjustments for the first-time adoption of FRS 101 and therefore none are made. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 October 2016.

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

- (a) the requirements of IFRS 7 Financial Instruments: Disclosures;
- (b) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- (c) the requirements of the following paragraphs of IAS 1 Presentation of Financial Statements;
 - 10(d) and 111 – a statement of cash flows for the period;
 - 10(f) – a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements;
 - 16 – a statement of compliance with IFRS, which is not applicable since we are adopting FRS101 rather than following IFRS in full;
 - 38A-D and 40A-D – a third statement of financial position, profit and loss and other comprehensive income, statement of changes in equity and other additional comparative information;
- (d) the requirements of IAS 7 Statement of Cash Flows;
- (e) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (f) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- (g) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Notes to the financial statements (continued)

at 31 October 2016

2. Accounting policies (continued)

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors have adopted the going concern basis in preparing the report and the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of 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 during the year. However, 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:

Functional currency

Management carried out an assessment to determine the functional currency for the Company as part of the transition from UK GAAP to FRS 101, which was previously US Dollars. The Company is a holding company, with no employees. The primary transactions carried out and balances presented on the balance sheet by the Company are denominated in US Dollars. On the basis of this assessment it was determined that the functional currency of US Dollars remained appropriate.

Investments

Investments in subsidiaries, associates and joint ventures are held at historical cost less an applicable provision for impairment.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the income statements as an exceptional item.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions are translated at the rate of exchange ruling at the date of the relevant transaction. Exchange gains and losses are dealt with through the income statement.

Notes to the financial statements (continued)

at 31 October 2016

3. Directors' remuneration and auditor's remuneration

Directors' emoluments have been borne by fellow group companies. The directors of the Company are also directors or officers of other companies within the Hewlett Packard Enterprise group. The directors' services to the Company do not occupy a significant amount of their time and are considered to be incidental. As such these directors do not consider that they receive any remuneration for their services to the Company for the years ended 31 October 2016 and 31 October 2015.

The auditor's remuneration for the Company of £4,752 (2015: £4,321) has been borne by a fellow group company, Hewlett-Packard Limited.

4. Interest receivable and similar income

	2016 \$'000	2015 \$'000
Interest from group undertakings	40	-

5. Tax on profit on ordinary activities

(a) Analysis of tax charge in the year

	2016 \$'000	2015 \$'000
Current tax:		
United Kingdom corporation tax on the profit for the year at 20.00% (2015: 20.41%)	8	-
Tax charge on profit on ordinary activities (note 5(b))	8	-

(b) Factors affecting the current tax charge

The tax assessed on the profit on ordinary activities for the year is different to the standard rate of corporation tax in the United Kingdom of 20.00% (2015: 20.41%). The differences are explained below:

	2016 \$'000	2015 \$'000
Profit on ordinary activities before tax	40	5,179
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 20.00% (2015: 20.41%)	8	1,057
<i>Effects of:</i>		
Dividend income not taxable	-	(2,958)
Expenses disallowable for tax purposes	-	1,901
Total current tax (note 5(a))	8	-

Notes to the financial statements (continued)

at 31 October 2016

5. Tax on profit on ordinary activities (continued)

(c) Factors that may affect future tax charges

The Finance Bill 2016 announced a reduction in the United Kingdom corporation tax rate from 20% to 19%, effective from 1 April 2017. The bill also further reduced the rate to 17% effective from 1 April 2020. These rates were substantively enacted on 15 September 2016.

6. Investments

	<i>\$'000</i>
<i>Cost</i>	
At 1 November 2015 and at 31 October 2016	9,415
<i>Amounts provided</i>	
At 1 November 2015 and at 31 October 2016	9,382
<i>Net book value</i>	
At 1 November 2015 and at 31 October 2016	33

As a result of the directors carrying out an impairment review of the Company's investments, no impairment loss was identified in the current year as the extent to which the investments were considered recoverable was equivalent to the carrying amounts.

In the prior year the directors carried out an impairment review of the Company's investments and wrote off \$71,000, to align the carrying amounts to the extent the investments were considered recoverable, with respect to its investments in 3Com (UK) Limited and 3Com Europe Limited.

The Company holds investments in the following subsidiaries:

<i>Name</i>	<i>Country of incorporation</i>	<i>Principal activity</i>	<i>Percentage of ordinary shares held</i>
3Com (U.K.) Limited	England and Wales	In liquidation	100%
3Com Europe Limited	England and Wales	In liquidation	100%

7. Debtors

	<i>2016</i>	<i>2015</i>
	<i>\$'000</i>	<i>\$'000</i>
Amounts owed by group undertakings	18,530	18,490

8. Creditors: amounts falling due within one year

	<i>2016</i>	<i>2015</i>
	<i>\$'000</i>	<i>\$'000</i>
Corporation tax	8	-

Notes to the financial statements (continued)

at 31 October 2016

9. Called up share capital

	2016	2015
	\$'000	\$'000
<i>Authorised, allotted, called up and fully paid:</i>		
3 ordinary shares of £1 each	-	-
	<u> </u>	<u> </u>

10. Reserves

Other reserves represent capital contributions made by the parent company of investments at nil consideration.

11. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is 3Com Technologies which is incorporated in Cayman Islands. During the year, the ultimate parent company and controlling party and the smallest and largest undertaking, which consolidates these financial statements, is Hewlett Packard Enterprise Company, which is incorporated in the United States of America. Copies of the group financial statements of Hewlett Packard Enterprise Company can be obtained from 3000 Hanover Street, Palo Alto, California 94304, USA.

12. Transition to FRS 101

For all periods up to and including the year ended 31 October 2015, the Company prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the year ended 31 October 2016, are the first the Company has prepared in accordance with FRS 101.

Accordingly, the Company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 1 November 2014 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 November 2014, the Company's date of transition to FRS101.

On transition to FRS 101, the company has applied the requirements of paragraphs 6 - 33 of IFRS 1: First time adoption of International Financial Reporting Standards.

There were no recognition, measurement or classification differences between FRS 101 and UK GAAP on the company's balance sheet or statement of comprehensive income for the financial year or for the year previously reported under UK GAAP following the date of transition to FRS 101.