

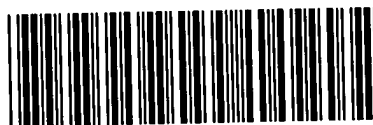
XPEDITE SYSTEMS (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Company number 02778084

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Xpedite Systems (UK) Limited
Annual report and financial statements
For the year ended 30 June 2020

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Xpedite Systems (UK) Limited
Annual report and financial statements
For the year ended 30 June 2020

Corporate information

Company number	02778084
Directors	Gordon Davies Madhu Ranganathan Oliver Gallienne Christian Waida
Registered office	420 Thames Valley Park Drive Thames Valley Park Reading Berkshire RG6 1PT
Independent auditor	KPMG LLP 15 Canada Square London E14 5GL

Directors' report

The directors present their annual report and audited financial statements for the year ended 30 June 2020.

Review of the business

Xpedite Systems (UK) Limited, "the Company", is part of a group of companies which regard Open Text Corporation (OTC) as the ultimate parent company. The financial statements of the Company are included in the consolidated financial statements of OTC. OTC was founded in 1991. Its initial public offering was on NASDAQ in 1996 and subsequently it was listed on the Toronto Stock Exchange (TSX) in 1998. Both of these are North American stock exchanges.

The principal activity of the Company is to provide web related communication solutions, facsimile broadcast services and other enhanced facsimile and messaging services.

The Company conducts its business activities primarily in the United Kingdom.

On 3 March 2020 COVID-19 was characterized as a pandemic by the World Health Organization. Since December 2019, COVID-19 has spread rapidly, with at least 150 countries and territories worldwide with confirmed cases of COVID-19. The spread of COVID-19 and resulting tight government controls and travel bans implemented around the world have caused disruption to global supply chains and economic activity, and the market has entered a period of increased volatility. The spread of COVID-19 is expected to have a significant impact on the global economy.

The directors are actively monitor the impact of COVID-19 on all aspects of our business, including customer purchasing decisions, and may take further actions to alter its business operations as may be required by government, or that is determined to be in the best interest of customers, partners, suppliers, and stakeholders. It is uncertain and difficult to predict what the potential effects may have on our business as the extent of the adverse impact of the pandemic on the global economy and markets will depend, in part, on the length and severity of the measures taken to limit the spread of the virus and, in part, on the size and effectiveness of the compensating measures taken by governments.

On 1 February 2021, as part of an internal reorganization, the Company sold its business and assets to Open Text UK Limited.

Based on its size, the Company has met the requirements in Section 414B Companies Act 2016 to obtain the exemption from preparing a strategic report.

Results and dividends

The results for the year are given in the profit and loss account on page 8. During the year the Company made a profit before taxation of £212k (2019: £302k).

The directors do not recommend payment of a dividend (2019: £Nil).

Financial risk management

The Company makes little use of financial instruments other than an operational bank account and therefore its exposure to price risk, credit risk, and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the Company.

Political and charitable contributions

The group made no political or charitable contributions during the period (2019: £Nil).

Directors' report *(continued)*

Directors

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

Gordon Davies
Madhu Ranganathan
Oliver Gallienne
Christian Waida

Going concern

The Company's principal activity and net assets were sold on 1 February 2021. As the directors do not intend to acquire a replacement trade they have not prepared the financial statements on a going concern basis.

Independent auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

That in the case of each of the persons who were directors of the Company at the date of approval of this directors' report that they confirm, that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that s/he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

On 1 February 2021 the Company sold the business and net assets to its parent company Open Text UK Limited for £11.6m.

Signed on behalf of the board of the Company on 30 March 2021.



Madhu Ranganathan, Director

420 Thames Valley Park Drive
Thames Valley Park
Reading
Berkshire
RG6 1PT

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so (as explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Xpedite Systems (UK) Limited

Opinion

We have audited the financial statements of Xpedite Systems (UK) Limited ("the Company") for the year ended 30 June 2020 which comprise the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland* ; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter - non-going concern basis of preparation

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Independent auditor's report to the members of Xpedite Systems (UK) Limited (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

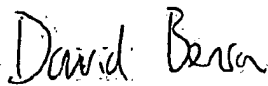
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



David Benson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

31 March 2021

Xpedite Systems (UK) Limited
Profit and loss account and other comprehensive Income
For the year ended 30 June 2020

	Notes	2020 £	2019 £
Turnover	2	2,034,951	2,213,437
Cost of sales		<u>(571,146)</u>	<u>(459,427)</u>
Gross profit		1,463,805	1,754,010
Administrative expenses		(1,379,717)	(1,695,104)
Other operating (expense)/income	3	<u>(2,690)</u>	<u>25,470</u>
Operating profit		81,398	84,376
Interest receivable and similar income	4	130,963	216,646
Interest payable and similar expenses	5	<u>(75)</u>	<u>1,337</u>
Profit before taxation	6	212,286	302,359
Taxation on profit	7	<u>(37,509)</u>	<u>(68,666)</u>
Profit for the financial year		174,777	233,693
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u>174,777</u>	<u>233,693</u>

All of the activities of the Company are classed as discontinuing.

The accompanying notes on pages 11 to 19 form an integral part of these financial statements.

Xpedite Systems (UK) Limited
Balance sheet
As at 30 June 2020

		2020		2019	
	Note	£	£	£	£
ASSETS					
Current assets					
Debtors (of which none is non-current)	9	12,258,380		12,845,972	
Cash at bank and in hand		-		101	
		<u>12,258,380</u>		<u>12,846,073</u>	
Creditors: amounts falling due within one year	11	<u>(761,515)</u>		<u>(1,523,985)</u>	
Net current assets			<u>11,496,865</u>		<u>11,322,088</u>
Net assets			<u>11,496,865</u>		<u>11,322,088</u>
Capital and reserves					
Called up share capital	12		6,351,711		6,351,711
Other reserves			4,057,487		4,057,487
Profit and loss account			<u>1,087,667</u>		<u>912,890</u>
Total shareholders' funds			<u>11,496,865</u>		<u>11,322,088</u>

The accompanying notes on pages 11 to 19 form an integral part of these financial statements.

Signed on behalf of the board of the Company on 30 March 2021.



Madhu Ranganathan
Director
Company number: 02778084

Xpedite Systems (UK) Limited
Statement of changes in equity
For the year ended 30 June 2020

	Called up share capital £	Other reserves £	Profit and loss account £	Total £
At 30 June 2018	6,351,711	4,057,487	679,197	11,088,395
Profit for the year	-	-	233,693	233,693
At 30 June 2019	6,351,711	4,057,487	912,890	11,322,088
Profit for the year	-	-	174,777	174,777
At 30 June 2020	6,351,711	4,057,487	1,087,667	11,496,865

The accompanying notes on pages 11 to 19 form an integral part of these financial statements.

Xpedite Systems (UK) Limited
Annual report and financial statements
For the year ended 30 June 2020

Notes

forming part of the financial statements

1 Accounting policies

Xpedite Systems (UK) Limited is a Company limited by shares and incorporated and domiciled in England and Wales, registration number 02778084. The registered office is 420 Thames Valley Park Drive, Thames Valley Park, Reading, Berkshire, RG6 1PT.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102").

In accordance with Section 1.8 of FRS 102, the Company is a "qualifying entity" entitled to avail of certain disclosure exemptions (as set out in Section 1.12 of FRS 102) as it is member of a group whose parent ("Open Text Corporation") prepares publicly available consolidated financial statements in which the Company is included. These financial statements are publically available from 275 Frank Tompa Drive, Waterloo, Ontario, N2L OA1, Canada or at www.opentext.com. The exemptions the Company has availed of are set out below:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Open Text Corporation include the equivalent disclosures, the Company has also taken the exemption under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instruments Issues* in respect of financial instruments not falling within the fair value accounting rules of Schedule 3, paragraph 39 of the Companies Act 2014.

The Company has availed of the exemption available under "Section 33 Related Party Disclosures" of Financial Reporting Standard 102 from disclosing transactions entered into between members of the group, where the Company as a party to the transaction is a wholly owned member.

The presentation currency of these financial statements is Sterling.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 13.

Going concern

In previous years, the financial statements have been prepared on a going concern basis. However, the Company's principal activity and net assets were sold on 1 February 2021. As the directors do not intend to acquire a replacement trade they have not prepared the financial statements on a going concern basis. This has no impact on the financial statements as all assets and liabilities were all current at the year end.

Notes (continued)

1 Accounting Policies (continued)

Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition, they are measured at transaction price less any impairment losses. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits.

Xpedite Systems (UK) Limited
Annual report and financial statements
For the year ended 30 June 2020

Notes (continued)

1 Accounting Policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and accumulated impairment losses. Cost represents purchase price together with any incidental costs of acquisition.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

Computer equipment - 3 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the entity's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Xpedite Systems (UK) Limited
Annual report and financial statements
For the year ended 30 June 2020

Notes (continued)

1 Accounting Policies (continued)

Impairment (continued)

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

The Company derives its revenue from the provision of facsimile broadcasting services and messages services. Revenue is recognised when the broadcast or message service has been delivered. Income from the provision of teleconferencing and web related communication solutions services is recognised at the point of delivery of the service, provided all obligations relating to the provision of services are complete.

Other operating income

Other operating income relates to exchange gains arising from trading transactions. Foreign currency gains and losses are reported on a net basis.

Expenses

Interest receivable and interest payable

Interest receivable and similar income include interest receivable on operating bank accounts, intercompany trade and loan balances.

Interest payable and similar expenses include interest payable on intercompany trade and loan balances.

Interest income is recognised in profit or loss as they accrue.

Management charges

The Company incurs management charges from group companies in respect of costs incurred on its behalf.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Xpedite Systems (UK) Limited
Annual report and financial statements
For the year ended 30 June 2020

Notes (continued)

1 Accounting Policies (continued)

Taxation (continued)

Deferred tax is provided on timing differences which arise from the inclusion on income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Turnover

Rendering of services by activity:	2020	2019
	£	£
Cloud Services Revenues	<u>2,034,951</u>	<u>2,213,437</u>

By geographic market:	2020	2019
	£	£
United Kingdom	1,668,421	1,890,528
EMEA	334,510	293,145
Asia Pacific	16,565	14,222
Americas	<u>15,455</u>	<u>15,542</u>
	<u>2,034,951</u>	<u>2,213,437</u>

3 Other operating (expense)/income

	2020	2019
	£	£
Foreign currency translation	<u>(2,690)</u>	<u>25,470</u>

4 Interest receivable and similar income

	2020	2019
	£	£
Interest receivable	-	20,061
Interest receivable with group undertakings	<u>130,963</u>	<u>196,585</u>
	<u>130,963</u>	<u>216,646</u>

5 Interest payable and similar expenses

	2020	2019
	£	£
Interest payable	<u>75</u>	<u>(1,337)</u>

Xpedite Systems (UK) Limited
Annual report and financial statements
For the year ended 30 June 2020

Notes (continued)

6 Profit before taxation

The profit before taxation is stated after:

	2020	2019
	£	£
Auditor's remuneration for the audit	<u>30,131</u>	<u>31,744</u>

The auditor provides no other services to the Company.

The directors did not receive any emoluments in respect of their services to the Company. The directors are remunerated by other group companies and their services to the Company are not significant. No amounts have been recharged to the Company. There are no employees in the Company during the financial year (2019: none).

7 Taxation on profit

(a) Analysis of expense in the year

	2020	2019
	£	£
Current tax:		
UK corporation tax	29,472	40,674
Under provision in prior year	-	(73)
Total current tax	<u>29,472</u>	<u>40,601</u>
Deferred tax:		
Origination and reversal of timing differences	8,037	28,065
Total deferred tax (note 10)	<u>8,037</u>	<u>28,065</u>
Total tax	<u><u>37,509</u></u>	<u><u>68,666</u></u>

(b) Factors affecting current tax expense

The tax assessed on the profit for the year is lower (2019: higher) than the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020	2019
	£	£
Reconciliation of current tax charge		
Profit before taxation	<u>212,286</u>	<u>302,359</u>
Current tax at 19%	<u>40,334</u>	<u>57,448</u>
Effects of:		
Expenses not deductible for tax purposes	-	16
Capital allowances for period in excess of depreciation	(8,229)	8,229
Temporary differences	5,404	3,046
Under provision in prior year	-	(73)
Total tax (note 7(a))	<u><u>37,509</u></u>	<u><u>68,666</u></u>

Xpedite Systems (UK) Limited
Annual report and financial statements
For the year ended 30 June 2020

Notes (continued)

8 Tangible assets

	Equipment	Total
	£	£
Cost		
At 1 July 2019	29,707	29,707
Disposals	(12,963)	(12,963)
At 30 June 2020	<u>16,744</u>	<u>16,744</u>
Accumulated depreciation		
At 1 July 2019	29,707	29,707
Disposals	(12,963)	(12,963)
At 30 June 2020	<u>16,744</u>	<u>16,744</u>
Net book amount		
At 30 June 2020	<u>-</u>	<u>-</u>
At 30 June 2019	<u>-</u>	<u>-</u>

9 Debtors

	2020	2019
	£	£
Trade debtors	435,542	773,150
Amounts owed by group undertakings	11,367,834	6,580,309
Corporate tax	380,906	410,378
Deferred tax asset	74,098	82,135
	<u>12,258,380</u>	<u>7,845,972</u>
Due after more than one year		
Amounts owed by group undertakings	-	5,000,000
	<u>12,258,380</u>	<u>12,845,972</u>

Amounts owed by group undertakings include cash pool balance of £11.7m which is due on demand with interest rates equal to current bank rates. Other amounts owed from group undertakings are unsecured and have no fixed date of repayment and are repayable on demand with annual interest charges of 3%.

Xpedite Systems (UK) Limited
Annual report and financial statements
For the year ended 30 June 2020

Notes (continued)

10 Deferred tax asset

The deferred tax included in the balance sheet is as follows:

	2020	2019
	£	£
Included in debtors (note 9)	<u>74,098</u>	<u>82,135</u>

The movement in the deferred taxation account during the year was:

	2020	2019
	£	£
At 1 July 2019	82,135	110,200
Profit and loss account movement arising during the year (see note 7)	<u>(8,037)</u>	<u>(28,065)</u>
At 30 June 2020	<u>74,098</u>	<u>82,135</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2020	2019
	£	£
Capital allowances in excess of depreciation	<u>74,098</u>	<u>82,135</u>

The deferred tax asset has been recognised as the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

11 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	48,374	19,991
Amounts owed to group undertakings	422,160	1,233,087
Other taxes	64,192	43,438
Accruals and deferred income	<u>226,789</u>	<u>227,469</u>
	<u>761,515</u>	<u>1,523,985</u>

Amounts owed to group undertakings are unsecured and have no fixed date of repayment and are repayable on demand with annual interest charges of 3%.

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12 Called up share capital

Allotted, called up and fully paid:

	30 June 2020 Number	30 June 2019 Number	30 June 2020 £	30 June 2019 £
Ordinary shares of £1 each	<u>6,351,711</u>	<u>6,351,711</u>	<u>6,351,711</u>	<u>6,351,711</u>

13 Accounting estimates and judgements

In the opinion of the directors, there are no significant sources of estimation uncertainty at the balance sheet date that may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year.

14 Ultimate parent company and controlling party

The directors regard Open Text UK Limited to be the immediate parent undertaking. The directors also regard Open Text Corporation, a company registered in Canada, as the ultimate parent company and controlling party, and the largest group for which consolidated financial statements, which include Open Text UK Limited, are available. The consolidated financial statements can be found at www.opentext.com. Open Text Corporation is located at 275 Frank Tompa Drive, Waterloo, Ontario, N2L 0A1, Canada.

15 Post balance sheet events

On 1 February 2021 the Company sold the business and net assets to its parent company Open Text UK Limited for £11.6m.