

Registration number: 03085506

Amdocs (UK) Limited
Annual Report and Financial Statements
for the year ended 30 September 2022



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Amdocs (UK) Limited

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Amdocs (UK) Limited

COMPANY INFORMATION

Directors

Bart Johannes Brummelaar (Dutch)
Richard Kateley (British)

Registered Office

3rd Floor
Chiswick Park Building 4
566 Chiswick High Road
London
England
W4 5YE

Solicitors

Gunnercooke
1 Cornhill
London
EC3V 3ND

Bankers

JP Morgan Chase Bank N.A.
125 London Wall
London
EC2Y 5AJ

Auditor

Ernst & Young
Chartered Accountants & Statutory Audit Firm
Harcourt Centre
Harcourt Street
Dublin 2
Ireland

Amdocs (UK) Limited

STRATEGIC REPORT

for the year ended 30 September 2022

The Directors present their report for the year ended 30 September 2022.

Principal activity and fair review of the business

The principal activity of the Company is the sale of software licenses, on a non-exclusive basis, in respect of customer care and billing (CCB) software systems for telecommunications companies. In this regard, the Company has the non-exclusive right to license this software worldwide.

In addition, the Company also provides support and maintenance services to Amdocs group companies with respect to software licenses sold by these companies to external customers.

The Company is also engaged in the purchase and sale to customers in the UK, of third party, off the shelf software/hardware acquired from external vendors which is required for the successful operation of the Amdocs software.

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

Turnover increased from \$52,449,641 in 2021 to \$58,054,402 in 2022. The Company made a profit before tax of \$324,962 compared to a profit of \$31,915,572 in 2021. The Company made an operating profit of \$135,508 compared to an operating profit of \$3,399,749 in 2021.

After deducting tax of \$2,008,755 (2021: \$1,861,342) a loss of \$1,683,793 (2021: profit of \$30,054,230) has been transferred to reserves. Shareholder's funds on 30 September 2022 amounted to \$463,631,754 (2021: \$465,349,504).

Both the level of business and the year-end financial position were in line with expectations.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are summarised below:

- the pace with which new communications products and services emerge;
- the nature and pace of technological change within the communications industry;
- the extent to which consolidation within the communications industry will continue;
- the extent to which communications services will continue to converge;
- the increasing need for communications service providers to reduce costs and retain high value customers in a highly competitive environment; and
- general global economic conditions, particularly market conditions in the communications industry.

To the fullest possible extent we believe the Company has taken sufficient measures to mitigate these risks and uncertainties and turn these into opportunities for future growth.

Section 172(1) statement

The Directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way which 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, in doing so, to have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interest of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers 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 as between members of the Company.

The Directors understand the business and the evolving environment in which they operate and its contribution to the overall Amdocs group, and in doing so, ensure that they understand the likely consequences of their decisions in the long term.

The Directors understand the importance of strong relationships with customers and suppliers. Further details on what is done to actively promote these relationships are documented in the Directors' Report.

Amdocs (UK) Limited

STRATEGIC REPORT

for the year ended 30 September 2022

Section 172(1) statement (continued)

It is also the aim of the Company to create value for society in line with our company purpose of enriching lives and progressing society, such as deepening the connection between our efforts to increase diversity and inclusion to providing external future employability programs for the communities in which we work. We also place high value on protecting the environment and minimising any negative environmental impacts of our operations and seek to create sustainable products and services. Our performance around environmental and social policies, including operational eco-efficiencies, corporate social responsibility and employment practices, have enabled the Company to be recognised as a sustainability leader in our industry.

Approved by the Board on 7 December 2023 and signed on its behalf by:

DocuSigned by:

Bart Brummelaar

Bart Johannes Brummelaar
Director

Amdocs (UK) Limited**DIRECTORS' REPORT**

for the year ended 30 September 2022

The Directors present their report and the financial statements for the year ended 30 September 2022.

General Information

Amdocs (UK) Limited is a company limited by shares incorporated in the United Kingdom. Its registered office is 3rd Floor Chiswick Park Building 4, 566 Chiswick High Road, London and its company registration number is 03085506.

Directors of the Company

The Directors, who held office during the year and to the date of this report, were as follows:

Sarit Galanos (Israeli) – Resigned 14 June 2022

Bart Brummelaar (Dutch) – Appointed 27 December 2021

Áine Kavanagh (Irish) – Resigned 27 December 2021

Richard Kateley (British) – Appointed 15 June 2022

The Directors had no interest in the shares of the Company at the beginning or end of the financial period.

Dividends

No dividend was paid to the parent company during the year (2021: \$Nil).

Financial instruments*Foreign currency exchange risk*

Profit/loss on ordinary activities and amounts due from fellow subsidiary undertakings are sensitive to movements in exchange rates between US Dollar and Sterling.

Interest rate risk

Our interest expense and income are sensitive to changes in interest rates, as are our cash reserves and our loans due to/from other group undertakings.

Political donations

There were no political donations made during the year (2021: \$Nil).

Engagement with suppliers, customers and other relationships

It is our strategy to develop and maintain long-term, mutually beneficial relationships with our customers, and have organised our internal operations to better anticipate and respond to our customers' needs. We believe these relationships can lead to additional product and services sales, including products and services from recent acquisitions which have expanded our offering, as well as ongoing, long-term support, system enhancement, modernisation and maintenance and managed services agreements. We believe that such relationships are facilitated in many cases by the mission-critical, strategic nature of the Company's systems and by the added value we provide through our specialised skills and knowledge.

Environmental report

The Company recognises the importance of meeting globally recognised corporate responsibility standards and endeavours to minimise energy usage and support the recycling of materials.

With regard to greenhouse gas emissions, for the year ended 30 September 2022 the quantity of total emission by the Company was 172 tonnes of carbon dioxide equivalent (tCO₂e) (2021: 153 tonnes).

The GHG Protocol Corporate Accounting and Reporting standard (revised edition) and emission factors from the UK government's GHG Conversion Factors for Company Reporting 2021 have been used to calculate the below disclosures. The standard requires a statement of relevant intensity ratios, which are an expression of the quantity of emission in relation to a quantifiable factor of the business activity.

GHG emission and energy consumption data for the year 1 October to 30 September:

	2022 KgCO ₂ e	2021 KgCO ₂ e
AC and office gas consumption (scope 1)	12,301	16,278
Office electricity consumption (scope 2)	23,057	31,616
Business travel (scope 3)	136,601	105,428
	<u>171,959</u>	<u>153,322</u>
<i>Intensity ratios</i>		
	2022	2021
KgCO ₂ e per employee	1,146	1,165

Amdocs (UK) Limited

DIRECTORS' REPORT

for the year ended 30 September 2022

Future developments

It is the intention of the Directors to continue the current activities of the Company.

Research and development

The Company is not currently undertaking any research and development activities.

Corporate governance

The Company has not applied the UK Corporate Governance Code 2018 for the financial year due to the size of the Company and its status as a limited company. The Directors have reviewed the UK Corporate Governance Code 2018 during the financial year, identifying and implementing sections that they consider best practice for a company of this size. Any sections that have not been implemented have been noted and will be re-assessed on a periodic basis, as will the requirement for full application of governance code.

Going concern

At the time of approving the financial statements the Company has reviewed its financial projections of future profits, cash flows and working capital in terms of its position within the overall Amdocs Group. In addition, the Company has received a letter of support from Amdocs Limited which commits to making support available if it is required at a point in time covering the period of twelve months from the date of approval of the financial statements. After making enquiries, the Directors have a reasonable expectation that the Company will have sufficient resources to continue to trade satisfactorily and hence continue to adopt the going concern basis in preparing these financial statements.

Events after the reporting date

There have been no significant events affecting the Company since the financial year end.


Disclosure of information to the auditor

Each Director has taken all the steps that ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant audit information that they know of and of which they know the Company's auditor is unaware.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Ernst & Young as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 7 December 2023 and signed on its behalf by:

DocuSigned by:

Bart Johannes Brummelaar
Director

Amdocs (UK) Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the year ended 30 September 2022

The Directors acknowledge their responsibilities for preparing the Annual 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ("FRS 101"). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping 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.

Approved by the Board on 7 December 2023 and signed on its behalf by:

DocuSigned by:

Bart Brummelaar

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Bart Johannes Brummelaar
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMDOCS (UK) LIMITED

Opinion

We have audited the financial statements of Amdocs (UK) Limited for the year ended 30 September 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 30, 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 101 "Reduced Disclosure Framework (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 2022 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.

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 of 12 months from when the financial statements are authorised for issue.

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.

.../continued

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMDOCS (UK) LIMITED (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMDOCS (UK) LIMITED (continued)

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

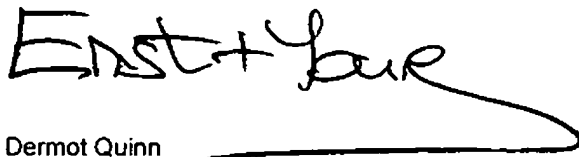
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not 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.

- 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 the reporting framework (United Kingdom Accounting Standards and the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its domestic and overseas operations, including health and safety, employees, data protection and anti-bribery and corruption.
- We understood how the Company is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas, and corroborated this by reviewing supporting documentation. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assuming revenue to be a fraud risk.
- We incorporated data analytics into our testing of manual journal entries, including segregation of duties, and into our testing of revenue recognition. We tested specific transactions back to source documentation, ensuring appropriate authorisation of the transactions.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journal entries identified by specific risk criteria.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Dermot Quinn

for and on behalf of Ernst & Young

Chartered Accountants and Statutory Audit Firm

Dublin

Date: 8 December 2023

Amdocs (UK) Limited**STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 30 September 2022

	Notes	2022 \$	2021 \$
Turnover	4	58,054,402	52,449,641
Cost of sales		(41,098,329)	(43,818,244)
Gross profit		16,956,073	8,631,397
Administrative expenses		(16,820,565)	(5,231,648)
Operating profit	5	135,508	3,399,749
Other interest receivable and similar income	6	466,719	195,752
Interest payable and similar charges	7	(289,730)	(295,263)
Other gains and losses	8	12,465	4,789,669
Dividend income	14	-	23,825,665
		189,454	28,515,823
Profit on ordinary activities before tax		324,962	31,915,572
Tax on profit on ordinary activities	11	(2,008,755)	(1,861,342)
(Loss)/profit for the financial year and total comprehensive (loss)/income		(1,683,793)	30,054,230

The above results were derived from continuing operations.

The notes on pages 13 to 33 form an integral part of these financial statements.

Amdocs (UK) Limited
(Registration number: 03085506)

STATEMENT OF FINANCIAL POSITION

as at 30 September 2022

	Notes	2022 \$	2021 \$
Non-Current Assets			
Tangible assets	12	1,608,769	1,747,052
Intangible assets	13	15,072	25,029
Right-of-use assets	20	1,874,830	2,446,031
Investments	14	431,618,685	402,328,900
Other financial assets	15	7,527,989	7,515,524
		<u>442,645,345</u>	<u>414,062,536</u>
Current Assets			
Trade and other debtors	16	51,107,722	66,948,458
Cash at bank and in hand		3,098	3,503
Deferred tax assets	11	895,457	758,488
		<u>52,006,277</u>	<u>67,710,449</u>
Creditors: Amounts falling due within one year	17	<u>(28,687,300)</u>	<u>(14,433,002)</u>
Net Current Assets		<u>23,318,977</u>	<u>53,277,447</u>
Total assets less current liabilities		<u>465,964,322</u>	<u>467,339,983</u>
Creditors: Amounts falling due after more than one year	18	<u>(2,278,859)</u>	<u>(1,935,008)</u>
Provisions for liabilities	19	<u>(53,709)</u>	<u>(55,471)</u>
Net assets		<u>463,631,754</u>	<u>465,349,504</u>
Capital and reserves			
Called up share capital	23	15,333,171	15,333,171
Share premium reserve		255,556,692	255,556,692
Other reserves	24	53,000,000	53,000,000
Profit and loss account		<u>139,741,891</u>	<u>141,459,641</u>
Shareholder's funds		<u>463,631,754</u>	<u>465,349,504</u>

Approved by the Board on 7 December 2023 and signed on its behalf by:

DocuSigned by:
Bart Brummelaar
B35952672E94485...
Bart Johannes Brummelaar
Director

The notes on pages 13 to 33 form an integral part of these financial statements.

Amdocs (UK) Limited**STATEMENT OF CHANGES IN EQUITY**

for the year ended 30 September 2022

	Share capital	Share premium reserve	Other reserves	Profit and loss account	Total
	\$	\$	\$	\$	\$
At 1 October 2021	15,333,171	255,556,692	53,000,000	141,459,641	465,349,504
Loss for the year	-	-	-	(1,683,793)	(1,683,793)
Total comprehensive loss	-	-	-	(1,683,793)	(1,683,793)
Share based payment transactions	-	-	559,208	-	559,208
Transfer to profit and loss reserve	-	-	(559,208)	559,208	-
Recharge from ultimate parent	-	-	-	(593,165)	(593,165)
At 30 September 2022	<u>15,333,171</u>	<u>255,556,692</u>	<u>53,000,000</u>	<u>139,741,891</u>	<u>463,631,754</u>

	Share capital	Share premium reserve	Other reserves	Profit and loss account	Total
	\$	\$	\$	\$	\$
At 1 October 2020	15,333,171	155,056,692	53,000,000	111,361,658	334,751,521
Profit for the year	-	-	-	30,054,230	30,054,230
Total comprehensive income	-	-	-	30,054,230	30,054,230
Additional paid in capital	-	100,500,000	-	-	100,500,000
Share based payment transactions	-	-	370,505	-	370,505
Transfer to profit and loss reserve	-	-	(370,505)	370,505	-
Recharge from ultimate parent	-	-	-	(326,752)	(326,752)
At 30 September 2021	<u>15,333,171</u>	<u>255,556,692</u>	<u>53,000,000</u>	<u>141,459,641</u>	<u>465,349,504</u>

The notes on pages 13 to 33 form an integral part of these financial statements.

Amdocs (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

1. General information

The Company is a private company limited by share capital, incorporated and domiciled in United Kingdom.

The address of its registered office is:

3rd Floor
Chiswick Park Building 4
566 Chiswick High Road
London
W4 5YE

These financial statements were authorised for issue by the Board on 7 December 2023.

2. Accounting Policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework', issued by the Financial Reporting Council and the Companies Act 2006.

The financial statements represent the individual financial statements of Amdocs (UK) Limited and have been prepared on the going concern basis and in accordance with the historical cost convention, except for certain items are shown at fair value as disclosed in the accounting policies

The financial statements are denominated in US dollar ("\$\$") which is the functional currency of the Company. Amounts as disclosed in the financial statements have been rounded to the nearest ("\$").

Summary of disclosure exemptions

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

- a) the requirements of IFRS 7 Financial Instruments: Disclosures;
- b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- c) the requirements of paragraphs 10(d), 10(f), 38A-D, 40A-D and 134-136 of IAS 1 Presentation of Financial Statements;
- 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;
- h) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of paragraph 73(e) of IAS 16 Property, Plant and Equipment and paragraph 118(e) of IAS 38 Intangible Assets;
- i) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets;
- j) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment: because the share based payments concerns the instruments of another group entity; and
- k) the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers; and
- l) the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.

The individual financial results of Amdocs (UK) Limited are included in the consolidated financial statements of Amdocs Limited.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 October 2021 have had a material effect on the financial statements.

Amdocs (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

2. Accounting policies (continued)

Going concern

At the time of approving the financial statements the Company has reviewed its financial projections of future profits, cash flows and working capital in terms of its position within the overall Amdocs Group. In addition, the Company has received a letter of support from Amdocs Limited which commits to making support available if it is required at a point in time covering the period of twelve months from the date of approval of the financial statements. After making enquiries, the Directors have a reasonable expectation that the Company will have sufficient resources to continue to trade satisfactorily and hence continue to adopt the going concern basis in preparing these financial statements.

Group financial statements

Section 400 of the Companies Act 2006 exempts an intermediate parent entity whose own parent entity is established under the law of an EEA state from the need to prepare consolidated financial statements. The Company has availed itself of this exemption and consequently has prepared these financial statements on a stand-alone basis.

Investments in subsidiary companies

Subsidiaries are all entities that the Company controls. Investments in subsidiary companies are initially recognised at cost, being the fair value of the consideration given. After initial recognition investments are stated at cost less provision for impairment in accordance with IAS 36 "Impairment of assets". If the carrying amount exceeds the recoverable amount then the carrying value of the investment is written down to its recoverable amount.

Revenue recognition

The Company recognises revenue under the five-step methodology required under IFRS 15, which requires the Company to identify the contract with the customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations identified, and recognise revenue when (or as) each performance obligation is satisfied.

The Company's primary revenue categories, related performance obligations, and associated recognition patterns are as follows:

i. Revenue recognition for projects

The Company usually sells its software licenses as part of an overall solution offered to a customer including significant customisation, modification, implementation and integration. Those services are deemed essential to the software. As a result, revenue related to these projects is recognised over time, usually based on a percentage that incurred labour effort to date bears to total projected labour effort. Incurred effort represents work performed, which corresponds with, and thereby best depicts, the transfer of control to the customer. Revenue from customisation, implementation, modification and integration services is also recognised over the course of the projects. When total cost estimates for these types of arrangements exceed revenues in a fixed-price arrangement, the estimated losses are recognised immediately based upon the cost applicable to the delivering unit. Significant judgement is required when estimating total labour effort and progress to completion on these arrangements, as well as whether a loss is expected to be incurred on the project.

As a significant portion of the Company's revenue is satisfied over time as work progresses, the annual operating results may be affected by the size and timing of the initiation of customer projects as well as the Company's progress in completing such projects.

ii. Revenue recognition for subsequent license fee

Subsequent license fee revenue is recognised when the customer has access to the license and the right to use and benefit from the license. In cases when the conditions require delivery, then delivery must have occurred for purposes of revenue recognition. Subsequent license fee is based on a customer's subscriber level, transaction volume or other measurements when greater than the level specified in the contract for the initial license fee.

iii. Revenue recognition for term-based license and perpetual license

Revenue related to software solutions that do not require significant customisation, implementation and modification are recognised upon delivery.

Amdocs (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

2. Accounting policies (continued)

Revenue recognition (continued)

iv. *Revenue recognition for maintenance*

Maintenance revenue is recognised rateably over the term of the maintenance agreement.

v. *Revenue recognition for ongoing services*

Revenue from ongoing support services is recognised over time as services are performed, using one method of measuring performance such as time elapsed, output produced, volume of data processed or subscriber count that provides the most faithful depiction of the transfer of services.

vi. *Revenue recognition for managed services arrangement*

Managed services arrangements include management of data centre operations and IT infrastructure, application management and ongoing support, management of end-to-end business processes, and managed transformation that includes both a transformation project as well as taking over managed services responsibility. The revenue from managed services arrangement is recognised for each individual performance obligation according to its relevant revenue category, including but not limited to, revenue from the management of a customer's operations, revenue from projects and revenue from ongoing support services. Revenue from the management of a customer's operations pursuant to managed services arrangements, is recognised over time as services are performed, using one method of measuring performance such as time elapsed, output produced, volume of data processed or subscriber count that provides the most faithful depiction of the transfer of services, pursuant to the specific contract terms of the managed services arrangement. Typically, managed services arrangements are long term in duration and are not subject to significant seasonality.

vii. *Revenue recognition for third-party hardware and software*

Third-party hardware sales are recognised upon delivery or installation, and revenue from third-party software sales is recognised upon delivery. Maintenance revenue is recognised rateably over the term of the maintenance agreement. Revenue from third-party hardware and software sales is recorded at gross amount for transactions in which the Company controls the third-party hardware and software prior to fulfilling the performance obligation. In specific circumstances where the Company does not meet the above criteria, revenue is recognised on a net basis. In certain arrangements, the Company may earn revenue from other third-party services which is recorded at a gross amount as it controls the services before transferring them to the customer.

viii. *Arrangements with multiple performance obligations*

Many of the Company's agreements include multiple performance obligations. The Company allocates the transaction price for each contract to each performance obligation identified in the contract based on the relative stand-alone selling price (SSP). The Company determines SSP for the purposes of allocating the transaction price to each performance obligation by considering several external and internal factors including, but not limited to, transactions where the specific performance obligation sold separately, historical actual pricing practices and geographies in which the Company offers its services in accordance with IFRS 15. The determination of SSP requires the exercise of judgement. If a specific performance obligation is sold for a broad range of amounts (that is, the selling price is highly variable) or if the Company has not yet established a price for that good or service, and the good or service has not previously been sold on a stand-alone basis (that is, the selling price is uncertain), the Company applies the residual approach whereby all other performance obligations within a contract are first allocated a portion of the transaction price based upon their respective SSPs with any residual amount of transaction price allocated to the remaining specific performance obligation.

Billing terms and conditions generally vary by contract category. Amounts are typically billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones. In cases where timing of revenue recognition significantly differs from the timing of invoicing, the Company is considering whether a significant financing component exists. The Company elected to use the practical expedient in assessing the financing component in contracts where the time between cash collection and performance is less than one year.

Contract assets and contract liabilities

In case the services rendered by the Company as of the reporting date exceed the payments made by the customer as of that date and the Company does not have the unconditional right to charge the client for the services rendered, a contract asset is recognised. The Company assesses a contract asset for impairment in accordance with IFRS 9 using the simplified approach permitted by IFRS 9 which requires expected lifetime losses to be recognised from initial recognition of the contract asset. An impairment of a contract asset is measured, presented and disclosed on the same basis as a financial asset that is within the scope of IFRS 9.

Amdocs (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

2. Accounting policies (continued)

Revenue recognition (continued)

If the payments made by a customer exceed the services rendered under the relevant contract, a contract liability is recognised. The Company recognises any unconditional rights to consideration separately from contract assets as a trade receivable because only the passage of time is required before the payment is due.

Contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due.

Cost to obtain or fulfil contracts with customers

The Company recognises the incremental costs incurred by the Company to obtain contracts with customers and the costs incurred in fulfilling contracts with customers that are directly associated with the contract as an asset if those costs are expected to be recoverable, and record them in "Other assets" in the statement of financial position. Incremental costs of obtaining contracts are those costs that the Company incurs to obtain a contract with a customer that would not have been incurred if the contract had not been obtained. The asset is amortised on a straight-line basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue and recognised in "cost of sales" in the statement of comprehensive income. Additionally the asset is assessed for impairment and any impairment loss is recognised in "cost of sales" in the statement of comprehensive income. The Company recognises the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises of current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Where a group undertaking transferred losses to the Company, the amount paid in excess of the benefit received is recognised in administrative expenses in the statement of comprehensive income.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

The asset's residual values, useful lives methods are reviewed, and adjusted if appropriate, at each financial year end.

Expenditure for repairs and maintenance of tangible assets is charged to the statement of comprehensive income. Expenditure for significant improvements and renovations is capitalised if it is considered that it adds value to the tangible assets.

Amdocs (UK) Limited**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 September 2022

2. Accounting policies (continued)**Tangible assets (continued)**

An item of tangible assets is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the year the item is derecognised.

Depreciation

Depreciation is charged so as to write off the cost of tangible assets and right-of-use assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Office equipment	5 – 10 years (straight-line)
Computer equipment	3.5 – 7 years (straight-line)
Right-of-use assets	Shorter of the estimated useful life and the term of the lease
Leasehold improvements	Shorter of the estimated useful life and the term of the lease

Intangible assets

Intangible assets represent customer relationships and acquired computer software.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least once during the reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Asset class	Depreciation method and rate
Acquired computer software	4 years
Customer relationships	3 years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain, the expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Leases**Company as a lessee****Definition**

A lease is a contract, or a part of a contract, that conveys the right to use an asset or a physically distinct part of an asset ("the underlying asset") for a period of time in exchange for consideration. Further, the contract must convey the right to the Company to control the asset or a physically distinct portion thereof. A contract is deemed to convey the right to control the underlying asset if, throughout the period of use, the Company has the right to:

- Obtain substantially all the economic benefits from the use of the underlying asset, and;
- Direct the use of the underlying asset (e.g. direct how and for what purpose the asset is used).

Amdocs (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

2. Accounting policies (continued)

Lease (continued)

Initial recognition and measurement

The Company initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.

The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.

The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the Company's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs.

Subsequent measurement

After the commencement date, the Company measures the lease liability by:

- a) Increasing the carrying amount to reflect interest on the lease liability;
- b) Reducing the carrying amount to reflect the lease payments made; and
- c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are included in finance cost in the statement of comprehensive income, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises.

The related right-of-use asset is accounted for using the cost model in IAS 16 and depreciated and charged in accordance with the depreciation requirements of IAS 16 Property, Plant and Equipment as disclosed in the accounting policy for tangible assets. Adjustments are made to the carrying value of the right-of-use asset where the lease liability is re-measured in accordance with the above. Right-of-use assets are tested for impairment in accordance with IAS 36 Impairment of assets as disclosed in the accounting policy on impairment.

Lease modifications

If a lease is modified, the modified contract is evaluated to determine whether it is or contains a lease. If a lease continues to exist, the lease modification will result in either a separate lease or a change in the accounting for the existing lease. The modification is accounted for as a separate lease if both:

- a) The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- b) The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If both of these conditions are met, the lease modification results in two separate leases, the unmodified original lease and a separate lease. The Company then accounts for these in line with the accounting policy for new leases. If either of the conditions are not met, the modified lease is not accounted for as a separate lease and the consideration is allocated to the contract and the lease liability is re-measured using the lease term of the modified lease and the discount rate as determined at the effective date of the modification.

For a modification that fully or partially decreases the scope of the lease (e.g., reduces the square footage of leased space), IFRS 16 requires a lessee to decrease the carrying amount of the right-of-use asset to reflect partial or full termination of the lease. Any difference between those adjustments is recognised in profit or loss at the effective date of the modification.

For all other lease modifications which are not accounted for as a separate lease, IFRS 16 requires the lessee to recognise the amount of the re-measurement of the lease liability as an adjustment to the corresponding right-of-use asset without affecting profit or loss.

Short term and low value leases

The Company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases).

Amdocs (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

2. Accounting policies (continued)

Leases (continued)

The Company has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is of low value.

Lease payments on short-term and low value leases are accounted for on a straight-line basis over the term of the lease or other systematic basis if considered more appropriate. Short-term and low value lease payments are included in operating expenses in the statement of comprehensive income.

Sub leases

If an underlying asset is re-leased by the Company to a third party and the Company retains the primary obligation under the original lease, the transaction is deemed to be a sublease. The Company continues to account for the original lease (the head lease) as a lessee and accounts for the sublease as a lessor (intermediate lessor). When the head lease is a short-term lease, the sublease is classified as an operating lease. Otherwise, the sublease is classified using the classification criteria applicable to Lessor Accounting in IFRS 16 by reference to the right-of-use asset in the head lease (and not the underlying asset of the head lease).

After classification lessor accounting is applied to the sublease.

Company as lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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. 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. 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 assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in statement of comprehensive income. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

The difference between fair value of the amount received for share capital and the nominal value of the share capital issued is transferred to the share premium account.

Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

Amdocs (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

2. Accounting policies (continued)

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity. Under defined contribution plans, the Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid to publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Share based payments

Employees of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award.

Fair value is determined by using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares (market conditions) of the Company's ultimate parent undertaking, Amdocs Limited.

The cost of equity-settled transactions are recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employee becomes fully entitled to the award ("vesting date"). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit for a period, reflected in the statement of comprehensive income, represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the statement of comprehensive income for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the statement of comprehensive income.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. Financial assets

Initial recognition and measurement

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If either of the above two criteria is not met, the financial assets are classified and measured at fair value through the profit or loss ("FVTPL").

If a financial asset meets the amortised cost criteria, the Company may choose to designate the financial asset at FVTPL. Such an election is irrevocable and applicable only if the FVTPL classification significantly reduces a measurement or recognition inconsistency.

Amdocs (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

2. Accounting policies (continued)

Financial instruments (continued)

A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

If an equity investment is designated as FVTOCI, all gains and losses, except for dividend income, are recognised in other comprehensive income and are not subsequently included in the statement of comprehensive income.

Financial assets not otherwise classified above are classified and measured as FVTPL.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

The Company has not designated any financial assets at fair value through OCI.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of comprehensive income. This category includes minority interest in equity investments which the Company has not irrevocably elected to classify at fair value through OCI. Dividends on minority interest in equity investments are recognised as other income in the statement of comprehensive income when the right of payment has been established.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade and other debtors.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset and is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Amdocs (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2022

2. Accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in three stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii. *Financial liabilities*

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities may include trade and other payables and loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Amdocs (UK) Limited**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 September 2022

2. Accounting policies (continued)**Financial instruments (continued)***iii. Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements required 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 period. However the nature of estimation means the actual outcomes could differ from those estimates. The following are the Company's key sources of estimation uncertainty:

Revenue from contracts with customers

A significant portion of our revenue is recognised over the course of implementation and integration projects, usually based on a percentage that incurred labor effort to date bears to total projected labor effort. The recognition of revenue over time requires the exercise of judgment on a quarterly basis, such as with respect to estimates of progress-to-completion, contract revenue, loss contracts and contract costs. Progress in completing such projects may significantly affect operating results.

Further, many of our agreements include multiple performance obligations. We allocate the transaction price for each contract to each performance obligation identified in the contract based on the relative SSP. We determine SSP for the purposes of allocating the transaction price to each performance obligation by considering several external and internal factors including, but not limited to, transactions where the specific performance obligation sold separately, historical actual pricing practices and geographies in which we offer our services. The determination of SSP requires the exercise of judgement.

Impairment of non-financial assets

The Company assesses at each reporting date whether an asset may be impaired. If any such indication exists the Company estimates the recoverable amount of the asset. Where there are indicators of impairment of individual assets, the Company performs impairment tests based on fair value less cost to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model.

Fair value of unquoted equity investments

The Company determined the fair value of the unquoted equity investments by considering any price changes in subsequent share issues by the same issuer.

Lease – Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Amdocs (UK) Limited**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 September 2022

4. Turnover

Revenue was wholly derived from the Company's principal activity. It comprises the value of goods and services sold, excluding VAT. The Company has recognised the following amounts in relation to revenue in the statement of comprehensive income. Revenue is derived from 19 (2021: 8) customers, located mainly in Europe, South America and the rest of the world. Revenue from customer was as follows:

	2022	2021
	\$	\$
Contracts with customers	58,054,402	52,449,641

The following table provides information about contract assets and contract liabilities

	30 September 2022	30 September 2021
	\$	\$
Contract assets	4,139,289	1,247,541
Contract liabilities	(1,490,300)	(975,813)
Net unbilled contract assets	2,648,989	271,728

Revenue recognised during the year ended 30 September 2022, which was included in 'Contract liabilities' as of 1 October 2021 was \$388,528 (2021: \$772,441). Amounts billed during the year ended 30 September 2022, which was included in 'Contract assets' as of 1 October 2021 was \$1,243,863 (2021: \$2,059,386).

Billing terms and conditions generally vary by contract category. Amounts are typically billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones.

In cases where timing of revenue recognition significantly differs from the timing of invoicing, the Company considers whether a significant financing component exists. The Company elected to use the practical expedient in assessing the financing component in contracts where the time between cash collection and performance is less than one year.

5. Operating profit

Arrived at after charging/(crediting):

	2022	2021
	\$	\$
Depreciation – tangible assets	661,206	983,942
Depreciation – right-of-use assets	571,201	871,788
Amortisation expense	10,312	10,261
Foreign exchange (gains)/losses	(1,664,320)	345,811
Loss on disposal of tangible assets	8,085	10,270
Management fee income	(737,992)	(1,129,495)
Group relief in excess of benefit received	4,307,483	-
Auditor's remuneration	58,550	52,704

6. Other interest receivable and similar income

	2022	2021
	\$	\$
Interest income on bank deposits	2	-
Other finance income	-	4,419
Interest on loans to group undertakings	466,717	191,333
	466,719	195,752

Amdocs (UK) Limited**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 September 2022

7. Interest payable and similar charges

	2022	2021
	\$	\$
Bank charges	121,384	126,641
Interest on loans from group undertakings	143,985	104,034
Interest expense on other financing liabilities	-	30,352
Other finance costs	6	7
Interest expense on leases - property	24,355	34,229
	<u>289,730</u>	<u>295,263</u>

8. Other gains and losses

The analysis of the Company's other gains and losses for the year is as follows:

	2022	2021
	\$	\$
Gain from changes in investment valuation	12,465	4,789,669
	<u>12,465</u>	<u>4,789,669</u>

Other gains and losses relate to changes in the fair value attributable to a minority equity investment held by the Company.

9. Staff costs

The aggregate payroll costs were as follows:

	2022	2021
	\$	\$
Wages and salaries	20,457,336	18,879,878
Social security costs	2,596,457	2,188,591
Pension costs, defined contribution scheme	963,132	899,177
	<u>24,016,925</u>	<u>21,967,646</u>

Included in wages and salaries is a total expense of share-based payments of \$559,208 (2021: \$370,505) all of which arises from transactions accounted for as equity settled share-based payment transactions.

The average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	2022	2021
	No.	No.
Production	117	108
Administration and support	2	2
Sales and marketing	31	21
	<u>150</u>	<u>131</u>

10. Directors' remuneration

The Directors did not receive any remuneration or benefit for qualifying services in either the current year or the prior year.

Amdocs (UK) Limited**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 September 2022

11. Income tax

Tax charged/(credited) in the statement of comprehensive income

	2022 \$	2021 \$
Current taxation		
Corporation tax	1,197,676	857,646
Corporation tax adjustment for prior period	152,752	(301,498)
Foreign withholding tax	795,296	1,931,274
Current tax charge	<u>2,145,724</u>	<u>2,487,422</u>
Deferred taxation		
Arising from origination and reversal of temporary differences	(189,663)	(277,288)
Arising from deferred tax rate change	-	(153,984)
Arising from adjustments relating to prior years	52,694	(194,808)
Deferred tax	<u>(136,969)</u>	<u>(626,080)</u>
Tax charge in the statement of comprehensive income	<u>2,008,755</u>	<u>1,861,342</u>

The tax on profit for the year is the same as the standard rate of corporation tax in the UK of 19% (2021 - the same as the standard rate of corporation tax in the UK of 19%).

The differences are reconciled below:

	2022 \$	2021 \$
Profit before tax	<u>324,962</u>	<u>31,915,572</u>
Corporation tax at standard rate	61,743	6,063,959
Increase/(decrease) in current tax from adjustment for prior periods	152,752	(301,498)
Effect of tax chargeable at higher rates	(45,519)	(66,549)
Deferred tax rate change	-	(153,984)
Movement from effect of net income not taxable in determining taxable loss	196,374	(5,403,525)
Movement from effect of exercise employee share options	(23,007)	(13,527)
Increase from effect of foreign withholding tax	795,296	1,931,274
Increase arising from group relief	818,422	-
Deferred tax credit from unrecognised temporary difference from a prior period	52,694	(194,808)
Total tax charge	<u>2,008,755</u>	<u>1,861,342</u>

Future tax changes

The Directors are not aware of any factors that will materially affect the rate of corporation tax in the foreseeable future.

At Budget 2020, the government announced that the Corporation Tax rate for the years starting 1 April 2020 and 2021 would remain at 19%. At Budget 2021, the government announced that the Corporation Tax would increase to 25% from 1 April 2023. This rate had been enacted on 10 June 2021 when the Finance Bill 2021 received Royal Assent.

The closing deferred tax asset has been calculated at 25%, being the United Kingdom corporation tax rate applicable to the periods during which it is expected to materialise.

Amdocs (UK) Limited**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 September 2022

11. Income tax (continued)**Deferred tax**

Deferred tax movement during the year:

	At 1 October 2021	Recognised in income	At 30 September 2022
	\$	\$	\$
Accelerated tax depreciation	690,757	115,185	805,942
Share-based payment	67,731	21,784	89,515
Net tax assets	<u>758,488</u>	<u>136,969</u>	<u>895,457</u>

Deferred tax movement during the prior year:

	At 1 October 2020	Recognised in income	At 30 September 2021
	\$	\$	\$
Accelerated tax depreciation	84,068	606,689	690,757
Share-based payment	48,340	19,391	67,731
Net tax assets	<u>132,408</u>	<u>626,080</u>	<u>758,488</u>

12. Tangible assets

	Office equipment	Leasehold improve- ments	Computer equipment	Total
	\$	\$	\$	\$
Cost or valuation				
At 1 October 2021	522,871	2,670,728	7,460,349	10,653,948
Additions	-	10,390	520,618	531,008
Disposals	(5,907)	-	(480,543)	(486,450)
At 30 September 2022	<u>516,964</u>	<u>2,681,118</u>	<u>7,500,424</u>	<u>10,698,506</u>
Depreciation				
At 1 October 2021	492,232	2,636,948	5,777,716	8,906,896
Charge for the year	4,242	12,235	644,729	661,206
Eliminated on disposal	(5,907)	-	(472,458)	(478,365)
At 30 September 2022	<u>490,567</u>	<u>2,649,183</u>	<u>5,949,987</u>	<u>9,089,737</u>
Carrying amount				
At 30 September 2022	<u>26,397</u>	<u>31,935</u>	<u>1,550,437</u>	<u>1,608,769</u>
At 30 September 2021	<u>30,639</u>	<u>33,780</u>	<u>1,682,633</u>	<u>1,747,052</u>

Amdocs (UK) Limited**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 September 2022

13. Intangible assets

	Customer relationships	Acquired computer software	Total
	\$	\$	\$
Cost or valuation			
At 1 October 2021	7,053,524	517,431	7,570,955
Additions	-	355	355
At 30 September 2022	<u>7,053,524</u>	<u>517,786</u>	<u>7,571,310</u>
Amortisation			
At 1 October 2021	7,053,524	492,402	7,545,926
Amortisation charge	-	10,312	10,312
At 30 September 2022	<u>7,053,524</u>	<u>502,714</u>	<u>7,556,238</u>
Carrying amount			
At 30 September 2022	-	15,072	15,072
At 30 September 2021	-	25,029	25,029

14. Investments

	2022	2021
	\$	\$
Subsidiaries		
Cost or valuation		
At 1 October	402,328,900	301,828,900
Additions	29,289,785	100,500,000
At 30 September	<u>431,618,685</u>	<u>402,328,900</u>
Provision		
At 1 October	-	-
Provision charge	-	-
At 30 September	<u>-</u>	<u>-</u>
Net book value		
At 30 September	<u>431,618,685</u>	<u>402,328,900</u>

On 9 November 2021, the Company acquired an undertaking in Sourced Group Cloud Services Limited for \$29.3 million.

On 2 December 2020, the Company made a voluntary capital contribution of \$100.50 million to its wholly owned subsidiary, Sypress, Inc, which was funded via a capital contribution received from the Company's parent on 23 October 2020

The Company did not receive any dividends during the financial year (2021: \$23.8 million).

Amdocs (UK) Limited**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 September 2022

14. Investments (continued)

Details of the principal investments held by the Company at 30 September 2022 of which the Company holds, directly or indirectly, at least 20% of the nominal value of any class of share capital are as follows:

Name of subsidiary	Country of incorporation and principal place of business	Holdings type (stock/shares)	Proportion of ownership interest and voting rights held
Amdocs Inc.	USA	Common	100.00% ++
Sypress Inc.	USA	Common	100.00%
Canadian Directory Technology Ltd	USA	Common	100.00% ++
Directory Technology (Pty) Ltd.	Australia	Ordinary	100.00% ++
Amdocs (Brazil) Limitada	Brazil	Ordinary	100.00%
Amdocs (Italy) S.r.l.	Italy	Ordinary	100.00%
Amdocs Software GmbH	Germany	Ordinary	100.00%
Amdocs Japan Limited	Japan	Ordinary	100.00%
PT Application Solutions	Indonesia	Ordinary	100.00% ++
Amdocs (France) SAS	France	Ordinary	100.00% ++
Amdocs Software Technologies Inc.	USA	Common	50.00% ++
Amdocs IT Services LLC	USA	Common	100.00% ++
Amdocs BV	Netherlands	Ordinary	100.00%
Amdocs (CR) s.r.o.	Czech Republic	Ordinary	100.00% ++
Amdocs Management Limited	UK	Ordinary	100.00%
Amdocs Portugal Software Unipersonal Lda	Portugal	Ordinary	100.00% ++
Amdocs Systems LLC.	USA	Common/Preferred	100.00% ++
Amdocs (Spain) SLU	Spain	Ordinary	100.00% ++
Ignis UK Investment Limited	UK	Ordinary	100.00%
Amdocs (Hellas) Limited	Greece	Ordinary	100.00% ++
Amdocs BCS (UK) Limited	UK	Ordinary	100.00% ++
Amdocs (USA) Inc.	USA	Common	100.00% ++
Qpass Holdings GmbH	Austria	Ordinary	100.00% ++
Qpass US Holdings LLC	USA	Ordinary	100.00% ++
Amdocs Qpass – Austria GmbH	Austria	Ordinary	100.00% ++
OpenMarket Inc.	USA	Common	100.00% ++
Amdocs Botswana (Proprietary) Limited	Botswana	Ordinary	100.00%
Vindica Inc.	USA	Common	100.00% ++
cVidya Networks Inc.	USA	Common	100.00% ++
jNetX Software LLC	USA	Common	100.00% ++
Pontis Ltd.	Israel	Ordinary	100.00% ++
Kenzan Media LLC	USA	Common	100.00% ++
Vubiquity Inc.	USA	Common	100.00% ++
Vubiquity Group Limited*	UK	Ordinary	100.00% ++
Vubiquity Management Limited	UK	Ordinary	100.00% ++
FilmFlex Movies Limited	UK	Ordinary	100.00% ++
Telecom Technology Services Inc.	USA	Common	100.00% ++
Sourced Group Cloud Services Limited	UK	Ordinary	100.00%

++ held by a subsidiary undertaking

* On 5 April 2022, the Vubiquity Group Limited was placed into voluntary liquidation.

The subsidiary undertakings are engaged in providing business support systems and related services to the communications industry.

Amdocs (UK) Limited**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 September 2022

15. Other financial assets

	30 September 2022	30 September 2021
Non-current financial assets	\$	\$
At 1 October	7,515,524	2,582,795
Additions	-	143,060
Fair value adjustment	12,465	4,789,669
Total unquoted equity investments	7,527,989	7,515,524

On 20 July 2021 the Company increased its interest in New Vector for a consideration of \$0.14 million.

The increase in equity investments during the year is due to an increase in the fair value attributable to a minority equity investment held by the Company.

16. Trade and other debtors

	30 September 2022	30 September 2021
	\$	\$
Trade debtors	3,071,249	5,182,557
Amounts owed by group undertakings	43,251,036	59,412,928
Accrued income	4,139,289	1,247,541
Prepayments	303,061	998,116
Other debtors	343,087	23,228
VAT receivable	-	84,088
	51,107,722	66,948,458

Amounts owed by group undertakings are unsecured, bear interest at commercial rates and are repayable in full within one year of granting.

17. Creditors due within one year

	30 September 2022	30 September 2021
	\$	\$
Trade creditors	1,091,314	207,339
Accrued expenses	3,684,063	3,621,163
Amounts owed to group undertakings	19,972,279	8,229,746
Social security and other taxes	511,903	483,637
Pension contributions payable	138,089	130,617
Income tax payable	625,960	168,641
Other creditors	933,990	14,198
Deferred income	1,490,300	975,813
Lease liability (note 20)	225,165	601,848
VAT payable	14,237	-
	28,687,300	14,433,002

Amounts owed to group undertakings are unsecured, bear interest at commercial rates and are repayable in full within one year of granting.

Amdocs (UK) Limited**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 September 2022

18. Creditors due after more than one year

	30 September 2022	30 September 2021
	\$	\$
Accrued expense	1,044,000	-
Lease liability (see note 20)	1,234,859	1,935,008
	<u>2,278,859</u>	<u>1,935,008</u>

19. Other provisions

	National insurance	Total
	\$	\$
At 1 October 2021	55,471	55,471
Decrease in existing provisions	(1,762)	(1,762)
At 30 September 2022	<u>53,709</u>	<u>53,709</u>

20. Leases

The Company leases buildings for its office space. The leases of office space run for a period of 1 to 5 years, with some agreements including an option to renew after the end of the contractual term. For leases of office space with lease terms of 12 months or less, the Company applies the 'short-term lease' recognition exemptions for these agreements.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	30 September 2022	30 September 2021
	\$	\$
Cost		
At 1 October	4,335,805	3,896,591
Lease modification	-	439,214
At 30 September	<u>4,335,805</u>	<u>4,335,805</u>
Depreciation and impairment		
At 1 October	(1,889,774)	(838,226)
Depreciation charge for the year	(571,201)	(871,788)
Lease modification	-	(179,760)
At 30 September	<u>(2,460,975)</u>	<u>(1,889,774)</u>
Net book value		
At 1 October	2,446,031	3,058,365
At 30 September	<u>1,874,830</u>	<u>2,446,031</u>

Amdocs (UK) Limited**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 September 2022

20. Leases (continued)**Leases included in creditors**

	30 September 2022	30 September 2021
	\$	\$
At 1 October	2,536,856	3,131,260
Accretion of interest	24,355	34,229
Payments	(755,148)	(775,414)
Foreign exchange	(346,039)	146,781
At 30 September	<u>1,460,024</u>	<u>2,536,856</u>

	30 September 2022	30 September 2021
	\$	\$
Current	225,165	601,848
Non-current	1,234,859	1,935,008
At 30 September	<u>1,460,024</u>	<u>2,536,856</u>

Lease liabilities maturity analysis

The contractual undiscounted cash flow related to the lease payments is as follows:

	30 September 2022	30 September 2021
	\$	\$
Within one year	241,508	656,814
In two to five years	1,249,985	1,972,926
	<u>1,491,493</u>	<u>2,629,740</u>

Amount recognised in statement of comprehensive income

	30 September 2022	30 September 2021
	\$	\$
Interest on lease liabilities	24,355	34,229
Depreciation expense of right-of-use assets	571,201	871,788
Total amount recognised in profit or loss	<u>595,556</u>	<u>906,017</u>

Total cash outflows related to leases

Total cash outflows related to leases are presented in the table below:

	30 September 2022	30 September 2021
	\$	\$
Payment	755,148	775,414
Right-of-use assets	<u>755,148</u>	<u>775,414</u>

Amdocs (UK) Limited**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 30 September 2022

21. Pension and other schemes**Defined contribution pension scheme**

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to \$963,132 (2021: \$899,177).

Contributions totalling \$138,089 (2021: \$130,617) were payable to the scheme at the end of the year and are included in creditors (Note 17).

22. Share-based payments

Amdocs (UK) Limited, as a member of the Amdocs group of companies, has adopted the Amdocs Stock Option and Incentive Plan (the "Plan"), which provides for the grant of restricted stock awards and stock options to employees, officers, directors and consultants. The purpose of the Plan is to enable the Company to attract and retain qualified personnel and to motivate such persons by providing them with equity participation in the Company. Awards granted under the Plan generally vest over a period of four years and stock options have a term of ten years.

Amdocs (UK) Limited, has availed of the exemptions under FRS 101.7-8 from the requirements of paragraphs 45(b) and 46-52 of IFRS 2 share based payments as the equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

23. Share capital

Allotted, called up and fully paid shares	30 September 2022		30 September 2021	
	No.	\$	No.	\$
Ordinary shares of £1 each	7,874,016	15,333,171	7,874,016	15,333,171

24. Other reserves

On 16 August 2019, the Company received a capital contribution of \$53,000,000 from the Company's parent, this is an unconditional, irrevocable contribution of funds. No consideration was granted in respect of these funds and no party acquired rights of any nature against the Company in respect of the funds advanced or otherwise.

25. Related party transactions

In common with other companies which are members of a group of companies, the financial statements reflect the effect of such membership. The Company has availed of the exemption provided in Financial Reporting Standard 101, Reduced Disclosure Framework, for wholly owned subsidiary undertakings within the group, from the requirement to give details of transactions with entities that are part of the group.

26. Parent and ultimate parent undertaking

The Company's immediate parent is Opis Investment Switzerland GmbH.

The ultimate parent is Amdocs Limited, a company incorporated in Guernsey.

The financial statements for Amdocs Limited are available from the Company's website: www.amdocs.com.

27. Contingent liabilities

The Company had no contingent liabilities at 30 September 2022.

28. Capital commitments

The Company had no material capital commitments at 30 September 2022.

29. Events after the reporting date

There were no significant events after the reporting date that require disclosure.

30. Board approval

These financial statements were authorised for issue by the Board on 7 December 2023.