JUNIPER NETWORKS (UK) LIMITED

DIRECTORS' REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

REGISTRATION NUMBER 3845874

JUNIPER NETWORKS (UK) LIMITED

DIRECTORS' REPORTS AND FINANCIAL STATEMENTS
For the year ended 31 December 2015

CONTENTS

JUNIPER NETWORKS (UK) LIMITED
COMPANY INFORMATION
For the year ended 31 December 2015

DIRECTORS	Stephen Byrne Johannes Wilhelmus Albers Terrance Spidell - (Appointed 19/08/2015) Mitchell Gaynor - (Resigned 19/08/2015)
SECRETARY	Abogado Nominees Limited
REGISTERED NUMBER	3845874
REGISTERED OFFICE	Building 1, Aviator Park Station Road Addlestone Surrey KT15 2PG
SOLICITORS	Baker & McKenzie 100 New Bridge Street London EC4V 6JA
BANKERS	Bank of America Alie Street London E1 8DE
AUDITORS	Ernst & Young Chartered Accountants Harcourt Centre Harcourt Street Dublin 2 Ireland

JUNIPER NETWORKS (UK) LIMITED
STRATEGIC REPORT
For the year ended 31 December 2015

The directors of Juniper Networks (UK) Limited ("the Company") present the annual report containing a strategic report, directors' report and the financial statements for the year ended 31 December 2015.

THE STRATEGIC REPORT

PRINCIPAL ACTIVITIES

The Company is engaged in the sales support, marketing and customer support services of internet protocol secure networking solutions for the Juniper Group in the UK. Turnover includes intercompany revenue and customer support services billed to third parties. On 1 January 2013, Juniper Networks UK entered into a Global Service Agreement with Juniper Networks International BV ("the parent company"), a company incorporated in The Netherlands, whereby the Company charges a service fee to the parent company for the provision of the above services.

BUSINESS REVIEW AND RESULTS FOR THE YEAR

The statement of profit and loss and other comprehensive income for the year ended 31 December 2015 and the statement of financial position at that date are set out on pages 7 and 9. The profit for the year before taxation amounted to £4,086,134 (2014: £2,371,159). After charging tax of £1,035,965 (2014: £912,507), a surplus of £3,050,169 (2014: £1,458,652) was carried to reserves. Shareholders' funds at 31 December 2015 amounted to a surplus of £36,754,083 (2014: £33,026,629).

During the year the Company transitioned from previously extant UK GAAP to FRS 101 - Reduced Disclosure Framework ("FRS101") and has taken advantage of the disclosure exemptions allowed under this standard. The Company's ultimate parent undertaking, Juniper Networks Inc. was notified and did not object to the use of the reduced disclosure framework under FRS 101. Details of the recognition or measurement differences arising on the adoption of FRS 101 are included in note 16 to these financial statements.

The performance in 2015 is in line with the expectations of the directors, and the directors believe the results for the year reflect the ongoing activities of the Company.

PRINCIPAL RISKS AND UNCERTAINITIES

The Company's principal risks and uncertainties are economic risks and competitive risks. A severe or long-term downturn in the global economy may reduce the demand for internet protocol secure networking solutions and in turn the related support services provided by the Company. Equally, competition in this sector may reduce the demand for the Group's specific products. The directors of the Company manage this risk through close attention to customer service levels and product innovation.

FINANCIAL RISK MANAGEMENT

The Company's operations expose it to a variety of financial risks that include the effects of changes in foreign exchange rates and *creditworthiness. The Company has no exposure to debt market prices and little exposure to liquidity and interest rate risk due to the* actions noted below implemented by the ultimate parent company, Juniper Networks Inc., located in the USA. Therefore, the Company has in place a risk management program that seeks to manage the financial exposures of the Company through the measurement of financial metrics, internal controls and hedge contracts for foreign exchange risk. Given the size of the Company, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies are set by the Board of Directors and are implemented by the Company's finance department. The department has policies and procedures that set out specific guidelines on managing the financial risk and the circumstances where it would be appropriate to use financial instruments.

ANALYSIS OF FINANCIAL KEY PERFORMANCE INDICATORS

The Company measures its performance on a number of Key Performance Indicators which are monitored at a group level, including budgets and cost variances.

By order of the Board:

Johannes Wilhelmus Albers
Director

15 March 2017

JUNIPER NETWORKS (UK) LIMITED
DIRECTORS' REPORT
For the year ended 31 December 2015
Registration No. 3845874

The directors present their report for the year ended 31 December 2015.

REVIEW OF THE DEVELOPMENT OF THE BUSINESS
The review of the development of the business is included in the strategic report on page 2.

RESULTS FOR THE YEAR AND STATE OF AFFAIRS AS AT 31 DECEMBER 2015
The results for the year and state of affairs as at 31 December 2015 are included in the strategic report on page 2.

DIVIDENDS
The directors do not recommend the payment of a final dividend.

SIGNIFICANT EVENTS SINCE THE YEAR END
Subsequent to the year end, the immediate parent company, Juniper Networks Ireland DAC, merged with Juniper Networks International BV, another group company. As a result of this, effective 1 June 2016, Juniper Networks International BV became the immediate parent company.

FUTURE DEVELOPMENTS
During 2016, the Juniper Networks Inc. group expects continued challenges in the telecommunications sector and the overall macroeconomic situation to remain uncertain, to see overall modest growth in the markets served, to expand margins in 2016 over those in 2015, to strive to take further share of routing and switching market and stabilising its share of the enterprise sector. This may affect Juniper Networks (UK) Limited since the Company provides the Juniper group with sales support, marketing and customer support services.

FINANCIAL INSTRUMENTS
The financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the Company's operating activities.

RESEARCH AND DEVELOPMENT
The Company is not directly engaged in the field of research and development.

RISK STATEMENT
A statement in relation to the risk factors affecting the business has been included in the strategic report on page 2.

DIRECTORS' AND SECRETARY'S INTERESTS
The directors and secretary who served throughout the year are set out on page 1 of the financial statements. There are no directors' Interest requiring disclosure under the Companies Act 2006.

HEALTH AND SAFETY
The Company has adopted a safety statement in accordance with the requirements of the Health and Safety at Work Act 1974.

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:
- to the best of each director's knowledge and belief, *there is no information (that is, information needed by the Company's auditors in* connection with preparing their report) of which the Company's auditors are unaware; and

- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit *information and to establish that the Company's auditors are aware of that information.*

AUDITORS
Ernst & Young have expressed their willingness to continue in office in accordance with provisions of section 415 of the Companies Act 2006.

By Order of the Board:

15 March 2017

Johannes Wilhelmus Albers
Director

JUNIPER NETWORKS (UK) LIMITED
DIRECTORS' RESPONSIBILITIES STATEMENT
for the year ended 31 December 2015

The directors are responsible for preparing the Director's 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 FRS 101 - Reduced Disclosure Framework (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business..

The directors confirm that the financial statements comply with the above requirements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which 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.

By Order of the Board:

Johannes Wilhelmus Albers
Director

15 March 2017

EY
Building a better working world

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

We have audited the financial statements of Juniper Networks (UK) Limited for the year ended 31 December 2015 which comprise the Statement of Profit and Loss and Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Continued.../

Building a better
working world

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JUNIPER NETWORKS (UK) LIMITED (Continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or
- 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.

Ernst & Young

Marie Treacy (Senior statutory auditor)
for and on behalf of Ernst & Young, Statutory Auditor
Dublin

Date: 20 MAR 2017

JUNIPER NETWORKS (UK) LIMITED
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2015

	Notes	2015 £	2014 £
Turnover	3	50,383,549	47,258,962
Administrative costs		(46,480,512)	(44,939,111)
OPERATING PROFIT		3,903,037	2,319,851
Interest received		105,537	73,994
Gain / (loss) on foreign exchange	6	80,261	(19,416)
Interest payable and similar charges	5	(2,701)	(3,270)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	6	4,086,134	2,371,159
Tax charge	7a	(1,035,965)	(912,507)
PROFIT FOR THE FINANCIAL YEAR		3,050,169	1,458,652
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,050,169	1,458,652

There were no recognised gains or losses in either year other than the profit attributable to shareholders of the company.

The notes on pages 10 to 19 form an integral part of these financial statements.

JUNIPER NETWORKS (UK) LIMITED
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2015

	Called up share capital presented as equity £	Retained earnings £	Total £
As at 1 January 2014	100	29,708,711	**29,708,811**
Profit for the year	-	1,458,652	**1,458,652**
Other comprehensive income	-	-	-
Total comprehensive income	-	1,458,652	**1,458,652**
Share-based payments (Note 15)	-	1,859,166	**1,859,166**
At 31 December 2014	**100**	**33,026,529**	**33,026,629**
Profit for the year	-	3,050,169	**3,050,169**
Other comprehensive income	-	-	-
Total comprehensive income	-	3,050,169	**3,050,169**
Share-based payments (Note 15)	-	677,285	**677,285**
At 31 December 2015	**100**	**36,753,983**	**36,754,083**

The notes on pages 10 to 19 form an integral part of these financial statements.

JUNIPER NETWORKS (UK) LIMITED
STATEMENT OF FINANCIAL POSITION
As at 31 December 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible assets	8	261,198	463,868
		261,198	463,868
CURRENT ASSETS			
Debtors	9	10,269,817	9,838,623
Cash at bank		38,652,383	33,345,233
		48,922,200	43,183,856
CREDITORS (Amounts due within one year)	10	(12,429,315)	(10,621,095)
NET CURRENT ASSETS		36,492,885	32,562,761
NET ASSETS		36,754,083	33,026,629
CAPITAL AND RESERVES			
Called up share capital presented as equity	14	100	100
Retained earnings		36,753,983	33,026,529
		36,754,083	33,026,629

The financial statements were approved by the Board on 15 March 2017
and were signed on its behalf by

Johannes Wilhelmus Albers
Director

REGISTRATION NUMBER 3845874

1 STATEMENT OF COMPLIANCE WITH FRS 101

The financial statements are prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

The results of Juniper Networks (UK) Limited are included in the consolidated financial statements of Juniper Networks Inc., a company incorporated in Delaware, United States of America. Copies of its group financial statements are available from 1194 North Matilda Avenue, Sunnyvale, CA 94089, United States of America.

2 ACCOUNTING POLICIES

2.1 Basis of preparation

The Company transitioned from previously extant UK GAAP to FRS 101 for all periods presented. All adjustments made to the financial statements with respect to the transition to FRS 101 are listed in note 16.

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

(a) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment, because: (i) the share based payment arrangement concerns the instruments of another group entity;
(b) the requirements of IFRS 7 Financial Instruments: Disclosures,
(c) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement,
(d) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
(i) paragraph 79(a)(iv) of IAS 1;
(ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
(e) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1;
(f) the requirements of IAS 7 Statement of Cash Flows;
(g) the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
(h) the requirements in IAS 24 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.

2.2 Judgments and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Operating lease commitments
The Company has entered into commercial property leases and as a lessee it obtains the use of property, plant and equipment. The classification of such leases as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Statement of Financial Position.

Restructuring provision
The Company recognises a provision for restructuring costs only when it has a legal or constructive obligation at the reporting date to carry out the restructuring. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The risks and uncertainties that inevitably surround many events and circumstances is taken into account in reaching the best estimate of a provision.

Taxation
Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 7.

2.3 Significant accounting policies

(a) Turnover

Juniper Networks (UK) Limited is engaged in sales support, marketing and customer support services of internet protocol secure networking solutions for the Juniper Networks Group in the UK. Turnover includes intercompany revenue and customer support services billed to third parties. On 1 January 2013, the Company entered into a Global Service Agreement with Juniper Networks International BV ("the parent company"), a company incorporated in The Netherlands, whereby the Company charges a service fee to the parent company for the provision of the above services.

(b) Tangible fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated to write-off the original cost or valuation less the estimated residual value of the assets over their expected useful lives as follows:

Leasehold improvements	5 years
Furniture and fittings	3 - 5 years
Computer equipment	5 years

In 2014 the management reviewed the policy for depreciation of computer equipment and decided to change the depreciation period from 3 years to 5 years to be in line with the policy of Juniper Networks Inc. The change is immaterial to the financial statements.

(c) Impairment of non-financial assets

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

For assets where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised for the asset or cash generating unit in prior years.

A reversal of impairment loss is recognised immediately in the statement of profit and loss and other comprehensive income, unless the asset is carried at a revalued amount when it is treated as a revaluation increase.

(d) Leases

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged in the statement of profit and loss and other comprehensive income on a straight line basis over the lease term.

(e) Pensions

Pension benefits are funded over the employees' period of service by way of contributions to a defined contribution scheme. Contributions are charged to the statement of proift and loss and other comprehensive income as they become payable.

(f) Foreign currencies

The functional currency of the Company is pound sterling ("£"). Foreign currency transactions are calculated at the spot rate. The period end rate is the spot rate as reported on a pre-designated day of each calendar month. The daily rate is set as the previous months period end rate. This is to record all accounting transactions in the current accounting month.

At each statement of financial statement date:
- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in the statement of profit and loss and other comprehensive income in the period in which they arise.

2.3 Significant accounting policies (Continued)

(g) Taxation

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

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the exception of when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the Statement of Financial Position date.

(h) Cash at bank

Cash and short term deposits in the Statement of Financial Position comprise cash at bank.

(i) Share based payments

The ultimate parent company, Juniper Networks Inc., operates a number of equity-settled, share–based compensation plans, under which the Company receives services from employees as consideration for equity instruments share options, Employee Stock Purchase Plan, Restricted Stock Units ("RSUs") and Performance Share Awards ("PSAs") of Juniper Networks Inc. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense with a corresponding credit to equity.

The fair value of stock options granted is estimated using the Black-Scholes-Merton option valuation model, which incorporates various assumptions including expected life, volatility, risk-free interest rates, and dividend yield.

(j) Financial instruments

The Company's financial assets consists of trade debtors, intercompany balances and VAT receivable. All financial assets are recognised initially at fair value, except in the case of investments (if applicable) at fair value at profit or loss. The Company does not have any investments at fair value through profit and loss.

The Company's financial liabilities include intercompany balances and trade and other payables which are classified as loans and borrowings.

(k) Provision for liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when recovery is virtually certain. The expense relating to any provision is presented in the statement of profit and loss and other comprehensive income net of any reimbursement. Where discounting is used, the increase in the provision due to unwinding of the discount is recognised as a finance cost.

The Company records a provision for reinstatement costs of the lease premises with asset retirement obligation (ARO) clause included in the lease contracts. Reinstatement costs are provided at the present value of expected costs to settle the obligation using estimated cashflows and are recognised as part of the cost of the particular asset. The cashflows are discounted at a current pre-tax rate that reflects the risks specific to the reinstatement liability. The unwinding of the discount is expensed as incurred and recognised in the income statement as a finance cost.The estimated future costs of reinstatement are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

3 TURNOVER

Turnover represents the amounts, excluding value added tax, receivable during the year for the provision of sales support and marketing services to Juniper Networks International BV and customer support services billed to third parties.

4 EMPLOYEES AND REMUNERATION

The average number of persons employed by the Company in the financial year was 198 (2014: 209) analysed as

	2015 Number	2014 Number
Administration	80	83
Sales	118	126
	198	209

The staff costs are comprised of:	2015 £	2014 £
Wages and salaries	27,173,210	25,983,188
Social welfare costs	5,064,164	4,654,539
Pension costs (note 11)	1,105,890	1,064,771
Share based payments (note 15)	677,285	1,859,166
	34,020,549	33,561,664

Directors' remuneration

The Company did not employ any directors to whom any remuneration was paid during 2015 and 2014.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Bank interest and charges	2,701	3,270

6 PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

The profit on ordinary activities before tax is stated after charging / (crediting):

	2015 £	2014 £
(Gain) / loss on foreign exchange	(80,261)	19,416
Operating lease rentals		
- Other	774,624	887,870
Auditor's remuneration	24,436	16,000
Depreciation (note 8)	204,059	187,783

7 TAXATION

7a Tax charged in statement of profit and loss and other comprehensive income

	2015 £	2014 £
Corporation tax	978,433	863,899
Deferred tax	57,532	48,608
Total expense in the statement of profit and loss and other comprehensive income	1,035,965	912,507

7b Reconciliation of the total tax charge

The tax expense in the statement of profit and loss and other comprehensive income for the year is higher than the standard rate of corporation tax in the UK of 20.25% (2014: 21.49%). The difference are reconciled as below:

	2015 £	2014 £
Profit on ordinary activities before tax	4,086,134	2,371,159
Profit on ordinary activities multiplied by the corporation tax rate of 20.25% (2014: 21.49%)	827,442	509,637
Effects of:		
Expenses not deductible for tax purposes	227,539	415,870
Impact of rate changes on deferred tax charge	(19,016)	(13,000)
	1,035,965	912,507

7c Deferred Tax

At 1 January	280,259	328,867
Profit and loss account	(57,532)	(48,608)
At 31 December	222,727	280,259

The deferred tax asset on the Statement of Financial Position consists of the following amounts:

Excess of capital allowances over depreciation	162,198	203,048
Other temporary differences	60,529	77,211
	222,727	280,259

The deferred tax asset movement on the statement of profit and loss and other comprehensive income consists of the following amounts:

Excess of capital allowances over depreciation	20,544	48,608
Other temporary differences	8,962	-
Impact of rate change on opening balance	28,026	-
	57,532	48,608

7d Factors affecting future tax charge

A reduction in the UK corporation tax rate to 21% (effective from 1 April 2014) and 18% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget in July 2016, the Chancellor announced additional planned reductions to 17% by 2020. This will reduce the Company's future current tax charge accordingly.

A deferred tax asset of £222,727 (2014: £280,259) has been recognised in the accounts on the basis that the company will continue to be profit making for the foreseeable future.

The deferred tax asset has been calculated based on the rate of 20% substantively enacted at the Statement of Financial Position date (2014: 20%).

8 TANGIBLE FIXED ASSETS

	Leasehold improvements	Furniture and fittings	Computer equipment	Total
	£	£	£	£
COST				
At 1 January 2015	2,273,914	248,154	667,308	3,189,376
Additions	-	1,389	-	1,389
At 31 December 2015	2,273,914	249,543	667,308	3,190,765
DEPRECIATION				
At 1 January 2015	2,115,007	140,308	470,193	2,725,508
Charge for the year	112,186	41,993	49,880	204,059
At 31 December 2015	2,227,193	182,301	520,073	2,929,567
NET BOOK VALUES				
At 31 December 2015	46,721	67,242	147,235	261,198
At 31 December 2014	158,907	107,846	197,115	463,868

9 DEBTORS (amounts falling due within one year)

	2015	2014
	£	£
Trade and other debtors	1,701,484	4,013,160
Amount owed by group undertakings	7,532,394	4,653,868
VAT receivable	184,252	24,322
Prepayments	628,960	867,014
Deferred tax asset (note 7c)	222,727	280,259
	10,269,817	9,838,623

The amounts due from group undertakings relates to trade receivables and are unsecured interest free and repayable on demand.

10 CREDITORS (amounts falling due within one year)

	2015	2014
	£	£
Trade creditors and accruals	1,009,520	1,168,840
Accrued expenses and deferred income	5,461,131	4,171,161
Corporation tax payable	231,232	231,982
Amounts owed to group undertakings	5,727,432	5,049,112
	12,429,315	10,621,095

The amounts due to group undertakings relates to trade payables and are unsecured interest free and repayable on demand.

11 PENSION COSTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost represents contributions payable by the Company to the fund and amounted to £1,105,890 (2014: £1,064,771). Pension payments due to the scheme at the year end amounted to Nil (2014: £50,014).

12 COMMITMENTS

Payments committed to be made during the next year in respect of rent of land and buildings are analysed by expiry date as follows:

	2015	2014
	£	£
Land and buildings:		
within one year	172,700	61,750
in the second to fifth year	-	414,480
after five years	-	-
	172,700	476,230

13 PARENT UNDERTAKINGS AND CONTROLLING PARTIES

The ultimate controlling party and parent undertaking of the smallest and largest group of undertakings of which the Company is a member, and for which group financial statements are drawn up, is Juniper Networks Inc., a company incorporated in Delaware, United States of America. Copies of its group financial statements are available from 1194 North Matilda Avenue, Sunnyvale, CA 94089, United States of America.

The Company's immediate controlling party as of 31 December 2015 was Juniper Networks Ireland DAC. Effective 1 June 2016 the immediate parent company is Juniper Networks International BV (note 17).

14 SHARE CAPITAL

	2015	2014
	£	£
Authorised:		
50,000 Ordinary shares of £1 each	50,000	50,000
Issued and fully paid:		
100 Ordinary shares of £1 each	100	100

15 SHARE-BASED PAYMENT

The ultimate holding company of the Company operates equity incentive compensation programs which include the 2006 Equity Incentive Plan (the "2006 Plan"), the 2000 Nonstatutory Stock Option Plan (the "2000 Plan"), the Amended and Restated 1996 Stock Plan (the "1996 Plan"), various equity incentive plans assumed through acquisitions, and the 2008 Employee Stock Purchase Plan (the "ESPP"). Under these plans, the ultimate holding company of the Company has granted stock options, restricted stock units ("RSUs") and performance share awards ("PSAs") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Company's operation. All awards granted to employees (including directors) are subject to approval in advance by the board of directors of the ultimate holding company. Share-based payments are equity settled transactions.

Stock Option Activities

Options expire on terms set forth in the grant notice (a maximum term of 10 years from the grant date for options granted under the 1996 Plan and 2000 Plan and a maximum term of 7 years from the grant date for options granted under the 2006 Plan) and generally vest and become exercisable over 4 years from the grant date. Vesting generally occurs at the rate of 25% after 12 months and the balance in equal installments over the following 36 months.

The range of exercise prices for options outstanding at the end of 2015 was £10.46 through £19.91 (2014: £9.15 through £24.41). The weighted average remaining contractual life for options outstanding at the end of 2015 was 0.85 years (2014: 1.61 years).

The weighted average share price of options at the date of exercise during 2015 was £12.52 (2014: £16.05).

The total income of stock options for 2015 was £8,667 (2014: £9,765).

Employee Stock Purchase Plan

The employee stock purchase plan permits eligible employees to acquire shares of the ultimate holding company's common stock through periodic payroll deductions of up to 10% of base compensation, subject to individual purchase limits of 6,000 shares in any twelve-month period or $25,000 worth of stock, determined at the fair market value of the shares at the time such stock purchase option is granted, in one calendar year. The purchase plan is implemented in a series of offering periods, each six months in duration, or a shorter period as determined by the board of directors of the ultimate holding company. The price at which the common stock may be purchased is 85% of the lesser of the fair market value of the ultimate holding company's common stock on the first day of the applicable offering period or on the last day of the respective offering period.

The total expense of the employee stock purchase plan for 2015 was £131,868 (2014: £251,097).

RSU and PSA Activities

Certain employees of the Company are granted RSUs of the ultimate holding company. The RSUs generally vest over a period of three to four years from the date of grant. For RSUs that vest over 3 years, vesting generally occurs at a rate of 34% after 12 months, 33% after 24 months and 33% after 36 months from the date of grant. For RSUs that vest over 4 years, vesting generally occurs at a rate of 50% after 24 months, 25% after 36 months, and 25% after 48 months from the date of grant. Generally, PSAs granted vest from 2012 through 2016 provided that certain annual performance targets and other vesting criteria are met. Until vested, RSUs and PSAs do not have the voting and dividend participation rights of common stock and the shares underlying the awards are not considered issued and outstanding.

The weighted average fair value of RSUs at the date of grant was £15.96 in 2015 (2014: £14.86).

The total expense of RSUs and PSAs for 2015 was £554,084 (2014: £1,617,834).

16 TRANSITION TO FRS 101

For all periods up to and including the year ended 31 December 2014 the Company prepared its financial statements in accordance with previously extant UK GAAP. These financial statements, for the year ended 31 December 2015 are the first the Company has prepared in accordance with FRS 101.

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

In preparing these financial statements, the Company has started from an opening statement of financial position as at 1 January 2014, the Company's date of transition to FRS 101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. As such, this note explains the principal adjustments made by the Company in restating its statement of financial position as at 1 January 2014 prepared under previously extant UK GAAP and its previously published UK GAAP financial statements for the year ended 31 December 2014. On transition to FRS 101, the Company has applied the requirements of paragraphs 6-33 of IFRS 1 "First time adoption of International Financial Reporting Standards".

Asset retirement obligation
Under previous UK GAAP, the Company did not recognise an asset in relation to the Company's asset retirement obligation. Under IAS 16, a separate asset is required to be recognised in relation to the asset retirement obligation along with the related depreciation. The change in the recognition of the asset retirement obligation, in accordance with IAS 16 has resulted in an adjustment to the balances as at 31 December 2014, however, there was no impact to the corresponding balances as at 1 January 2014.

The impact on prior year's income statement, balance sheet and retained earnings is presented below:

Reconciliation of profit and loss for the year ended 31 December 2014

	UK GAAP	FRS 101 transition	FRS 101
Turnover	47,305,762	(46,800)	47,258,962
Administrative costs	(44,981,657)	42,546	(44,939,111)
Operating profit	2,324,105	(4,254)	2,319,851
Interest received	73,994	-	73,994
(Loss) on foreign exchange	(19,416)	-	(19,416)
Interest payable and similar charges	(3,270)	-	(3,270)
Profit on ordinary activities before tax	2,375,413	(4,254)	2,371,159
Tax charge	(913,421)	914	(912,507)
Profit for the financial year	**1,461,992**	**(3,340)**	**1,458,652**

Reconciliation of equity as at 31 December 2014

	UK GAAP	FRS 101 transition	FRS 101
FIXED ASSETS			
Tangible assets	421,322	42,546	463,868
CURRENT ASSETS			
Debtors	9,885,423	(46,800)	9,838,623
Cash at bank	33,345,233	-	33,345,233
	43,230,656	(46,800)	43,183,856
CREDITORS (Amounts due within one year)	(10,622,009)	914	(10,621,095)
NET CURRENT ASSETS	**32,608,647**	**(45,886)**	**32,562,761**
NET ASSETS	**33,029,969**	**(3,340)**	**33,026,629**
CAPITAL AND RESERVES			
Called up share capital	100	-	100
Retained earnings	33,029,869	(3,340)	33,026,529
	33,029,969	**(3,340)**	**33,026,629**

17 SUBSEQUENT EVENTS

Subsequent to the year end, the immediate parent company, Juniper Networks Ireland DAC, merged with Juniper Networks International BV, another group company. As a result of this, effective 1 June 2016, Juniper Networks International BV became the immediate parent company.

18 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board on 15 March 2017