

Company Number: 08149007

**DataDirect Networks UK Limited**

**Directors' Report and Financial Statements**

**For the financial year ended 31 December 2016**

**BDO**

Beaux Lane House  
Mercer Street Lower  
Dublin 2  
Ireland

TUESDAY



\*L6FBMVCH\*

LD5

19/09/2017

#95

COMPANIES HOUSE

**DataDirect Networks UK Limited**

**Company Information**

<b>DIRECTORS</b>	Sandra Pak Knox (resigned 2 June 2016) Ian Gordon Angelo
<b>COMPANY SECRETARY</b>	Taylor Wessing Secretaries Limited
<b>REGISTERED NUMBER</b>	08149007
<b>REGISTERED OFFICE</b>	5 New Street Square London EC4A 3TW United Kingdom
<b>INDEPENDENT AUDITORS</b>	BDO Statutory Audit Firm Beaux Lane House Mercer Street Lower Dublin 2 Ireland
<b>BANKERS</b>	AIB (Sterling Branch) St Helen's 1 Undershaft London EC3A 8AB United Kingdom
<b>SOLICITORS</b>	Taylor Wessing 5 New Street Square London EC4A 3TW United Kingdom

## **DataDirect Networks UK Limited**

### **Contents**

	<b>Page</b>
<b>Directors' Report</b>	<b>1 - 2</b>
<b>Directors' Responsibilities Statement</b>	<b>3</b>
<b>Independent Auditors' Report</b>	<b>4 - 5</b>
<b>Statement of Income and Retained Earnings</b>	<b>6</b>
<b>Balance Sheet</b>	<b>7</b>
<b>Statement of Cash Flows</b>	<b>8</b>
<b>Notes to the Financial Statements</b>	<b>9 - 20</b>

## **DataDirect Networks UK Limited**

### **Directors' Report For the Financial year Ended 31 December 2016**

The Directors present their report and the financial statements for the financial year ended 31 December 2016.

#### **PRINCIPAL ACTIVITY**

DataDirect Networks UK Limited is a data storage infrastructure provider whose principal activity is the provision of support services to the ultimate parent company, DataDirect Networks Inc.

#### **BUSINESS REVIEW**

During the financial year, the company is principally engaged in the sale and marketing of high capacity big data storage and processing solutions. There has been no significant change in activity during the financial year.

#### **RESULTS AND DIVIDENDS**

The Statement of Income and Retained Earnings and Balance Sheet for the financial year ended 31 December 2016 are set out on pages 6 and 7, after taxation, amounted to £53,028 (2015: £76,527).

The Directors do not recommend the payment of a final dividend.

#### **DIRECTORS, SECRETARY AND THEIR INTERESTS**

The Directors who served during the financial year were:

Sandra Pak Knox (resigned 2 June 2016)  
Ian Gordon Angelo

The directors are not required to retire by rotation under the Articles of Association.

The directors and secretary did not hold any beneficial interest in the shares of the ultimate parent company, DataDirect Networks Inc., during the period.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The directors have reviewed the principal risks and uncertainties currently facing the company and do not consider there to be any significant notable risks at this time. This is however under the constant consideration of the Board of Directors.

#### **FUTURE DEVELOPMENTS**

The Directors are satisfied with the year end financial position of the company and do not anticipate any future material changes in the business of the company at this time.

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**DataDirect Networks UK Limited**

**Directors' Report**  
**For the Financial year Ended 31 December 2016**  
**POST BALANCE SHEET EVENTS**

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

**AUDITORS**

The auditors, BDO, Statutory Audit Firm, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....  
**Ian Gordon Angelo**  
Director

Date: September 5, 2017

## **DataDirect Networks UK Limited**

### **Directors' Responsibilities Statement For the financial year ended 31 December 2016**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2006 and the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any 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.

## Independent Auditors' Report to the Shareholders of DataDirect Networks UK Limited

We have audited the financial statements of DataDirect Networks UK Limited for the financial year ended 31 December 2016, which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cashflows and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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 AUDITORS

As explained more fully in the Directors' Responsibilities Statement on page 3, 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 Financial Reporting Council'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 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 2016 and of its profit for the financial 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.

Page 4

Other Offices:  
  
Four Michael Street  
Limerick

Michael Costello (Managing Partner)  
Andrew Bourq  
Katharine Byrne  
Maurice Carr  
Kevin Doyle  
John Gilmore Gavin

Jim Hamilton  
Sinead Heaney  
Diarmuid Hendrick  
Derek Henry  
Liam Hession  
Gerard Holliday

Brian Hughes  
Ken Kilmartin  
Teresa Morahan  
Paul Nestor  
John O'Callaghan  
Con Quigley

Peter Carroll  
Eddie Doyle  
Stewart Dunne  
Ivor Feerick  
Brian Gartlan  
David Giles  
Derry Gray

Denis Herlihy  
David McCormick  
Brian McNery  
Ciarán Medlar  
David O'Connor  
Patrick Sheehan  
Noel Taylor

Chartered Accountants



## OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial financial year for which the financial statements are prepared is consistent with those accounts and this report has been prepared with applicable legal requirements. In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors Report.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Teresa Morahan (Senior Statutory Auditor)  
for and on behalf of  
**BDO Dublin**  
Statutory Audit Firm  
AI 223876

13/9/17  
Date: \_\_\_\_\_



**DataDirect Networks UK Limited**

**Statement of Income and Retained Earnings  
For the financial year ended 31 December 2016**

	Note	2016 £	2015 £
Turnover	4	<u>1,656,067</u>	<u>2,042,668</u>
<b>GROSS PROFIT</b>		<b>1,656,067</b>	<b>2,042,668</b>
Administrative expenses		<u>(1,572,083)</u>	<u>(1,936,434)</u>
<b>OPERATING PROFIT</b>	5	<u>83,984</u>	<u>106,234</u>
<b>PROFIT BEFORE TAX</b>		<b>83,984</b>	<b>106,234</b>
Tax on profit	7	<u>(32,141)</u>	<u>(29,707)</u>
<b>PROFIT AFTER TAX</b>		<u><b>51,843</b></u>	<u><b>76,527</b></u>
Retained earnings at the beginning of the financial year		<u>376,206</u>	<u>299,679</u>
		<b>376,206</b>	<b>299,679</b>
Profit for the financial year		<u>51,843</u>	<u>76,527</u>
<b>RETAINED EARNINGS AT THE END OF THE FINANCIAL YEAR</b>		<u><b>428,049</b></u>	<u><b>376,206</b></u>

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of income and retained earnings.

The notes on pages 9 to 20 form part of these financial statements.

**DataDirect Networks UK Limited**  
Registered number: 08149007

**Balance Sheet**  
**As at 31 December 2016**

	Note	2016 £	2015 £
<b>FIXED ASSETS</b>			
Tangible assets	8	621	994
		<u>621</u>	<u>994</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	9	615,946	538,888
		<u>615,946</u>	<u>538,888</u>
Creditors: amounts falling due within one year	10	(187,518)	(162,676)
		<u>(187,518)</u>	<u>(162,676)</u>
<b>NET CURRENT ASSETS</b>		<b>428,428</b>	<b>376,212</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>429,049</b>	<b>377,206</b>
		<u>429,049</u>	<u>377,206</u>
<b>NET ASSETS</b>		<b>429,049</b>	<b>377,206</b>
		<u>429,049</u>	<u>377,206</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	1,000	1,000
Profit and loss account		428,049	376,206
		<u>428,049</u>	<u>376,206</u>
		<b>429,049</b>	<b>377,206</b>
		<u>429,049</u>	<u>377,206</u>

The Company's financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....  
**Ian Gordon Angelo**  
Director

Date: September 5, 2017

The notes on pages 9 to 20 form part of these financial statements.

**DataDirect Networks UK Limited**

**Statement of Cash Flows  
For the financial year ended 31 December 2016**

	2016 £	2015 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the year	51,843	76,527
<b>ADJUSTMENTS FOR:</b>		
Depreciation of tangible assets	373	124
Taxation expense	32,141	29,707
(Increase) / Decrease in debtors	(7,555)	(2,938)
Increase in amounts owed by groups	(69,505)	(50,054)
Decrease / (Increase) in creditors	6,382	(22,541)
Increase in amounts owed to groups	19,730	-
Corporation tax	(33,409)	(29,707)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<u>-</u>	<u>1,118</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible fixed assets	<u>-</u>	<u>(1,118)</u>
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<u>-</u>	<u>(1,118)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>-</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR</b>	<u><u>-</u></u>	<u><u>-</u></u>

## **DataDirect Networks UK Limited**

### **Notes to the Financial Statements For the Financial year Ended 31 December 2016**

#### **1. GENERAL INFORMATION**

These financial statements comprising the Statement of Income and Retained Earnings, the Balance Sheet, Statement of Cash Flows and the related notes constitute the individual financial statements of DataDirect Networks UK Limited for the financial year ended 31 December 2016.

DataDirect Networks UK Limited is a private company limited by shares and incorporated in the United Kingdom. The registered office is 5 New Street Square, London, EC4A 3TW, United Kingdom which is also the principal place of business of the Company. The nature of the company's operations and its principal activities are set out in the Directors' Report on page 1.

#### **2. ACCOUNTING POLICIES**

##### **2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of DataDirect Networks Inc as at 31 December 2015 and these financial statements may be obtained from 9351 Deering Avenue, Chatsworth, California 91311, USA.

**DataDirect Networks UK Limited**

**Notes to the Financial Statements  
For the Financial year Ended 31 December 2016**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.3 REVENUE**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 TANGIBLE FIXED ASSETS**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

The estimated useful lives range as follows:

Computer equipment	-	3 years
--------------------	---	---------

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

**DataDirect Networks UK Limited**

**Notes to the Financial Statements  
For the Financial year Ended 31 December 2016**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.5 OPERATING LEASES: THE COMPANY AS LESSEE**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**2.6 DEBTORS**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.7 CASH AND CASH EQUIVALENTS**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**DataDirect Networks UK Limited**

**Notes to the Financial Statements  
For the Financial year Ended 31 December 2016**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.8 FINANCIAL INSTRUMENTS**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- i) At fair value with changes recognised in the Statement of Income and Retained Earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- ii) At cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.9 CREDITORS**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**DataDirect Networks UK Limited**

**Notes to the Financial Statements  
For the Financial year Ended 31 December 2016**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.10 FOREIGN CURRENCY TRANSLATION**

**Functional and presentation currency**

The company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

**2.11 PENSIONS**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.12 TAXATION**

Tax is recognised in the Statement of Income and Retained Earnings, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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



**DataDirect Networks UK Limited**

**Notes to the Financial Statements  
For the Financial year Ended 31 December 2016**

**3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY**

The directors consider the accounting estimates and assumptions below to be its critical accounting estimates and judgments:

**Going Concern**

The directors have prepared budgets and cash flows for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the company's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the company was unable to continue as a going concern.

**Useful lives of tangible fixed assets**

Long-lived assets comprising primarily of equipment represent a marginal portion of the total assets. The annual depreciation charge depends primarily on the estimated lives of each type of assets and, in certain circumstances, estimates of residual values. The directors review these useful lives regularly and change them if necessary to reflect the current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the year. The net book value of tangible fixed assets subject to depreciation at the financial year end date was £621 (2015: £944).

**4. ANALYSIS OF TURNOVER**

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Support Services	1,656,067	2,042,668
	<u>1,656,067</u>	<u>2,042,668</u>

All turnover arose from services provided in the United Kingdom to the United States operations.

**5. OPERATING PROFIT**

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	373	124
Exchange differences	(495)	2,068
Defined contribution pension cost	<u>30,380</u>	<u>37,770</u>

During the financial year, no Director received any emoluments (2015 - £NIL).

**DataDirect Networks UK Limited**

**Notes to the Financial Statements  
For the Financial year Ended 31 December 2016**

**6. EMPLOYEES**

	<b>2016</b> £	<b>2015</b> £
Wages and salaries	<b>1,146,778</b>	<b>1,399,134</b>
Social security costs	<b>139,605</b>	<b>175,937</b>
Cost of defined contribution scheme	<b>30,380</b>	<b>37,770</b>
	<b><u>1,316,763</u></b>	<b><u>1,612,841</u></b>

The average number of employees, including the directors, during the financial year was as follows:

	<b>2016</b> No.	<b>2015</b> No.
Sales and Sales Support	<b>11</b>	<b>13</b>
	<b><u>11</u></b>	<b><u>13</u></b>

**DataDirect Networks UK Limited**

**Notes to the Financial Statements  
For the Financial year Ended 31 December 2016**

**7. TAXATION**

	<b>2016</b> £	<b>2015</b> £
<b>Corporation tax</b>		
Current tax on profits for the year	<b>32,141</b>	<b>29,707</b>
<b>Taxation on profit on ordinary activities</b>	<b>32,141</b>	<b>29,707</b>

**FACTORS AFFECTING TAX CHARGE FOR THE FINANCIAL YEAR**

The tax assessed for the financial year is the same as (2015 -the same as) the standard rate of corporation tax in the UK of 20% (2015 -20.25%) as set out below:

	<b>2016</b> £	<b>2015</b> £
Profit on ordinary activities before tax	<b>83,984</b>	<b>106,234</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 -20.25%)	<b>16,797</b>	<b>21,512</b>
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	<b>75</b>	<b>(199)</b>
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>4,634</b>	<b>885</b>
Under / (over) provision in prior year	<b>10,635</b>	<b>(12,963)</b>
Prior year adjustment	<b>-</b>	<b>20,472</b>
<b>Total tax charge for the financial year</b>	<b>32,141</b>	<b>29,707</b>

**DataDirect Networks UK Limited**

**Notes to the Financial Statements  
For the Financial year Ended 31 December 2016**

**8. TANGIBLE FIXED ASSETS**

	Computer equipment £	Total £
<b>Cost or valuation</b>		
At 1 January 2016	1,118	1,118
<b>At 31 December 2016</b>	<b>1,118</b>	<b>1,118</b>
<b>Depreciation</b>		
At 1 January 2016	124	124
Charge owned for the period	373	373
<b>At 31 December 2016</b>	<b>497</b>	<b>497</b>
<b>At 31 December 2016</b>	<b>621</b>	<b>621</b>
<i>At 31 December 2015</i>	<i>994</i>	<i>994</i>

**9. DEBTORS**

	2016 £	2015 £
<b>Due within one year</b>		
Amounts owed by group undertakings	599,635	530,131
Other debtors	6,434	1,063
Prepayments and accrued income	9,877	7,694
	<b>615,946</b>	<b>538,888</b>

All debtors are due within one year. All intercompany debtors are due within the Company's normal terms. Intercompany debtors are shown net of impairment in respect of doubtful debts.

**DataDirect Networks UK Limited**

**Notes to the Financial Statements  
For the Financial year Ended 31 December 2016**

**10. CREDITORS: Amounts falling due within one year**

	2016 £	2015 £
Amounts owed to group undertakings	19,730	-
Corporation tax	10,635	11,904
Taxation and social security	42,620	44,925
Other creditors	6,343	8,644
Accrued expenses	67,579	68,442
Accrued vacation	40,611	28,761
	<u>187,518</u>	<u>162,676</u>

The repayment terms of trade creditors vary between on demand and ninety days. No interest is payable on trade creditors.

Tax and social insurance are subject to the terms of the relevant legislation. Interest accrues on late payment at the rate of 0.0274% per day. No interest was due at the financial year end date.

The terms of accruals are based on the underlying amounts.

Other amounts included within creditors are not covered by specific note disclosures are unsecured, interest free and repayable on demand.

**11. FINANCIAL INSTRUMENTS**

	2016 £	2015 £
<b>FINANCIAL ASSETS</b>		
Financial assets measured at fair value through profit or loss	606,071	531,193
	<u>606,071</u>	<u>531,193</u>
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	26,073	8,644
	<u>26,073</u>	<u>8,644</u>

Financial assets measured at amortised cost comprise amounts due from group undertakings and other debtors.

Financial Liabilities measured at amortised cost comprise of amounts owed to group undertakings and other creditors.

**DataDirect Networks UK Limited**

**Notes to the Financial Statements  
For the Financial year Ended 31 December 2016**

**12. RESERVES**

**Profit and loss account**

The profit and loss account represents cumulative gains and losses recognised in the profit and loss account, net of transfers to/from other reserves and dividends paid.

**13. SHARE CAPITAL**

	2016 £	2015 £
<b>Authorised, allotted, called up and fully paid</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

**14. CAPITAL COMMITMENTS**

There were no capital commitments at the balance sheet date.

**15. PENSION COMMITMENTS**

The company operates a defined contribution scheme for certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The defined contribution pension charge for the year was £30,380 (2015: £37,770)

**16. RELATED PARTY TRANSACTIONS**

DataDirect Networks UK Limited is wholly owned within the DataDirect Networks Inc group. Transactions with the holding company and fellow subsidiaries are not disclosed as the Company has taken advantage of the exemption available under FRS 102 from disclosing such transactions.

*Key management personnel compensation*

The directors' remuneration disclosed in note 5 represents the total compensation paid to key management personnel.

**17. POST BALANCE SHEET EVENTS**

There were no post balance sheet events.

**18. CONTROLLING PARTY**

The ultimate controlling party of the company is DataDirect Networks Inc., a company incorporated in the United States of America.

**DataDirect Networks UK Limited**

**Notes to the Financial Statements  
For the Financial year Ended 31 December 2016**

**19. COMPARATIVE INFORMATION**

Comparative information has been reclassified where necessary to conform with current year presentation.

**20. APPROVAL OF FINANCIAL STATEMENTS**

The board of directors approved these financial statements for issue on

5/9/17