

Citrix Global Holdings UK Limited

Registered No. 10399739

Annual Report and Financial Statements

Year ended 31 December 2018

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COMPANIES HOUSE

Directors

Brian L Shytle
Malgorzata Stelmach-Hansson

Secretary

David Dunn

Auditors

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

Bankers

Bank of America
2 King Edward Street
London
EC1A 1HQ

Solicitors

Taylor Wessing LLP
5 New Street Square
London
EC4A 3TW

Registered Office

Building 3
Chalfont Park
Chalfont St Peter
Gerrards Cross
Buckinghamshire SL9 0BG

Strategic report

The directors present their strategic report for Citrix Global Holdings UK Limited (“the Company”) and financial statements for the year ended 31 December 2018.

Change in direct subsidiary

At the start of the year the Company’s direct subsidiary was Citrix Finance Cayman LP.

On 26 February 2018 Citrix Finance Cayman LP was liquidated and transferred its shares in Citrix Overseas Holdings B.V. to the Company prior to liquidation. Citrix Overseas Holdings B.V. is now the direct subsidiary of the Company.

Principal activity and review of the business

The Company acts as an intermediate holding company in the Citrix group.

The Company’s profit for the year was driven by income from shares in group companies exceeding interest payable to group companies for loans to purchase these investments.

Principal risks and uncertainties

Investments

The Company acts as a holding company of investments. The risk facing the Company is the underlying performance of its investments and liquidity. The directors address this by ensuring the subsidiaries have sufficient resources from within the Citrix group to be able to continue trading.

Cyber security risk

The Citrix group was a victim of a cyberattack during which, the group believes that between 13 October 2018 and 8 March 2019, international cyber criminals gained intermittent access to the group’s internal network through “password spraying”, and over a limited number of days stole business documents and files from a shared network drive and a drive associated with a web-based tool used in the group’s consulting practice.

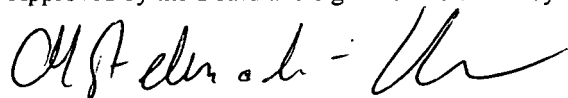
Further, the group has a program of network-security (or cyber risk) insurance policies that, with standard exclusions, insure against the costs of detecting and mitigating cyber breaches, the cost of credit monitoring, and reasonable expenses for defending and settling privacy and network security lawsuits.

The Citrix group investigation found no indication that the cyber criminals discovered and exploited any vulnerabilities in the company’s products or customer cloud services to gain entry, and no indication that the security of any Citrix product or customer cloud service was compromised. The group found no impact to its financial reporting systems from this cyberattack. Additionally, the group has taken steps to enhance its internal controls over financial reporting and disclosure controls and procedures related to cyberattacks

Liquidity

The Company faces the risk that it will not have sufficient liquid resources to pay liabilities as they fall due. The directors ensure there are adequate cash resources within the Citrix group to support the Company.

Approved by the Board and signed on its behalf by:



Malgorzata Stelmach-Hansson

Director

Date:

13/09/2019

Registered No. 10399739

Directors' report

The directors present their report and financial statements for the year ended 31 December 2018.

Results and dividends

The profit after taxation amounted to \$289 million (2017: \$1,369 million). The Company paid a dividend during the year of \$300 million (2017: \$nil). The directors do not recommend a further dividend (2017: \$nil).

Future developments

The directors do not foresee any developments in the short to medium term that would significantly affect the operation and profitability of future activities, which are expected to remain in line with the continuing activities shown in the statement of comprehensive income.

Financial instruments

The Company finances its activities by intercompany loans. These loans are US dollar denominated, fixed period and fixed interest rate and, as such, do not give rise foreign currency or interest risk. Liquidity risk is managed by ensuring funds generated by intercompany investments are sufficient to meet payments of these loans as they fall due.

Financial risk objectives

Citrix Global Holdings UK Limited is supported by its ultimate parent company, Citrix Systems Inc., so there is minimal financial risk.

Going concern

The financial position of the Company and its exposures to financial and liquidity risks are summarised on pages 2 to 4 and more information is provided in note 13 Financial Instruments on page 23. The Balance Sheet at 31 December 2018 shows net current liabilities of \$9.7million.

The directors have an expectation that the Company has adequate resources together with the wider support of the Citrix group to continue in operational existence for the foreseeable future, being a period of at least 12 months from the approval of the accounts. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements. Although management do not anticipate the need of any financial support from the parent undertaking, the directors of the parent undertaking have indicated their willingness and ability to support the Company should the need arise.

Directors

The directors who held office throughout the year were as follows:

Brian L Shytle
Caoimhe Ní Ghiosáin (resigned 15 May 2019)
Malgorzata Stelmach-Hansson (appointed 29 May 2019)

Directors' qualifying third party indemnity provision

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Directors' report (continued)

Events since the year end date

There have been no events of note since the end of the year.

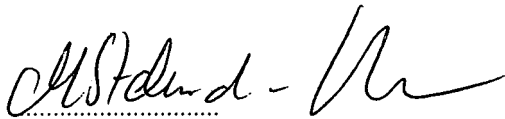
Disclosure of information to the auditors

As far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he/she is obliged to take, as a director, in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

On behalf of the board



Malgorzata Stelmach-Hansson

Director

Date: 13/09/2019

Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 Auditor's Report To The Members of Citrix Global Holdings UK Limited

Opinion

We have audited the financial statements of Citrix Global Holdings UK Limited for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and the related notes 1 to 17, 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 (United Kingdom Generally Accepted Accounting Practice) including FRS 101 "Reduced Disclosure Framework".

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2018 and of its profit 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 below. 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's Report To The Members of Citrix Global Holdings UK Limited (continued)

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.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

Independent Auditor's Report To The Members of Citrix Global Holdings UK Limited (continued)

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.

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

Ernst & Young LLP

Michael Philp (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading

Date: *17 September 2019*

Statement of comprehensive income

for the year ended 31 December 2018

		Year Ended 31 December 2018	28 September 2016 to 31 December 2017
	Notes	\$000	\$000
Administration expenses		(52)	(56)
Operating loss		(52)	(56)
Income from shares in group companies	5	300,000	1,396,709
Interest receivable and similar income	6	30	2
Interest payable and expenses	7	(10,991)	(27,250)
Profit before tax		288,987	1,369,405
Tax	8	-	-
Total comprehensive income for the period		288,987	1,369,405

All amounts relate to continuing activities

The notes on pages 12 to 24 form part of the financial statements

Statement of changes in equity

For the year ended 31 December 2018


	Share Capital \$000	Share Premium \$000	Capital Contribution \$000	Retained earnings \$000	Total \$000
Share issue on incorporation	-	1	-	-	1
Further share	47,920	4,744,080	-	-	4,792,000
Capital contribution	-	-	900	-	900
Total comprehensive income for period 28 September 2016 to 31 December 2017	-	-	-	1,369,405	1,369,405
At 31 December 2017	<u>47,920</u>	<u>4,744,081</u>	<u>900</u>	<u>1,369,405</u>	<u>6,162,306</u>
Total comprehensive income for the year ended 31 December 2018	-	-	-	288,987	288,987
Dividends	-	-	-	(300,000)	(300,000)
At 31 December 2018	<u>47,920</u>	<u>4,744,081</u>	<u>900</u>	<u>1,358,392</u>	<u>6,151,293</u>

Registered No. 10399739

Balance Sheet**At 31 December 2018**

	Notes	2018 \$000	2017 \$000
Fixed assets			
Investments	9	6,592,003	6,592,003
Current assets			
Cash at bank and in hand		1,717	1,748
Creditors: amounts falling due within one year	10	(11,427)	(445)
Net current (liabilities) / assets		<u>(9,710)</u>	<u>1,303</u>
Total assets less current liabilities		6,582,293	6,593,306
Creditors: amounts falling due after one year	11	(431,000)	(431,000)
Net assets		<u>6,151,293</u>	<u>6,162,306</u>
Capital and reserves			
Called up share capital	14	47,920	47,920
Share premium	15	4,744,081	4,744,081
Capital contribution	15	900	900
Retained earnings		<u>1,358,392</u>	<u>1,369,405</u>
Shareholders' funds		<u>6,151,293</u>	<u>6,162,306</u>

The financial statements were approved by the Board of Directors and signed on its behalf by:



Malgorzata Stelmach-Hansson

Director

Date: 13/09/2019

Notes to the financial statements

For the year ended 31 December 2018

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

The financial statements of Citrix Global Holdings UK Limited (the “Company”) for the year ended 31 December 2018 were authorised for issue by the board of directors on 13 September 2019 and the balance sheet was signed on the board’s behalf by Malgorzata Stelmach-Hansson. Citrix Global Holdings UK Limited is a limited company that is incorporated and domiciled in England and Wales and whose shares are not publicly traded.

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

The financial statements are prepared in US Dollars, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest \$’000.

The results of Citrix Global Holdings UK Limited are included in the consolidated financial statements of Citrix Systems Inc., which are available by contacting the Investor Relations Department, Citrix Systems Inc., 851 W Cypress Creek Road, Fort Lauderdale, FL 33309, USA.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements have been prepared on a going concern basis which assumes the Company will continue in operational existence and which depends on the continuing financial support of the group. In this regard, it is Citrix Systems Inc.’s current intention to provide sufficient funds to enable the Company to meet all its liabilities as they fall due, for the foreseeable future.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2018. The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirement in paragraph 38 of IAS 1 ‘Presentation of Financial Statements’ to present comparative information in respect of paragraph 79(a)(iv) of IAS 1
- (b) the requirements of IAS 7 *Statement of Cash Flows*
- (c) the requirements of paragraphs 16 of IAS 1 *Statement of compliance with IFRS*
- (d) the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*;
- (e) 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
- (f) the requirements of paragraphs 134-136 of IAS 1 *Presentation of Financial Statements*;
- (g) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 *Presentation of Financial Statements*;
- (h) the requirements of IAS 7 *Statement of Cash Flows*;
- (i) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- (j) the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*;
- (k) 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 and
- (l) 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*.

The Company has taken the exemption allowed in section 400 of the Companies Act 2006. This section of the legislation means that there is no requirement for the company to prepare group accounts.

Notes to the financial statements

For the year ended 31 December 2018

2. Accounting policies (continued)

Basis of preparation (continued)

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period.

The following judgements have had the most significant effect on amounts recognised in the financial statements:

Fixed asset investment impairment

The determination of the carrying value of fixed asset investments is described below and includes an assessment at the end of each period of any impairment losses. No impairment loss provision was required at the period end. See note 9 for fixed investment disclosure.

No other significant estimates or judgements were used in the preparation of these accounts.

Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in statement of comprehensive income.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Income taxes

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

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 following exceptions:

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 balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment. Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Notes to the financial statements

For the year ended 31 December 2018

2. Accounting policies (continued)

Basis of preparation (continued)

Foreign currency translation

Trading transactions denominated in foreign currencies are translated into US Dollars at the exchange rates ruling when the transaction was entered into. Monetary assets and liabilities denominated in foreign currencies are translated into US Dollars at the exchange rates ruling at the balance sheet date. Exchange gains or losses are included in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Provisions

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation.

2.1 Changes in accounting policies and disclosures

The Company applied IFRS 9 for the first time in this accounting year. This did not have an impact on the financial statements of the Company.

The nature of the changes as a result of adoption of this new accounting standard are described below.

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

IFRS 9 Financial Instruments

IFRS 9 *Financial Instruments* replaces IAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

(a) Classification and measurement

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through other comprehensive income. The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent payments of principal and interest on the principal amount outstanding.

The assessment of the Company's business model was made as of the date of initial application, 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of IFRS 9 did not have a significant impact on the Company. The Company continued measuring at fair value all financial assets previously held at fair value under IAS 39.

(b) Impairment

The adoption of IFRS 9 has not changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

Notes to the financial statements

For the year ended 31 December 2018

3. Auditors remuneration

The Company incurred the following charges in respect of the audit of the financial statements and other services provided.

		Year ended 31 December 2018 \$000	28 September 2016 to 31 December 2017 \$000
Auditors' remuneration	Audit	26	33
	Non audit	12	20

4. Directors' remuneration

There are no UK directors. The directors of the Company are also directors of other companies within the Citrix group. The directors' services to this Company do not occupy a significant amount of their time. As such, the directors do not consider that they have received any remuneration for their incidental services to the Company for the year ended 31 December 2018.

5. Income from shares in group companies

	Year ended 31 December 2018 \$000	28 September 2016 to 31 December 2017 \$000
Dividends - cash	50,000	-
Dividends - non cash	250,000	1,396,709
	<u>300,000</u>	<u>1,396,709</u>

On 18 December 2018, as part of a stepped transaction, the Company received \$50 million cash dividend and the rights, title, interest and benefit under and in respect to \$250 million loan notes issued by our parent company, Citrix Global Holdings BV, from our direct subsidiary, Citrix Overseas Holdings BV. The directors of the Company approved the re-distribution of \$300 million to the parent company, to be satisfied in kind by the Company assigning rights, title, interest and benefit under and in respect to \$250 million Loan notes to the parent company, and \$50 million cash dividend.

On 30 June 2017 the Company received a \$1,396,709 non-cash dividend from its direct subsidiary Citrix Finance Cayman LP. This dividend enabled the Company to extinguish a loan of the same amount from its indirect subsidiary Citrix Systems International GmbH.

6. Interest receivable and similar income

	Year ended 31 December 2018 \$000	28 September 2016 to 31 December 2017 \$000
Bank interest receivable	<u>30</u>	<u>2</u>

7. Interest payable

	Year ended 31 December 2018 \$000	28 September 2016 to 31 December 2017 \$000
Interest payable to group undertakings	<u>10,991</u>	<u>27,250</u>

Notes to the financial statements

For the year ended 31 December 2018

8. Tax	Year ended 31 December 2018	28 September 2016 to 31 December 2017
	\$000	\$000
(a) The tax is made up as follows		
UK corporation tax on profit for the period	-	-
Total	-	-
(b) Factors affecting the current tax charge for the period		
Profit on ordinary activities before tax	288,987	1,369,405
Profit on ordinary activities multiplied by standard rate of corporation tax of 19.0% (19.4%) Effects of	54,908	265,665
Expenses not deductible for tax purposes	-	2,855
Income not assessable for tax purposes	(57,000)	(270,962)
Group relief surrendered	2,092	2,442
Total tax	-	-
(c) Factors that may affect future tax changes		

The UK Corporation tax rate reduction to 17%, effective from 1 April 2020 has been substantively enacted.

Notes to the financial statements

For the year ended 31 December 2018

9. Investments – non current	2018	2017
	\$000	\$000
Investments in group undertakings		
Cost		
At start of period	6,592,003	-
Additions in period	-	6,592,003
At 31 December 2018	<u>6,592,003</u>	<u>6,592,003</u>

The cost as at 31 December 2017 represents the consideration in respect of the acquisition of 100% of the ordinary share capital of Citrix Finance Cayman LP on 29 September 2016. This acquisition was financed by the issue of \$4,793 million share capital and \$1,800 million interco loan finance.

At 31 December 2017, the company's direct subsidiary was Citrix Finance Cayman LP. On 26 February 2018, Citrix Finance Cayman LP was liquidated and transferred its shares in Citrix Overseas Holdings B.V. to the company prior to liquidation.

The Company had the following direct subsidiary undertaking at the year end.

Name of company	Registered Address & Country of Incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Citrix Overseas Holdings B.V.	Jan van Goyenkade 8, 1075HP Amsterdam, NETHERLANDS	Ordinary shares	100%	Intermediate holding company within the Citrix group

As a result of this acquisition, the Company had the following indirect subsidiary undertakings at the year end.

Name of company	Registered Address & Country of Incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Byte Squared Limited	5 New Street Square, London EC4A 3TW UK	Ordinary shares	100%	Software
Citrix Holanda B.V.	Jan van Goyenkade 8, 1075HP Amsterdam, NETHERLANDS	Ordinary shares	100%	Intermediate holding company within the Citrix group
Citrix Online AUS Pty Ltd	Level 25, Aurora Place, 88 Phillip Street, SYDNEY NSW 2000 AUSTRALIA	Ordinary shares	100%	Sales & Marketing Representative
Citrix R&D Limited	Building 3 Chalfont Park, Chalfont St. Peter, Gerrards Cross, Buckinghamshire SL9 0BG, UK	Ordinary shares	100%	Research and Development

Notes to the financial statements

For the year ended 31 December 2018

9. Investments – non current (continued)

Name of company	Registered Address & Country of Incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Citrix Sistemas de Argentina, S.R.L.	Av. Cordoba 657, 4th Floor, Suite A, Buenos Aires 1054AAF, ARGENTINA	Ordinary shares	100%	Sales & Marketing Representative
Citrix Sistemas de Chile Ltda.	Avda. Andres Bello 2711, piso 19, Las Condes, Santiago, CHILE	Ordinary shares	100%	Sales & Marketing Representative
Citrix Sistemas de Colombia SAS	Carrera 7 No. 74-09, Bogota, COLOMBIA	Ordinary shares	100%	Sales & Marketing Representative
Citrix Sistemas de Mexico, S. de RL de CV	Sánchez De Vanny Eseverri, S.C., Avenida de las Palmas 525, Piso 6, Col. Lomas de Chapultepec, México, D.F., CP 11000, MEXICO	Ordinary shares	100%	Sales & Marketing Representative
Citrix Sistemas do Brasil Ltda.	Avenida Brigadeiro Faria Lima, 2055 – 16th Floor, San Paolo Building, Jardim Paulistano, CEP 01451-001, São Paulo BRAZIL	Ordinary shares	100%	Sales & Marketing Representative
Citrix Systems Asia Pacific Pty Ltd.	Level 3-5, 66 Waterloo Road, Macquarie Park, NSW, 2113 AUSTRALIA	Ordinary shares	100%	Limited risk distributor of Citrix products and services
Citrix Systems Belgium S.P.R.L.	MC Square - Brussels Diegem Airport, Leonardo Da Vincilaan 19Diegem, Brussels, 1831 BELGIUM	Ordinary shares	100%	Sales & Marketing Representative
Citrix Systems Czech Republic SRO	Praha 4, Na Pankraci 1724/129,PSC 140 00 CZECH REPUBLIC	Ordinary shares	100%	Sales & Marketing Representative
Citrix Systems Denmark ApS	Kalkbraenderilobskaj 42100 Copenhagen DENMARK	Ordinary shares	100%	Sales & Marketing Representative
Citrix Systems Finland Oy	Keilaranta 16, 5th floor, 02150 Espoo, FINLAND	Ordinary shares	100%	Sales & Marketing Representative

Notes to the financial statements

For the year ended 31 December 2018

9. Investments – non current (continued)

Name of company	Registered Address & Country of Incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Citrix Systems France SARL	Coeur Defense Tour B, 100, esplanade de General de Gaulle, 92400 Courbevoie, 50 Espoo, FRANCE	Ordinary shares	100%	Sales & Marketing Representative
Citrix Systems GmbH	Regus Westbahnhof, Bahnhof City Wien West, Europlatz 2/1/2, 1150 Wien AUSTRIA	Ordinary shares	100%	Sales & Marketing Representative
Citrix Systems GmbH	Erika-Mann-Stasse 67-69, 80636 München, GERMANY	Ordinary shares	100%	Limited risk distributor of Citrix products and services
Citrix Systems Hong Kong Limited	14th Floor, Hutchison House, 10 Harcourt Road, HONG KONG	Ordinary shares	100%	Sales & Marketing Representative
Citrix Systems India Private Limited	Prestige Dynasty, #33, Ulsoor Road, Bangalore - 560042, Karnataka, INDIA	Ordinary shares	100%	Sales & Marketing Representative
Citrix Systems Information Technology (Beijing) Ltd	Unit 808-809, Level 8, Tower C1 Oriental Plaza, No. 1, East Chang An Street Dong Cheng District, Beijing 100738 CHINA	Ordinary shares	100%	Sales & Marketing Representative
Citrix Systems International GmbH	Rheinweg 9, 8200 Schaffhausen, Switzerland SWITZERLAND	Ordinary shares	100%	International Technology Company
Citrix Systems Ireland Ltd	Bank House, 6th Floor, South, Barrow St, Dublin 4, IRELAND	Ordinary shares	100%	Sales & Marketing Representative
Citrix Systems Italy S.r.L.	Largo Augusto 8, 20122 Milano (MI), ITALY	Ordinary shares	100%	Sales & Marketing Representative
Citrix Systems Korea Limited	32/F, One Seoul International Finance Center, 10 Gukjegeumyung-ro, Youngdeungpo-gu, Seoul (Yeouido-dong), KOREA	Ordinary shares	100%	Sales & Marketing Representative

Notes to the financial statements

For the year ended 31 December 2018

9. Investments – non current (continued)

Name of company	Registered Address & Country of Incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Citrix Systems Malaysia Sdn Bhd	Level 21, Suite 21.01, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra Kuala Lumpur, Wilayah Persekutuan MALAYSIA	Ordinary shares	100%	Sales & Marketing Representative
Citrix Systems Netherlands, B.V.	Jan van Goyenkade 8, 1075HP Amsterdam, NETHERLANDS	Ordinary shares	100%	Sales & Marketing Representative
Citrix Systems New Zealand Ltd.	Level 7, 28 Brandon Street, Wellington 6011 NEW ZEALAND	Ordinary shares	100%	Sales & Marketing Representative
Citrix Systems Norway AS	Nydalsveien 28, 0484 Oslo NORWAY	Ordinary shares	100%	Sales & Marketing Representative
Citrix Systems Overseas Holding GmbH	Rheinweg 9, 8200 Schaffhausen, Switzerland SWITZERLAND	Ordinary shares	100%	Intermediate holding company within the Citrix group
Citrix Systems Poland Sp. Zo.o	c/o Sheraton Plaza, 1st floor, Ul. Prusa 2, 00-493 Warszawa, POLAND	Ordinary shares	100%	Sales & Marketing Representative
Citrix Systems Saudi Arabia LLC	Al Mousa Commercial Centre, PO Box 9170, Rihadh 11413, SAUDI ARABIA	Ordinary shares	100%	Sales & Marketing Representative
Citrix Systems Singapore Pte Ltd.	50 Collyer Quay, #07-03, OUE Bayfront, Singapore 049321 SINGAPORE	Ordinary shares	100%	Sales & Marketing Representative
Citrix Systems Slovakia SRO	Karadzicova 8/A, Bratislava 82108, SLOVAK REPUBLIC	Ordinary shares	100%	Sales & Marketing Representative
Citrix Systems South Africa (Pty) Ltd.	Block C, Suite D, 28 Sloane Street, Bryanston 2120 Johannesburg SOUTH AFRICA	Ordinary shares	100%	Sales & Marketing Representative
Citrix Systems Spain, SL	Paseo de la Castellana número 141, Edificio Cuzco IV, planta 15, 28046 Madrid, SPAIN	Ordinary shares	100%	Sales & Marketing Representative

Notes to the financial statements

For the year ended 31 December 2018

9. Investments – non current (continued)

Name of company	Registered Address & Country of Incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Citrix Systems Sweden AB	c/o Advokatfirman Nova, Box 55996, 102 16 Stockholm, SWEDEN	Ordinary shares	100%	Sales & Marketing Representative
Citrix Systems Taiwan Ltd	37F, No. 7, Sec. 5, Xinyi Road, Xinyi District Taipei City 11049 TAIWAN	Ordinary shares	100%	Sales & Marketing Representative
Citrix Systems Turkey YVH Ltd S	Hakki Yetn Cad. Selenium Plaze No: 10/c Kat: 5-6, 34349 Fulya, Besiktas, Istanbul TURKEY	Ordinary shares	100%	Sales & Marketing Representative
Citrix Systems UK Limited	Building 3 Chalfont Park, Chalfont St. Peter, Gerrards Cross, Buckinghamshire SL9 0BG, UK	Ordinary shares	100%	Limited risk distributor of Citrix products and services
Citrix Technologies GmbH	Rheinweg 9, 8200 Schaffhausen, Switzerland SWITZERLAND	Ordinary shares	100%	Inactive
Citrix-Systems Technologies Costa Rica SRL	Zona Franca America, San Francisco de Heredia, Heredia 40103 COSTA RICA	Ordinary shares	100%	Sales & Marketing Representative
Citrix-Systems Canada Inc.	333 Bay Street, Suite 2400, Toronto, Ontario M5H 2T6, CANADA	Ordinary shares	99%	Sales & Marketing Representative
Peninsula Finance LLC	251 Little Falls Drive, Wilmington, DE 19808 Delaware USA	Ordinary shares	100%	Intermediate holding company within the Citrix group
Podio ApS	Kalkbraenderilobskaj 4, 2100 Copenhagen, Denmark DENMARK	Ordinary shares	100%	Inactive
Virtuall Solutions Ltd.	Building 3 Chalfont Park, Chalfont St. Peter, Gerrards Cross, Buckinghamshire SL9 0BG, UK	Ordinary shares	100%	Developing and selling software
Virtuall Solutions Sas	23 R Brulee, 59144 Bry FRANCE	Ordinary shares	100%	Developing and selling software

Notes to the financial statements

For the year ended 31 December 2018

9. Investments – non current (continued)

Name of company	Registered Address & Country of Incorporation	Holding	Proportion of voting rights and shares held	Nature of business
WBD (Chalfont Park) Limited	Building 3 Chalfont Park, Chalfont St. Peter, Gerrards Cross, Buckinghamshire SL9 0BG, UK	Ordinary shares	34%	Property management company

10. Creditors : amounts due within one year

	2018	2017
	\$000	\$000
Amounts owed to group undertakings	11,382	391
Accruals	45	54
	<u>11,427</u>	<u>445</u>

11. Creditors : amounts due after one year

	2018	2017
	\$000	\$000
Intercompany loan	431,000	431,000
	<u>431,000</u>	<u>431,000</u>

12. Financial Liabilities

	2018	2017
	\$000	\$000
Intercompany loans		
Current	11,382	391
Non - current	431,000	431,000
Total	<u>442,382</u>	<u>431,391</u>
Intercompany loans comprise the following		
	\$000	\$000
\$431 million fixed rate loan	<u>442,382</u>	<u>431,391</u>

This loan is payable to its indirect subsidiary Citrix Systems UK Limited on 19 December 2020. Interest is charged at a fixed rate of 2.55% and is payable annually. The loan is unsecured.

Notes to the financial statements

For the year ended 31 December 2018

13. Financial Instruments

An explanation of the Company's financial risk management objectives and policies and strategies are set out in the directors' report on page 3.

Interest rate risk

There is no interest risk rate as the intercompany loan is at a fixed rate.

Foreign currency risk

There is no currency risk as bank balances and intercompany loan are US dollar denominated.

Credit risk

The maximum credit risk exposure relating to financial assets is represented by carrying value at balance sheet date.

Liquidity risk

The table below summarises the maturity profile of the Company's financial liabilities.

	3 to 12 months	1 to 5 years	Total
Non-derivative financial liabilities	\$000	\$000	\$000
31 December 2017			
Interest bearing loans and borrowings	391	431,000	431,391
31 December 2018			
Interest bearing loans and borrowings	11,382	431,000	442,382

Fair Values of financial assets and financial liabilities

Set out below is a comparison by category of carrying amounts and fair values of all the Company's financial instruments that are carried in the financial statements.

	2018		2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$000	\$000	\$000	\$000
Financial assets				
Cash	1,717	1,717	1,748	1,748
Financial liabilities				
Intercompany loans	(442,382)	(442,382)	(431,391)	(431,391)

Notes to the financial statements

For the year ended 31 December 2018

14. Authorised, issued and called up share capital

	2018 \$000	2017 \$000
Authorised ordinary share capital		
5,000,000 Ordinary shares of \$10 each	50,000	50,000
Issued and fully paid		
4,792,001 Ordinary shares of \$10 each	47,920	47,920

On 28 September 2016 1 ordinary share of \$10 was issued for \$1,000 consideration. On 29 September 2016 a further 4,792,000 ordinary \$10 shares were issued for a non-cash consideration of \$1,000 each satisfied by transfer of treasury shares in the Company's parent.

15. Reserves

Share Premium

The share premium reserve is used to record the amount by which the consideration of the share issue exceed the corresponding nominal value.

Capital Contribution

The capital contribution relates to an irrevocable, unconditional and non-repayable contribution of funds paid by its holding company Citrix Global Holdings B.V. to the equity of the Company.

16. Related party transactions

The Company has taken advantage of the exemptions under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries. There were no other related party transactions that required disclosure.

17. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking party is Citrix Global Holdings B.V., incorporated in the Netherlands. The parent undertaking has taken advantage of the exemption from preparing consolidated financial statements in accordance with paragraph 4 of IFRS 10 as the ultimate parent undertaking prepares consolidated financial statements.

The Company has additionally taken the exemption allowed in section 400 of the Companies Act 2006. This section of the legislation means that there is no requirement for the company to prepare group accounts.

In the directors' opinion the Company's ultimate parent undertaking and controlling party is Citrix Systems Inc., incorporated in the USA and listed on the NASDAQ stock exchange. Copies of its group financial statements, which include the Company, can be obtained by contacting the Investor Relations Department, Citrix Systems Inc., 851 W Cypress Creek Road, Fort Lauderdale, FL 33309, USA.