
APPRIVER UK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

APPRIVER UK LIMITED

COMPANY INFORMATION

Directors	M F Acedo (appointed 01 July 2022) M Ranganathan C Waida M K Wilkinson (appointed 01 April 2022)
Registered number	11614909
Registered office	420 Thames Valley Park Drive Thames Valley Park Reading Berkshire RG6 1PT
Independent auditor	CLA Evelyn Partners Limited Chartered Accountants & Statutory Auditor 14th Floor 103 Colmore Row Birmingham B3 3AG

APPRIVER UK LIMITED

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APPRIVER UK LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors

The directors who served during the year were:

D E Rockvam (resigned 23 December 2021)
D J Wagner (resigned 23 December 2021)
N F Webster (resigned 23 December 2021)
M Ranganathan (appointed 23 December 2021)
C Waida (appointed 23 December 2021)
G A Davies (appointed 23 December 2021, resigned 1 July 2022)

Disclosure of information to auditor

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

so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
the 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 auditor is aware of that information.

Auditor

The auditor, CLA Evelyn Partners Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

M Ranganathan
Director

Date: 26 September 2022

APPRIVER UK LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and 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'. 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's financial statements and then apply them consistently;

make judgements and accounting estimates that are reasonable and prudent; 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 to 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 APPRIVER UK LIMITED

Opinion

We have audited the financial statements of Appraver UK Limited (the 'Company') for the year ended 31 December 2021 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 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. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Emphasis of matter

We draw attention to note 2.2 of the financial statements, which describes the company's reliance on its ultimate parent company for financial support. Our opinion is not modified in this matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPRIVER UK LIMITED

Other information

The other information comprises the information included in the Directors' Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Directors' Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 APPRIVER UK LIMITED

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained a general understanding of the Company's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the Company's industry and regulation.

We understand the Company complies with requirements of the framework through:

The directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come directly to their attention; and

The engagement of external experts to ensure ongoing tax compliance and to assist with the preparation of the statutory accounts.

In the context of the audit, we have considered those laws and regulations which determine the form and content of the financial statements, which are central to the Company's ability to conduct business and where failure to comply could result in material penalties.

We have identified the following laws and regulations as being of significance in the context of the Company:

The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

The procedures carried out to gain evidence in the above areas included:

Testing of revenue transactions to underlying documentation; and

Testing of manual journal entries, selected based on specific risk assessments applied based on the client processes and controls surrounding manual journals.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journals and incorrect recognition of revenue. This was communicated to the other members of the engagement team who were not present at the discussion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPRIVER UK LIMITED

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.

Stephen Drew (Senior Statutory Auditor)

for and on behalf of

CLA Evelyn Partners Limited

Chartered Accountants

Statutory Auditor

14th Floor
103 Colmore Row
Birmingham
B3 3AG

26 September 2022

APPRIVER UK LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2021

	31 December 2021 £	14-month period ended 31 December 2020 £
Turnover	11,802,215	7,702,402
Gross profit	11,802,215	7,702,402
Administrative expenses	(11,232,386)	(7,363,565)
Operating profit	569,829	338,837
Tax on profit	(109,473)	(41,776)
Profit after tax	460,356	297,061
Retained earnings at the beginning of the year	193,937	(103,124)
Profit for the year	460,356	297,061
Retained earnings at the end of the year	654,293	193,937

APPRIVER UK LIMITED
REGISTERED NUMBER:11614909

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	4	18,014	27,207
Investments	5	1	1
		<u>18,015</u>	<u>27,208</u>
Current assets			
Debtors: amounts falling due within one year	6	2,000,590	703,621
Cash at bank and in hand		368,772	148,505
		<u>2,369,362</u>	<u>852,126</u>
Creditors: amounts falling due within one year	7	(1,728,579)	(680,227)
Net current assets		<u>640,783</u>	<u>171,899</u>
Total assets less current liabilities		<u>658,798</u>	<u>199,107</u>
Provisions for liabilities			
Deferred tax		(4,504)	(5,169)
Net assets		<u><u>654,294</u></u>	<u><u>193,938</u></u>
Capital and reserves			
Called up share capital		1	1
Retained earnings		654,293	193,937
Shareholders' funds		<u><u>654,294</u></u>	<u><u>193,938</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

M Ranganathan
Director

Date: 26 September 2022

The notes on pages 9 to 15 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Appriver UK Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 11614909). The registered office address is 420 Thames Valley Park Drive, Thames Valley Park, Reading, Berkshire, RG6 1PT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the Company as an individual entity and not about its group.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis.

The Company operates under a cost-plus arrangement with other group companies and is therefore reliant on other group companies to generate income. The Company is expected to generate future profits.

The Company has made a profit of £461,462 and the Balance Sheet shows net assets of £655,400 as at 31 December 2021. The ultimate parent company has confirmed that it will provide financial support to enable the Company to continue as a going concern and meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

On this basis, the directors consider it appropriate to prepare the accounts on the going concern basis. The financial statements do not include any adjustments that would be required in the event of the withdrawal of this support.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 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 profit or loss.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Rendering of services

Turnover 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 turnover 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.

2.5 Operating leases: the Company as lessee

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.6 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.

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.

Depreciation is provided on the following basis:

Computer equipment	-	33%
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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 in profit or loss.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured on initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 9 (2020 - 4).

APPRIVER UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. Tangible fixed assets

	Computer equipment £
Cost	
At 1 January 2021	46,318
Additions	15,185
	<hr/>
At 31 December 2021	61,503
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Depreciation	
At 1 January 2021	19,111
Charge for the year	24,378
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At 31 December 2021	43,489
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Net book value	
At 31 December 2021	<u>18,014</u>
<i>At 31 December 2020</i>	<u>27,207</u>

APPRIVER UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2021	1
At 31 December 2021	<u>1</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Zix International AG *	c/o Open Text AG Dependance Ochsen Bäderstrasse 27 5400 Baden Switzerland	Ordinary	100 %
Appriver AG Spain, S.L. **	Passeig Joan de Borbó 101 2nd Floor 08039 Barcelona Spain	Ordinary	100 %
Zix Germany GmbH **	Werner-von-Siemens-Ring 20 85630 Grasbrunn Germany	Ordinary	100 %

* - Held Directly

** - Held Indirectly

6. Debtors

	2021 £	2020 £
Amounts owed by group undertakings	1,961,518	645,925
Other debtors	24,130	35,820
Prepayments and accrued income	14,942	21,876
	<u>2,000,590</u>	<u>703,621</u>

APPRIVER UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	969,575	18,486
Amounts owed to group undertakings	539,355	539,353
Corporation tax	110,138	43,923
Other creditors	66,847	47,631
Accruals and deferred income	42,664	30,834
	<u>1,728,579</u>	<u>680,227</u>

8. Commitments under operating leases

At 31 December the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	16,650	66,500
Later than 1 year and not later than 5 years	<u>-</u>	<u>16,650</u>

9. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

10. Controlling party

The Company's immediate parent undertaking is AppRiver Parent, LLC, a company registered in the United States.

The ultimate parent undertaking is Open Text Corporation, a company registered in Canada.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.