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Financial Statements as at

31 December 2019

**Syniverse
Technologies
Solutions Limited**
Registered No. 04885867

Registered office:

18 Mansell Street
London E1 8AA

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Syniverse Technologies Solutions Limited
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Syniverse Technologies Solutions Limited
Company information

Registered office

Registered Number: 04885867
Registered office: 18 Mansell Street
London E1 8AA

Directors

Laura Binion
Thomas Ford

Auditor

Mazars LLP
100 Queen Street
Glasgow
G1 3DN

Syniverse Technologies Solutions Limited
Strategic report

The directors present their strategic report for the year ended 31 December 2019.

The principal activity of Syniverse Technologies Solutions Limited is financial settlement between operators in the mobile telecommunications sector, and is an extension of data clearing services performed by the group of companies headed by Syniverse Holdings, Inc. (the "Syniverse group"). The Syniverse group provides global transaction processing and intelligence solutions enabling seamless mobile communication, regardless of network, device or application, across the mobile ecosystem.

Revenue is driven principally by the level of funds settled and consists mainly of an economic spread generated through the provision of foreign exchange transactions between settling parties. The company also receives interest on overnight deposits of the pooled funds.

Review of 2019

Results and financial situation

The company's net turnover for the year was £13,989,000 as compared to £15,354,000 for 2018. This represents a decrease of £1,365,000 or 8.9%. This decrease was mainly due to lower volume of financial settlement transactions compared to the previous year.

The company's cost of sales for the year were £12,629,000 as compared to £13,967,000 for 2018. This represents a decrease of £1,338,000 or 9.6%.

For the year ended 31 December 2019, the company had other operating losses of £476,000, (2018: £801,000 gains). The variation is due to realised and unrealised net foreign exchange gains or losses.

The company's staff costs for the year were £4,787,000 as compared to £4,638,000 for 2018. This represents an increase of £149,000 or 3.2%.

The company closed the year with £155,000 of cash as compared to £159,000 at the end of 2018. On 1 May 2017, the company entered into a Customer Liquidity Agreement with Bank of America and with Syniverse Technologies Sarl, in order to provide a physical cash concentration scheme. As of 31 December 2019, the balances representing the Cash Pooling accounts amounts to £1,760,000.

Principal risks and uncertainties

Financial instruments

It is, and has been throughout the period under review, the company's policy that no trading in complex financial instruments shall be undertaken.

The main risks arising from the company's financial instruments are liquidity risk, credit risk and exchange risk. The policies for managing these risks are regularly reviewed and agreed by the Board.

Interest rate/liquidity risk

Liquidity risk has been mitigated by the implementation of the cash pooling structure in July 2017 where Syniverse Technologies Sarl is the header of the pool. The company has no payables or receivables bearing variable interest rates.

Syniverse Technologies Solutions Limited
Strategic report (continued)

Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a customer contract, leading to financial loss. The company is exposed to credit risk from its operating activities (primarily trade debtors). The directors have a credit policy in place and the exposure to credit risk is monitored on an ongoing basis at group level.

Exchange risk

A significant part of the company's operations are conducted in US dollars. Consequently, a portion of the revenues and statement of financial position balances are affected by fluctuations in foreign currency exchange rates. The company has not hedged the translation risk on foreign currency exposure through the use of derivative instruments, but instead performs proactive treasury management by minimising the length of time the company holds large amounts of foreign currency.

Looking forward to 2020 and beyond

Strategic and performance initiatives are set at the Syniverse corporate level and then rolled-out across the organisation. On a global Syniverse perspective, the strategy remains consistent to prior periods statements as follows:

Grow and globalise our business

We intend to leverage from our existing technology and infrastructure, our portfolio of services and our market leading position and reputation to capitalise on robust mobile growth in the markets we serve, particularly in emerging markets. In support of our growth initiatives, we intend to:

- Build upon our extensive access to transaction data, mobile ecosystem expertise and deep trusted relationships with our existing customers to increase the number of services sold to them;
- Deepen our existing relationships with our international customers by cross-selling a more diverse set of services to our existing customers;
- Build relationships with new customers by capitalising on our globally recognised reputation for customer service, reliability and innovation;
- Further develop our international operations, including our regionalised sales force, network infrastructure and operational support capabilities; and
- Partner with our enterprise customers as they expand their businesses into developing and emerging markets and seek to realise value from customer data generated across the global mobile ecosystem.

Continue to develop innovative services

We will continue to invest resources in the development of new services to address trends affecting the mobile ecosystem. We're continuing to invest in the new technology blockchain through relevant partnerships, to help advance further on the next generation of mobile roaming solutions, specifically on clearing and settlement services.

Syniverse Technologies Solutions Limited
Strategic report (continued)

We will continue to focus on meeting our MNO and enterprise customers' growing needs for diverse intelligence and analytic solutions, leveraging our unique position at the centre of the mobile ecosystem and the substantial amount of data we have access to and process on behalf of our customers.

Continue to support new entrants to the mobile ecosystem

We intend to capitalise on our deep industry and technical knowledge, leading market position and role as a centralised gateway to be the provider of choice for new and non-traditional entrants. The mobile market is undergoing significant business model innovation and evolution, as shown by the continued emergence of non-traditional service providers such as multi-service operators, MVNO and M2M service providers requiring integration into the mobile ecosystem. In addition, OTTs and enterprises view mobile as central to their strategies and demand the ability to communicate and interact with their customers and employees on their mobile devices anywhere in the world. We will continue to provide and develop services that meet the unique needs of these new entrants.

Continue to focus on operational excellence and efficiency

We intend to maintain our high quality of service and reputation for reliability while continuing to focus on opportunities to optimise our operating efficiency and lower our cost structure through automation and cost management initiatives. Recent operational efficiency initiatives have included automation efforts designed to ensure higher customer satisfaction, improved resource management and refined product development processes.

We will continue to support the group affiliates as economic owner of the FCH and DCH technology and to provide other group related services such as on Messaging products and International Head office services.

We will continue to implement different initiatives to maximise operational and cost efficiencies, such as the consolidation of datacentres in the EMEA region and rationalise operations on non-performing products.

COVID-19

On 30 January 2020, the World Health Organisation (WHO) declared COVID-19 as a 'Public Health Emergency of International Concern'. The directors have considered the impact of the outbreak on future trading and have identified that, whilst the travel restrictions have and will impact negatively the volume on volume of financial settlement transactions, the company has adequate resources to continue as a going concern for the foreseeable future. This conclusion is based upon the current positive external cash flows generated from operations and existence of long-term contracts with customers.

Signed on behalf of the Board:



Thomas Ford
Date: July 24, 2020

Syniverse Technologies Solutions Limited
Directors' report

A review of the business including future developments and principal risks and uncertainties are not shown in the Directors' report as this information is included within the Strategic report under s414C(11) of the Companies Act 2006.

The directors present their report and financial statements for the year ended 31 December 2019.

Directors

The directors who served the company during the year were as follows:

Laura Binion
Thomas Ford
Robert Reich (resigned 17 April 2020)

Results and dividends

The profit after tax for the financial year amounted to £98,000 (2018; £1,155,000).

On 12 April 2019, Syniverse Technologies Solutions Ltd paid a dividend to Syniverse Technologies Messaging APS of an amount of £5,000,000.

Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposures to credit and liquidity risk are described in the Strategic report.

The company has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas. As a consequence, the directors believe that the company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements.

Since early January 2020, the coronavirus outbreak has spread across mainland China and beyond, causing disruption to business and economic activity. The Directors are actively monitoring the outbreak, its potential economic impact and the effect this may have on the company.

Statement as to disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor was unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Syniverse Technologies Solutions Limited
Directors' report (continued)

Post balance sheet events

On 30th January 2020, the World Health Organisation (WHO) declared COVID-19 as a 'Public Health Emergency of International Concern'. The Directors have considered the impact of the outbreak within the Strategic Report on page 3. The Directors do not consider any adjustments to the reported financial information to be required in relation to this and no post balance sheet events as a result have been identified. The going concern basis of preparation is considered appropriate for the preparation of the financial statements.

Auditor

A resolution to reappoint Mazars LLP as auditor will be put to the members at the Annual General Meeting.

Signed on behalf of the Board:



Thomas Ford
Date: July 24, 2020

Syniverse Technologies Solutions Limited
Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland", and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its 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 judgments and 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; 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 auditor's report to the members of Syniverse Technologies Solutions Limited

Opinion

We have audited the financial statements of Syniverse Technologies Solutions Limited (the 'Company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; 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.

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the Groups financial statements, which is not modified, we draw your attention to the Directors' view on the impact of the COVID-19 as disclosed on page 5 and the consideration in the going concern basis of preparation on page 6.

Since the reporting date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the Group's trade, customers, suppliers and the wider economy.

Independent auditor's report to the members of Syniverse Technologies Solutions Limited (continued)

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.

Other information

The Directors are responsible for the other information. The other information comprises the information in the Annual Report, other than the financial statements and our auditor's report thereon. 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.

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 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 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

Independent auditor's report to the members of Syniverse Technologies Solutions Limited (continued)

- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies'

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 8, 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 intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of the audit 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.

Craig Maxwell

Craig Maxwell (Jul 24, 2020 14:57 GMT+1)

Craig Maxwell (Senior statutory auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

100 Queen Street

Glasgow

G1 3DN

Date: 24/07/2020

Syniverse Technologies Solutions Limited
Statement of comprehensive income
for the year ended 31 December 2019

	<u>note</u>	<u>2019</u>	<u>2018</u>
		£'000	£'000
Turnover	2	13,989	15,354
Cost of sales		(12,629)	(13,967)
Gross profit		<u>1,360</u>	<u>1,387</u>
Administrative expenses		(705)	(675)
Other operating (losses)/gains		(476)	801
Operating profit	3	<u>179</u>	<u>1,513</u>
Interest payable and similar charges		(2)	-
Profit on ordinary activities before taxation		<u>177</u>	<u>1,513</u>
Tax	5	(79)	(358)
Profit for the financial year		<u>98</u>	<u>1,155</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>98</u>	<u>1,155</u>

All amounts relating to continuing operations.

The notes on pages 15 to 26 form part of these financial statements.

Syniverse Technologies Solutions Limited
Statement of financial position
as at 31 December 2019

	note	2019	2018
		£'000	£'000
Fixed assets			
Intangible fixed assets	6	6	9
Tangible fixed assets	7	574	735
Investment in subsidiary	8	5,790	5,790
Current assets			
Debtors: amounts falling due within one year	9	12,682	12,848
Debtors: amounts falling due after one year	9	31	59
Cash and cash equivalents	10	155	159
		12,868	13,066
Current liabilities			
Creditors: amounts falling due within one year	11	(12,450)	(7,910)
		(12,450)	(7,910)
Net current assets		418	5,156
Net assets		6,788	11,690
Capital and reserves			
Called up share capital	13	-	-
Share premium reserve		5,790	5,790
Retained earnings		998	5,900
Total shareholders' funds		6,788	11,690

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



Thomas Ford

Company number: 04885867

Date: July 24, 2020

The notes on pages 15 to 26 form part of these financial statements.

Syniverse Technologies Solutions Limited
Statement of changes in equity
for the year ended 31 December 2019

	Called up share capital	Share premium reserve	Retained earnings	Net profit for the year	Total shareholders funds
Balance as at 1 January 2018	-	5,790	4,027	718	10,535
Allocation of results	-	-	718	(718)	0
Comprehensive income for the period	-	-	-	1,155	1,155
Contribution by and distribution to owners	-	-	-	-	-
Balance as at 31 December 2018	-	5,790	4,745	1,155	11,690
Balance as at 1 January 2019	-	5,790	4,745	1,155	11,690
Allocation of results	-	-	1,155	(1,155)	0
Comprehensive income for the period	-	-	-	98	98
Contribution by and distribution to owners	-	-	-	-	-
Dividends distributed	-	-	(5,000)	-	(5,000)
Balance as at 31 December 2019	-	5,790	900	98	6,788

Retained earnings represents accumulated comprehensive income for the year and prior periods, less any dividends paid. Share premium arose on the acquisition of Syniverse Technologies (Financial Clearing) Limited from another group company, Syniverse Technologies Messaging Aps in January 2015.

The notes on pages 15 to 26 form part of these financial statements.

Syniverse Technologies Solutions Limited
Notes to the financial statements
for the year ended 31 December 2019

1. Accounting policies

1.1. Company information

Syniverse Technologies Solutions Limited ("the company") was a subsidiary company of Syniverse Technologies Messaging ApS, a company incorporated in Denmark. During the year, the entire issued share capital of the company was distributed from its parent company, Syniverse Technologies Messaging Aps to Syniverse Technologies Sarl, a company incorporated in Luxembourg.

The company is a company limited by shares, incorporated in England and Wales. The address of its registered office is 18 Mansell Street, London E1 8AA. The financial statements have been prepared using GBP Sterling as the presentational currency and rounded to the nearest thousand pound.

1.2. Statement of compliance

The financial statements of Syniverse Technologies Solutions Limited for the year ended 31 December 2019 have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

1.3. Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention. The financial statements provide comparative information in respect of the prior year.

1.4. Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its parent undertaking (which is not established under the law of an EEA state). It is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

1.5. Reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by Section 1 of FRS 102:

- 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 Basic Financial Instruments paragraphs 11.41 to 11.48A, financial instruments disclosures;
- The requirements of Section 12 Other Financial Instrument Issues paragraphs 12.27 to 12.29, hedge accounting disclosures;
- The requirements of Section 33 Related Party Disclosures paragraph 33.7, key management personnel compensation;
- The requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23 which apply to a qualifying entity that is a subsidiary with share-based payment arrangements for equity instruments of another group entity.

Syniverse Technologies Solutions Limited
Notes to the financial statements *(continued)*
for the year ended 31 December 2019

1. Accounting policies (continued)

1.6. Going Concern

The company's business activities along with factors likely to affect its future position as well as its exposure to credit risk, interest rate risk, foreign currency risk and liquidity risk have been considered in the Strategic report.

On 30 January 2020, the World Health Organisation (WHO) declared COVID-19 as a 'Public Health Emergency of International Concern'. The directors have considered the impact of the outbreak on future trading and have identified that, whilst the travel restrictions have and will impact negatively the volume of volume of financial settlement transactions, the company has adequate resources to continue as a going concern for the foreseeable future. This conclusion is based upon the current positive external cash flows generated from operations and existence of long-term contracts with customers. The company's operating costs are expected to remain stable in 2020, with the highest costs being staff costs.

Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements for the year ended 31 December 2019.

1.7. Turnover

Turnover consists principally of an economic spread through the provision of foreign exchange transactions as part of the settlement process to which the customers subscribe. This revenue is recognised in the month the spread was generated.

Revenue also includes fees for settlement, invoicing and consultancy services provided to telephone operators and carriers. These fees are recognised once the service has been delivered.

1.8. Intangible fixed assets

The company capitalises internal and external software development costs. The capitalisation of costs begins once the technical feasibility of the product has been established and ends when the product is completed and ready for commercial use by the company. Software development costs are amortised on a straight-line basis over three to five years.

Licenses represent computer software acquired. They are amortised on a straight-line basis over three years.

Syniverse Technologies Solutions Limited
Notes to the financial statements (continued)
for the year ended 31 December 2019

1. Accounting policies (continued)

1.9. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all fixed assets to write down the cost of assets to their estimated residual value over their estimated useful lives as follows:

Fixtures and fittings	3 - 5 years
Computer hardware	3 years

Leasehold improvements are depreciated over the shorter of the term of the lease, with a maximum of 10 years, and useful lives.

1.10. Investments

Investment in a subsidiary company is held at cost less accumulated impairment losses.

1.11. Cash and cash equivalents

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

1.12. Receivables

Receivables are stated at original invoice amount less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

1.13. Creditors

Creditors and other liabilities are valued at their nominal value.

1.14. Financial instruments

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Syniverse Technologies Solutions Limited
Notes to the financial statements *(continued)*
for the year ended 31 December 2019

1. Accounting policies (continued)

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

1.15. Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

1.16. Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the reporting date.

1.17. Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the Statement of comprehensive income.

Financial clearing is undertaken in a number of foreign currencies. The sale and purchase of foreign currencies with banks in respect of financial clearing is undertaken at spot rate. The company does not purchase financial instruments in order to hedge the foreign exchange rate with regard to these transactions.

Syniverse Technologies Solutions Limited
Notes to the financial statements *(continued)*
for the year ended 31 December 2019

1. Accounting policies (continued)

1.18. Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the Statement of comprehensive income as they become payable in accordance with the rules of the scheme.

1.19. Share-based payments

The company reflects the economic cost of awarding shares and share options to employees by recording an expense in the Statement of comprehensive income equal to the fair value of the benefit awarded. The company equity-settles its share-based payment transactions, valuing the share options and the corresponding increase in equity, indirectly, based on option pricing models. The expense is recognised in the Statement of comprehensive income over the vesting period of the award.

1.20. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

1.20.1 Critical judgements in applying the entity's accounting policies

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

1.20.2 Critical accounting estimates and assumptions

There are no key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

2. Turnover

The company's principal activity is financial clearing and settlement services. All turnover, results and assets arise principally from this class of business.

	2019	2018
	£'000	£'000
Europe	1,758	1,695
Great Britain	9,290	11,207
Non-EU	2,941	2,452
Total turnover	13,989	15,354

Syniverse Technologies Solutions Limited
Notes to the financial statements (continued)
for the year ended 31 December 2019

3. Operating profit

The operating profit is stated after charging/(crediting):

	2019	2018
	£'000	£'000
Staff costs	4,787	4,638
Foreign exchange losses/(gains)	476	(801)
Depreciation of owned tangible fixed assets	215	196
Amortisation of owned intangible fixed assets	3	23
Auditor's remuneration	25	25

4. Staff costs

Staff costs were as follows:

	2019	2018
	£'000	£'000
Wages and salaries	3,658	3,452
Social security	506	490
Pension costs	278	208
Share-based payments (note 14)	235	393
Other employee costs	110	95
Staff costs	4,787	4,638

During the year ended 31 December 2019, the company had an average of 55 employees (2018: 54 employees).

The employees are split by categories as follows:

Category	No of employees	
	2019	2018
Operations	34	35
Sales	17	16
General and Administrative	3	2
Development	1	1
Total	55	54

Directors' remuneration and key management personnel

The directors did not receive any remuneration from the company in either year. Key management personnel comprise the executive directors.

Syniverse Technologies Solutions Limited
Notes to the financial statements (continued)
for the year ended 31 December 2019

5. Tax

The tax charge is made up as follows:

Tax on results of ordinary activities

	2019	2018
	£'000	£'000
Current tax:		
UK corporation tax on profits of the period	71	343
Adjustment in respect of previous periods	(40)	(58)
	31	285
Foreign tax suffered	19	25
	50	310
Deferred tax:		
Deferred tax charge for the period	1	4
Adjustment in respect of previous periods	28	37
Effect of changes in tax rates	-	7
	29	48
Total deferred tax	29	48
Tax on profit on ordinary activities	79	358

5.1. Factors affecting tax charge for the year

The tax charge for the year differs the standard rate of corporation tax in the UK of 19% (2018 –19%). The differences are explained below:

	2019	2018
	£'000	£'000
Profit on ordinary activities before taxation	177	1,513
Profit on ordinary activities multiplied by standard rate of corporation tax in UK of 19% (2018: 19%)	34	287
Effects of:		
Expenses not deductible for tax purposes	38	62
Capital Allowances for period in excess of depreciation	(1)	(4)
Adjustment in respect of previous periods	(40)	(58)
Foreign tax suffered	19	25
Carryback of 2011 tax losses	-	(2)
Current tax for the year	50	310

5.2. Factors affecting future tax charges

Current tax for 2019 is 19%.

Syniverse Technologies Solutions Limited
Notes to the financial statements (continued)
for the year ended 31 December 2019

6. Intangible fixed assets

	Software	Total
	£'000	£'000
Cost at 1 January 2019	601	601
Additions	-	-
Disposals	(139)	(139)
Cost at 31 December 2019	462	462
Amortisation at 1 January 2019	592	592
Amortisation of disposals	(139)	(139)
Charge for the year	3	3
Amortisation at 31 December 2019	456	456
Net book value at 31 December 2019	6	6
Net book value at 31 December 2018	9	9

7. Tangible fixed assets

	Leasehold improvements	Fixtures & fittings	Computer Hardware	Total
	£'000	£'000	£'000	£'000
Cost at 1 January	189	114	1,770	2,073
Additions	3	26	26	55
Disposals	-	-	(71)	(71)
Cost at 31 December	192	140	1,725	2,057
Depreciation at 1 January	74	96	1,168	1,338
Depreciation of disposals	-	-	(70)	(70)
Charge for the year	19	23	173	215
Depreciation at 31 December	93	119	1,271	1,483
Net book value at 31 December 2019	99	21	454	574
Net book value at 31 December 2018	115	18	602	735

Syniverse Technologies Solutions Limited
Notes to the financial statements (continued)
for the year ended 31 December 2019

8. Investment in subsidiary

Details of the investment in subsidiary is included in the table below:

	Carrying amount	
	31 December 2019	31 December 2018
	£'000	£'000
<i>Syniverse Technologies (Financial Clearing) Limited</i>	5,790	5,790
Shares in affiliated undertaking	5,790	5,790

Syniverse Technologies Solutions Ltd is the immediate parent undertaking of Syniverse Technologies (Financial Clearing) Ltd, a company incorporated in the UK. The company owes the commitment related to the premises at Mansell Street and recharges its related costs to Syniverse Technologies Solutions Ltd.

The registered office of Syniverse Technologies (Financial Clearing) Ltd is 18 Mansell St, London, E1 8AA.

9. Debtors

	2019	2018
	£'000	£'000
Trade debtors	73	86
Intercompany debtors	11,997	12,350
Other debtors	428	270
Prepayments and accrued income	168	131
VAT receivable	16	11
Debtors - amounts falling due within one year	12,682	12,848

	2019	2018
	£'000	£'000
Deferred tax asset (note 12)	31	59
Debtors - amounts falling due after one year	31	59

10. Cash and cash equivalents

	2019	2018
	£'000	£'000
Cash at bank and in hand	155	159
Cash at bank and in hand	155	159

Syniverse Technologies Solutions Limited
Notes to the financial statements (continued)
for the year ended 31 December 2019

11. Creditors

	2019	2018
	£'000	£'000
Trade creditors	86	100
Intercompany creditors	11,776	7,072
Other creditors	217	134
Accruals	371	374
Corporation tax liability	-	230
Creditors	12,450	7,910

12. Deferred taxes

Movements in deferred taxes are described in the table below:

	2019	2018
	£'000	£'000
Deferred tax (assets):		
Beginning of year	(59)	(107)
Deferred tax charge	-	11
Adjustment in respect of previous periods	28	37
End of year	(31)	(59)

Details of deferred tax assets are described in the table below:

	2019	2018
	£'000	£'000
Accelerated capital allowances	(31)	(59)
Deferred tax assets:	(31)	(59)

13. Called up share capital

The company's called up share capital consists of 3 (2018: 3) ordinary shares with a par value of £1 each. Ordinary shares have equal voting rights and no fixed income rights.

Syniverse Technologies Solutions Limited
Notes to the financial statements *(continued)*
for the year ended 31 December 2019

14. Share-based payments

During the year ended 31 December 2019, the company had one share-based payment arrangement, which is described below.

2011 Equity Incentive Plan

Effective April 6, 2011, Syniverse Corporation established the 2011 Plan for the employees, consultants and directors of Syniverse Corporation and its subsidiaries. The 2011 Plan provides incentive compensation through grants of incentive or non-qualified stock options, stock purchase rights, restricted stock awards, restricted stock units, or any combination of the foregoing. Syniverse Corporation will issue shares of its common stock to satisfy equity based compensation instruments.

The number of shares and exercise price per share is determined by the Committee for those awards granted. However, the exercise price of any option may not be less than 100% of the fair market value of a share of common stock of Syniverse Corporation on the date of grant and the exercise price of an incentive option awarded to a person who owns stock constituting more than 10% of Syniverse Corporation's voting power may not be less than 110% of the fair market value on the date of grant. The exercise price of the option is set at the time of grant.

Those eligible to participate in the 2011 Plan are limited to employees, consultants and directors (including non-employee directors) of Syniverse Corporation and its subsidiaries selected by the Committee, including participants located outside the United States. Determinations made by the Committee under the 2011 Plan need not be uniform and may be made selectively among eligible participants.

In accordance with the 2011 Plan, each option has an exercisable life of no more than 10 years from the date of grant for both non-qualified and incentive stock options. For employee stock options granted prior to 2015, vesting was dependent on both the service of the employee and performance of the Company. The service based portion, based on continued employment, is 75% of each option grant which vests ratably over a five year period on each December 31. The remaining 25% of the option grant vested upon achievement of certain annual and cumulative earnings-based targets. For employee stock options granted after 2014, vesting is dependent on the continued service of the employee and vests ratably over a four year period on the grant date anniversary. These options vest 25% each year on the grant anniversary date. Director stock option vesting is dependent on active service of the Board member. For employee restricted stock units, vesting is dependent on the service of the employee and grade vests over a three year period on the grant date anniversary. Director restricted stock units vesting is dependent on active service for one year from the grant date. Performance based options and performance based restricted units, granted in November 2019, vest upon the achievement of annual and cumulative adjusted EBITDA targets over a three year period ending December 31, 2021.

The company recognises and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognised for the group based on the expense of the company's employees included in the Equity Incentive Plan. The total expense recognised for share-based payments under this stock compensation expense for 2019 was £235,010 (2018: £393,198).

Syniverse Technologies Solutions Limited
Notes to the financial statements *(continued)*
for the year ended 31 December 2019

15. Related party transactions

As 100% of the company's voting rights are controlled within the group headed by Syniverse Holdings, Inc., the company has taken advantage of the exemption contained in FRS 102 not to disclose transactions between two or more members which form part of the group, (or investees of the group qualifying as related parties), provided that any subsidiary which is party to the transactions is wholly owned.

16. Ultimate parent undertaking and controlling party

The immediate parent undertaking of the company is Syniverse Technologies Sarl, a company incorporated in Luxembourg.

The ultimate parent undertaking and controlling party is the Carlyle Group and affiliated funds that own 99% of Syniverse Corporation, which owns 100% of Syniverse Holdings, Inc., a company incorporated in Delaware and the company's indirect parent.

The company's accounting information is included in the Syniverse Holdings, Inc. consolidation. This is the largest and smallest group into whose consolidated accounts the company's financial information is consolidated.

17. Subsequent events

On 30 January 2020, the World Health Organization (WHO) declared COVID-19 as a 'Public Health Emergency of International Concern'. The directors have considered the impact of the outbreak within the Directors' report on page 6. The directors do not consider any adjustments to the reported financial information to be required in relation to this. The going concern basis of preparation is considered appropriate for the preparation of the financial statements as per note 1.6.

During 2020, the company has decided to open a branch in the Philippines in order to supply in-country cloud-based mobile number portability services.