

TTEC Consulting (UK) Limited

Annual Report and Financial Statements

For the year ended 31 December 2019

Company Registration No. 03424886 (England and Wales)

TTEC Consulting (UK) Limited

Company Information

Directors	P Miller S Pollema R Paolillo A Chambers	(Appointed 2 July 2020)
Secretary	RM Sexton	
Company number	03424866	
Registered office	6 Braid Court Lawford Road Chiswick London W4 3HS	
Auditor	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD	
Business address	4th Floor Salisbury House London Wall London EC2M 5SQ	

TTEC Consulting (UK) Limited

Contents

	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditor's report	3 - 5
Profit and loss account	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9 - 22

TTEC Consulting (UK) Limited

Directors' Report

For the year ended 31 December 2019

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

Principal activities

The principal activity of the company continued to be that of a global consultancy helping clients in the areas of sales & leadership execution. Our focus is in two primary areas: Capability Development and Applied Leadership.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S Ellis	(Resigned 2 July 2020)
P Miller	
S Pollema	
R Paolillo	
A Chambers	(Appointed 2 July 2020)

Results and dividends

The results for the year are set out on page 6.

The impact of COVID-19 has been considered by the directors and is detailed within note 1.3 of the financial statements.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Statement of 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 is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

P Miller
Director
5 November 2020

TTEC Consulting (UK) Limited

Directors' Responsibilities Statement

For the year ended 31 December 2019

The directors are responsible for preparing the annual 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 and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

TTEC Consulting (UK) Limited

Independent Auditor's Report

To the Members of TTEC Consulting (UK) Limited

Opinion

We have audited the financial statements of TTEC Consulting (UK) Limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, 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 loss 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

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 included 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.

TTEC Consulting (UK) Limited

Independent Auditor's Report (Continued)

To the Members of TTEC Consulting (UK) Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, 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.

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.

TTEC Consulting (UK) Limited

Independent Auditor's Report (Continued)

To the Members of TTEC Consulting (UK) Limited

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our work, for this report, or for the opinions we have formed.

Matthew Banton (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

6 November 2020

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

TTEC Consulting (UK) Limited

Statement of Comprehensive Income

For the year ended 31 December 2019

	Notes	2019 £	2018 £
Turnover	3	6,133,398	5,464,245
Cost of sales		(4,328,463)	(3,732,856)
Gross profit		1,804,935	1,731,389
Administrative expenses		(883,218)	(846,194)
Exceptional items	4	(2,297,413)	-
Operating (loss)/profit	5	(1,375,696)	885,195
Interest receivable and similar income	8	-	2,427
Interest payable and similar expenses	9	(81,170)	(56,752)
(Loss)/profit before taxation		(1,456,866)	830,870
Taxation	10	39,752	(197,605)
(Loss)/profit for the financial year		(1,417,114)	633,265
Other comprehensive income		-	-
Total comprehensive income for the year		(1,417,114)	633,265

TTEC Consulting (UK) Limited

Balance Sheet

As at 31 December 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	11	-		463,258	
Investments	12	4,795,950		4,795,950	
		<u>4,795,950</u>		<u>5,259,208</u>	
Current assets					
Debtors falling due after one year	14	326,801		330,359	
Debtors falling due within one year	14	2,565,622		4,256,617	
Cash at bank and in hand		901,683		649,552	
		<u>3,794,106</u>		<u>5,236,528</u>	
Creditors: amounts falling due within one year	15	<u>(3,948,819)</u>		<u>(5,071,605)</u>	
Net current (liabilities)/assets		<u>(154,713)</u>		<u>164,923</u>	
Total assets less current liabilities		<u>4,641,237</u>		<u>5,424,131</u>	
Creditors: amounts falling due after more than one year	16	(181,176)		(265,932)	
Provisions for liabilities	17	(753,534)		(34,558)	
Net assets		<u>3,706,527</u>		<u>5,123,641</u>	
Capital and reserves					
Called up share capital	21	2,250		2,250	
Share premium account		249,000		249,000	
Profit and loss reserves		3,455,277		4,872,391	
Total equity		<u>3,706,527</u>		<u>5,123,641</u>	

The financial statements were approved by the board of directors and authorised for issue on 5 November 2020 and are signed on its behalf by:

P Miller
Director

Company Registration No. 03424866

TTEC Consulting (UK) Limited

Statement of Changes in Equity

For the year ended 31 December 2019

	Share capital	Share premium	Share loss	Profit and reserves	Total
	£	£	£	£	£
Balance at 1 January 2018	2,250	249,000	4,239,126	4,490,376	
Year ended 31 December 2018:					
Profit and total comprehensive income for the year	-	-	633,265	633,265	
Balance at 31 December 2018	2,250	249,000	4,872,391	5,123,641	
Year ended 31 December 2019:					
Loss and total comprehensive income for the year	-	-	(1,417,114)	(1,417,114)	
Balance at 31 December 2019	2,250	249,000	3,455,277	3,706,527	

TTEC Consulting (UK) Limited

Notes to the Financial Statements

For the year ended 31 December 2019

1 Accounting policies

Company information

TTEC Consulting (UK) Limited is a company limited by shares incorporated in England and Wales. The registered office is 6 Braid Court, Lawford Road, Chiswick, London, W4 3HS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Exemptions for qualifying entities under FRS 102

FRS 102 allows for a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The company has taken advantage of the following exemptions:

- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d);
- The requirement of Section 33 Related Party Disclosures paragraph to disclose key management personnel compensation; and
- The exemption available under Section 33 Related Party Disclosures paragraph 33.1A not to disclose transactions with other wholly owned members of the group.

The company has taken advantage of the exemption under section 400 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.

TTEC Consulting (UK) Limited is a wholly owned subsidiary of TTEC Holdings, Inc and the results of TTEC Consulting (UK) Limited are included in the consolidated financial statements of TTEC Holdings, Inc which are available from 9197 South Peoria Street, Englewood, Colorado, USA 80112.

TTEC Consulting (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

1 Accounting policies

(Continued)

1.3 Going concern

As at 31 December 2019 the balance sheet includes net current liabilities of £154,713. The directors have not prepared detailed cash flow forecasts as the directors have considered the future of the company and in July 2019 determined that the company's operations would be refocused, which includes a physical exit from the company's premises and exit from the lease in September 2021.

The directors have considered the impact of the COVID-19 pandemic, and the measures taken to contain it, on the company. The directors have successfully taken steps to safeguard the assets of the company, during and post lockdown, to enable the company to continue in business and meet its liabilities as they fall due. However the measures could negatively impact the company's ability to offer its services, and the demand for the company's services could soften due to the economic uncertainty resulting from the pandemic. While the duration and severity of this pandemic is uncertain, management currently does not believe that the pandemic will have a materially adverse effect on the company's financial condition or results of operations.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The company recognises turnover when services have been provided, the amount can be reliably measured and it is probable that future economic benefits will flow to the entity.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable. When services have been delivered but not yet billed by the balance sheet date, income is accrued. Where amounts are received in advance of delivery, income is deferred based on the percentage of services not yet completed.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the expected life of lease on a straight line basis
Plant and equipment	33% straight line
Fixtures and fittings	20% straight line

Assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

TTEC Consulting (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

1 Accounting policies

(Continued)

1.6 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 profit or loss.

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.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.8 Cash and cash equivalents

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.

1.9 Financial instruments

The company only has basic financial instruments measured at amortised cost, with no financial instruments classified as other, or basic financial instruments measured at fair value.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

TTEC Consulting (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Share-based payments

Share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

TTEC Consulting (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

1 Accounting policies

(Continued)

1.17 Foreign exchange

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Revenue recognition

Revenue from contracts is assessed on an individual basis with revenue earned being ascertained based on the stage of completion of the contract which is estimated using the time spent to date compared to the total time expected to be required to undertake the contract. Estimates of the total time required to undertake the contracts are made on a regular basis and subject to management review. These estimates may differ from the actual results due to a variety of factors such as efficiency of working, accuracy of assessment of progress to date and client decision making.

Contingent consideration

Contingent consideration relates to the estimated consideration due for the acquisition of Strategic Communications Services Limited in the prior year. The contingent consideration is payable if the acquired subsidiary meets the required future EBITDA targets. Management have assessed the likelihood of a future obligation arising using forecasts and a probability model.

Carrying value of investments

The investment in Strategic Communications Services Limited of £4,795,950 is included at cost. Management have assessed the carrying value of the investment using a long range EBITDA forecast. The annual forecast EBITDA of Strategic Communications Services Limited may differ from the actual results due to a variety of factors which could impact the results of Strategic Communications Services Limited in future years.

Recoverability of amounts due from group undertakings

The exceptional items expense includes a £1,167,932 waiver of an amount due from a group undertaking. Management have assessed the recoverability of amounts due from group undertakings based on current and forecast trading. The assumptions underlying the forecast trading may differ from the actual results.

TTEC Consulting (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

3 Turnover and other revenue

The company's turnover derives solely from its principal activity.

Turnover analysed by geographical market

	2019 £	2018 £
United Kingdom	4,597,948	5,130,250
Europe	186,945	48,632
Dubai	41,878	163,393
Rest of World	1,306,627	121,970
	<u>6,133,398</u>	<u>5,464,245</u>

4 Exceptional items

	2019 £	2018 £
Provision against intercompany balance	1,167,932	-
Exit from premises	1,129,481	-
	<u>2,297,413</u>	<u>-</u>

In July 2019 the directors took the decision to exit from the company's operating premises as part of a refocusing of the company's operations. The lease break clause on the premises is on 29 September 2021 and as the lease has not been sublet the directors have recognised an onerous lease provision of £753,534. The exit from the premises exceptional item includes a £375,947 loss on disposal of tangible fixed assets on physical exit from the premises.

The provision against the intercompany balance represents a provision against a balance due from PRG Dubai, a fellow group undertaking.

5 Operating (loss)/profit

	2019 £	2018 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Loss/(profit) on foreign exchange	81,164	(104,791)
Fees payable to the company's auditors for the audit of the company's financial statements	24,125	23,150
Depreciation of owned tangible fixed assets	87,311	78,517
Loss on disposal of tangible fixed assets	-	411
Share based payment charge	49,360	37,356
Operating lease charges	332,881	327,916
Exceptional items (note 4)	<u>2,297,413</u>	<u>-</u>

TTEC Consulting (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Directors	1	1
Consultants	16	18
Administration	2	5
	<u>19</u>	<u>24</u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	1,869,063	1,930,404
Social security costs	221,426	222,719
Pension costs	68,237	48,669
	<u>2,158,726</u>	<u>2,201,792</u>

7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	189,676	173,576
Company pension contributions to defined contribution schemes	7,208	4,783
	<u>196,884</u>	<u>178,359</u>

TTEC Consulting (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

8 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	-	2,427
	<u> </u>	<u> </u>

9 Interest payable and similar expenses

	2019 £	2018 £
Interest payable to group undertakings	70,100	55,503
Other interest	11,070	1,249
	<u> </u>	<u> </u>
	81,170	56,752
	<u> </u>	<u> </u>

10 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	19,344	186,153
Adjustments in respect of prior periods	-	8,161
	<u> </u>	<u> </u>
Total current tax	19,344	194,314
Deferred tax		
Origination and reversal of timing differences	(59,096)	3,291
	<u> </u>	<u> </u>
Total tax (credit)/charge	(39,752)	197,605
	<u> </u>	<u> </u>

The actual (credit)/charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
(Loss)/profit before taxation	(1,456,866)	830,870
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2018: 19%)	(276,805)	157,865
Tax effect of expenses that are not deductible in determining taxable profit	230,728	9,142
Effect of change in corporation tax rate	-	4,122
Adjustment in respect of prior years	-	8,161
Other timing differences	6,325	18,315
	<u> </u>	<u> </u>
Total (credit)/charge	(39,752)	197,605
	<u> </u>	<u> </u>

TTEC Consulting (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

11 Tangible fixed assets

	Leasehold improvements £	Plant and Fixtures and equipment £	fittings £	Total £
Cost				
At 1 January 2019	433,268	128,722	102,997	664,987
Disposals	(433,268)	(128,722)	(102,997)	(664,987)
At 31 December 2019	-	-	-	-
Depreciation and impairment				
At 1 January 2019	89,447	74,236	38,046	201,729
Depreciation charged in the year	48,385	18,416	20,510	87,311
Eliminated in respect of disposals	(137,832)	(92,652)	(58,556)	(289,040)
At 31 December 2019	-	-	-	-
Carrying amount				
At 31 December 2019	-	-	-	-
At 31 December 2018	343,821	54,486	64,951	463,258

12 Fixed asset investments

	Notes	2019 £	2018 £
Investments in subsidiaries	13	4,795,950	4,795,950

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2019 & 31 December 2019	4,795,950
Carrying amount	
At 31 December 2019	4,795,950
At 31 December 2018	4,795,950

TTEC Consulting (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Strategic Communications Services Limited	Salisbury House 4th Floor, 29 London Wall, London, EC2M 5SQ	Telecommunications activities	Ordinary	100	-

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Strategic Communications Services Limited	(116,255)	3,480,942

The year end of Strategic Communications Services Limited is 31 March 2020. The figures for profit/(loss) and capital and reserves have been based on unaudited management accounts as at 31 December 2019.

14 Debtors

	2019	2018
Amounts falling due within one year:	£	£
Trade debtors	1,364,364	1,919,691
Amounts due from group undertakings	816,529	1,240,011
Other debtors	42,314	18,133
Prepayments and accrued income	342,415	1,078,782
	<u>2,565,622</u>	<u>4,256,617</u>

Amounts due from group undertakings are interest free, unsecured and repayable on demand.

Other debtors includes a deferred tax asset of £24,538 (2018: £nil) in respect of trading losses as detailed in note 18.

TTEC Consulting (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

14 Debtors (Continued)

	2019 £	2018 £
Amounts falling due after more than one year:		
Other debtors	326,801	330,359
Total debtors	2,892,423	4,586,976

15 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	299,787	486,974
Amounts due to group undertakings	2,747,912	3,517,379
Corporation tax	24,568	186,153
Other taxation and social security	77,508	97,555
Other creditors	8,035	293,974
Accruals and deferred income	791,009	489,570
	3,948,819	5,071,605

Amounts due to group undertakings of £335,826 (2018: £464,225) are interest free, unsecured and repayable on demand. Amounts due to group undertakings of £3,605,660 (2018: £3,053,154) are unsecured, repayable on demand and incur interest at 2%. The balance included in amount due to group undertakings is net of a balance due from the same group undertaking of £1,193,574 (2018: £nil), which is interest free, unsecured and repayable on demand.

16 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Other creditors	181,176	265,932

Other creditors represent the rent free period, capital contributions and dilapidations liabilities that are deferred over the lease term to the lease break clause on 29 September 2021.

TTEC Consulting (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

17 Provisions for liabilities

	Note	2019 £	2018 £
Onerous lease		753,534	-
Deferred tax liabilities	18	-	34,558
		<u>753,534</u>	<u>34,558</u>

The onerous lease provision represents the rent expense to the lease break clause on 29 September 2021.

18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
Balances:				
Accelerated capital allowances	-	34,558	(24,538)	-
	<u>-</u>	<u>34,558</u>	<u>(24,538)</u>	<u>-</u>
Movements in the year:				2019 £
Liability at 1 January 2019				34,558
Credit to profit and loss				(59,096)
Asset at 31 December 2019				<u>(24,538)</u>

19 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>68,237</u>	<u>48,669</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

20 Share-based payment transactions

The company operates a Restricted Stock Unit (RSU) scheme offering shares in TTEC Holdings, Inc, the company's ultimate parent company. The scheme has time based vesting conditions and the Restricted Stock Units (RSUs) lapse when employment ceases. The RSUs will be settled with the exercise of shares at the market value on the date of exercise (equity settled).

TTEC Consulting (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

20 Share-based payment transactions

(Continued)

	Number of restricted stock units	
	2019 Number	2018 Number
Outstanding at 1 January 2019	6,105	6,216
Granted	347	2,440
Forfeited	-	(989)
Exercised	(1,960)	(1,562)
Outstanding at 31 December 2019	4,492	6,105

During the year, the company granted 347 RSUs. The fair value at grant of the RSUs has been calculated as the market value of the shares at grant less the expected dividends over the expected vesting period.

During the year, the company recognised total share-based payment expenses of £49,360 (2018 - £37,356) which relate to share based payment transactions for the RSUs. The cost has been included within wages and salaries.

21 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000
1 'B' Ordinary share of £250	250	250
1,000 'C' Ordinary shares of £1 each	1,000	1,000
	2,250	2,250

The Ordinary shares confer on the holder the right to one vote per share in general meetings.

The 'B' Ordinary share confers on the holder the right to a vote to be not more than 20% of the total voting power of the company in general meetings regardless of the number of shares issued by the company.

The 'C' Ordinary shares have no voting rights but rank pari passu with the Ordinary and 'B' Ordinary shares in the event of a wind up and return of capital.

TTEC Consulting (UK) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

22 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	407,295	407,295
Between two and five years	305,471	1,629,180
In over five years	-	1,120,061
	<u>712,766</u>	<u>3,156,536</u>

23 Controlling party

The company's immediate parent company is TTEC Europe, B.V, a company registered in the Netherlands.

The company is a subsidiary undertaking of TTEC Holdings, Inc., which is the ultimate parent undertaking and controlling party.

TTEC Holdings, Inc. is incorporated in the United States of America and copies of its group financial statements, which represents both the smallest and largest group into which the company is consolidated, are available from:

9197 South Peoria Street
Englewood
Colorado
USA 80112

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.