

Company Number: 06493410

**CINCINNATI BELL TECHNOLOGY
SOLUTIONS UK LIMITED**

Annual Report and Financial Statements

For the year ended 31 December 2015



CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2015**

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

S Seger

COMPANY SECRETARIES

Eversecretary Limited
C J Wilson

REGISTERED OFFICE

Eversheds House
70 Great Bridgewater Street
Manchester
M1 5ES

BANKERS

Bank of America Merrill Lynch
2 King Edward Street
London
EC1A 1HQ

INDEPENDENT AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading
United Kingdom

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

DIRECTOR'S REPORT

The director presents his annual report and the audited financial statements for the year ended 31 December 2015. In preparing this report, the director has taken advantage of the small companies' exemption provided by section 415A of the Companies Act 2006 and accordingly no strategic report has been prepared.

PRINCIPAL ACTIVITY

The principal activity of the company is that of a provider of managed information technology solutions, IT and telephony equipment sales, and professional IT infrastructure staff augmentation services.

REVIEW OF THE BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The director recommends that no dividends are paid in respect of the year ended 31 December 2015 (2014: £nil).

DIRECTORS

The director who served during the year and to the date of this report unless otherwise indicated is as follows:

S Seger

GOING CONCERN

The company's business activities are detailed above. Having considered the financial position of the company in the context of the uncertainties in the current economic environment and the letter of continuing financial support from the board of directors of Cincinnati Bell Technology Solutions Inc., the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the company continues to adopt the going concern basis in preparing the financial statements.

AUDITOR

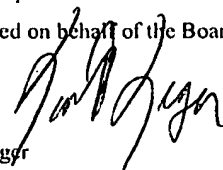
The person who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Signed on behalf of the Board



S Seger

Director

23 September 2016

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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 CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

We have audited the financial statements of Cincinnati Bell Technology Solutions UK Limited for the year ended 31 December 2015 which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

Respective responsibilities of director and auditor

As explained more fully in the Statement of Director's Responsibilities, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

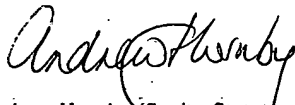
In our opinion the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CINCINNATI BELL
TECHNOLOGY SOLUTIONS UK LIMITED (continued)**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was 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 Director's report or from the requirement to prepare a Strategic report.



Andrew Hornby (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading, United Kingdom
23 September 2016

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

PROFIT AND LOSS ACCOUNT For the year ended 31 December 2015

	Note	2015 £	2014 £
TURNOVER	3	7,668,467	3,408,519
Cost of sales		(7,142,115)	(3,306,617)
GROSS PROFIT		526,352	101,902
Administrative expenses		(89,129)	(40,021)
OPERATING PROFIT	4	437,223	61,881
Interest payable and similar charges	6	(149,404)	(73,814)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		287,819	(11,933)
Tax on profit/(loss) on ordinary activities	7	(42,286)	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		245,533	(11,933)
RETAINED DEFICIT AT 1 JANUARY		(79,237)	(67,304)
RETAINED EARNINGS/(DEFICIT) AT 31 DECEMBER		166,296	(79,237)

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above. Therefore, no statement of comprehensive income has been presented.

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Called-up share capital £	Profit and loss account £	Total £
At 1 January 2014	100	(67,304)	(67,204)
Loss for the financial year	-	(11,933)	(11,933)
At 31 December 2014	100	(79,237)	(79,137)
Profit for the financial year	-	245,533	245,533
At 31 December 2015	100	166,296	166,396

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

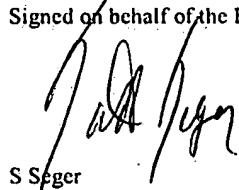
BALANCE SHEET As at 31 December 2015

	Note	2015 £	2014 £
CURRENT ASSETS			
Stocks	8	62,305	82,048
Debtors	9	1,062,250	1,089,666
Cash at bank and in hand		851,660	226,590
		<u>1,976,215</u>	<u>1,398,304</u>
CREDITORS: amounts falling due within one year	10	<u>(1,809,819)</u>	<u>(1,477,441)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>166,396</u>	<u>(79,137)</u>
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Profit and loss account		166,296	(79,237)
SHAREHOLDER'S FUNDS/(DEFICIT)		<u>166,396</u>	<u>(79,137)</u>

The financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

These financial statements of Cincinnati Bell Technology Solutions UK Limited, registered number 06493410, were approved by the Board and authorised for issue on 23 September 2016.

Signed on behalf of the Board



S Seger
Director

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

1. ACCOUNTING POLICIES

General information and basis of accounting

Cincinnati Bell Technology Solutions UK Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Director's report on page 2.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. There were no restatements to prior year numbers following the adoption of FRS 102.

The functional currency of Cincinnati Bell Technology Solutions UK Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Cincinnati Bell Technology Solutions UK Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Cincinnati Bell Technology Solutions UK Limited is consolidated in the financial statements of its parent, Cincinnati Bell Technology Solutions Inc., which may be obtained at 201 E. 4th Street, Cincinnati, OH 45202. Exemptions have been taken in these separate company financial statements in relation to the presentation of a cash flow statement and remuneration of key management personnel.

Going concern

The company's business activities are detailed in the Director's report. Having considered the financial position of the company in the context of the uncertainties in the current economic environment and the letter of continuing financial support from the board of directors of Cincinnati Bell Technology Solutions Inc., the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the going concern basis in preparing the financial statements will continue to be adopted.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost represents purchase price on a first-in, first-out basis. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Turnover

Turnover represents amounts receivable for services and the value of goods sold and delivered to customers during the year net of VAT. Turnover is recognised when delivery has occurred for goods sold and when substantially all of the contractual commitments related to a service have been delivered.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as 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 liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

1. ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Foreign exchange

Transactions denominated in foreign currencies are translated into the functional currency at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. No critical accounting judgements or sources of estimation uncertainty have been identified.

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

3. TURNOVER

Turnover represents amounts invoiced (excluding VAT) to customers, and is generated by the company's principal activity.

The company has supplied geographical markets outside the United Kingdom during the financial year. 26.3% (2014: 4.7%) of its turnover, in the opinion of the director, is attributable to those markets.

An analysis of the company's turnover is as follows:

	2015 £	2014 £
Sale of goods	4,300,528	1,096,073
Rendering of services	3,367,939	2,312,446
	<u>7,668,467</u>	<u>3,408,519</u>

4. OPERATING PROFIT

Operating profit is stated after charging:

	2015 £	2014 £
(Gain)/loss on foreign exchange	29,055	47,527
Auditor's remuneration	24,325	23,750
	<u>24,325</u>	<u>23,750</u>

Included in Auditor's remuneration is £3,325 (2014: £3,325) in respect of non-audit services.

5. INFORMATION REGARDING DIRECTOR AND EMPLOYEES

The company had no employees during the current and prior financial year.

The director's remuneration for the company has been borne by Cincinnati Bell Technology Solutions Inc. and the amount allocated for his services to the company is £nil (2014: £nil).

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £
Interest payable to group undertakings	48,521	19,492
(Gain)/loss on foreign exchange	100,883	54,322
	<u>149,404</u>	<u>73,814</u>

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2015

7. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

A liability to UK corporation tax arose on ordinary activities for the year of £42,286 (2014: £nil).

The standard rate of tax for the year, based on the UK rate of tax, is 20.25% (2014: 21.50%).

The actual tax charge differs from the standard rate for the reasons set out in the following reconciliation.

	2015 £	2014 £
Profit/(loss) on ordinary activities before tax	287,819	(11,933)
Tax on profit/(loss) on ordinary activities at standard rate of 20.25% (2014: 21.50%)	58,273	(2,566)
<i>Factors affecting the charge:</i>		
Utilisation of losses carried forward	(15,987)	-
Losses carried forward	-	2,566
UK corporation tax for the year	42,286	-

The standard rate of tax applied to reported profit on ordinary activities is 20.25% (2014: 21.50%). The applicable tax rate changed to 20% from 1 April 2015 following the substantive enactment of the Finance Act 2013. The Finance Act (No 2) 2015 reduced the main rate of UK corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. In his Budget of 16 March 2016, the Chancellor of the Exchequer announced an additional 1% reduction in the main rate of UK corporation tax to 17% with effect from 1 April 2020. This change had not been substantively enacted at the balance sheet date and consequently is not included in these financial statements.

Factors that may affect future tax charges

A deferred tax asset of £nil (2014: £15,987) in respect of unutilised losses has not been recognised due to insufficient certainty as to the probability of generating sufficient future profits against which this asset could reverse.

8. STOCKS

	2015 £	2014 £
Finished goods and goods for resale	62,305	82,048

There is no material difference between the balance sheet value of stocks and their replacement cost.

9. DEBTORS

	2015 £	2014 £
Trade debtors	715,068	939,405
Prepayments and other debtors	347,182	150,261
	1,062,250	1,089,666

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2015

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	434,416	137,485
Amounts owed to group undertakings	1,061,858	857,477
Other creditors	63,998	11,219
Corporation tax	42,286	-
Accruals and deferred income	207,261	471,260
	<u>1,809,819</u>	<u>1,477,441</u>

Amounts owed to group undertakings are unsecured, subject to interest at market rates and repayable on demand.

11. CALLED UP SHARE CAPITAL

	2015 £	2014 £
Authorised		
100 (2014: 100) Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Called up, allotted and fully paid		
100 (2014: 100) Ordinary shares of £1 each	<u>100</u>	<u>100</u>

12. ULTIMATE PARENT COMPANY

The directors regard Cincinnati Bell Inc., a company incorporated in the USA, as the ultimate parent company and controlling party.

Cincinnati Bell Technology Solutions Inc. owns the entire share capital of Cincinnati Bell Technology Solutions UK Limited. Cincinnati Bell Inc., the ultimate parent company and controlling party, in turn owns the entire share capital of Cincinnati Bell Technology Solutions Inc.

The smallest group to consolidate these financial statements is Cincinnati Bell Technology Solutions Inc., an intermediate company in the Cincinnati Bell Inc. Group. The largest group to consolidate these financial statements is Cincinnati Bell Inc. The consolidated financial statements of Cincinnati Bell Technology Solutions Inc. and Cincinnati Bell Inc. can be obtained from 201 E. 4th Street, Cincinnati, OH 45202.