

**CINCINNATI BELL TECHNOLOGY
SOLUTIONS UK LIMITED**

Annual Report and Financial Statements

For the year ended 31 December 2013

WEDNESDAY



L3H2Y1WQ

LD7

24/09/2014

#110

COMPANIES HOUSE

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

REPORT AND FINANCIAL STATEMENTS 2013

CONTENTS

Page

Officers and professional advisers

1

Director's report

2

Statement of director's responsibilities

3

Independent auditor's report

4

Profit and loss account

6

Balance sheet

7

Notes to the accounts

8

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

REPORT AND FINANCIAL STATEMENTS 2013

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

Scott Seger

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

AUDITOR

Deloitte LLP
Abbots House
Abbey Street
Reading
RG1 3BD

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

DIRECTOR'S REPORT

The director presents his report and the audited financial statements for the year ended 31 December 2013. In preparing this report, the director has taken advantage of the small companies exemption provided by section 415A of the Companies Act 2006.

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 2013 (2012: £nil).

DIRECTORS

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

J.P. Burns (Resigned 31 July 2014)

S. Seger (Appointed 31 July 2014)

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.

AUDITORS

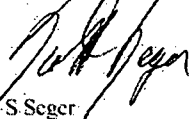
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are 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 auditors are 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 auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



S. Seger

Director

22 September 2014

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). 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. 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 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 2013 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008, United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 directors; 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 2013 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

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 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 director was not entitled to take advantage of the small companies exemption in preparing the director's report.



Andrew Hornby (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Reading, UK

22 September 2014

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2013

	Note	2013 £	2012 £
TURNOVER	2	3,792,139	5,661,794
Cost of sales		(3,642,983)	(5,317,362)
GROSS PROFIT		149,156	344,432
Administrative expenses		(73,365)	(320,209)
OPERATING PROFIT		75,791	24,223
Interest payable and similar charges	5	(31,477)	(67,185)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		44,314	(42,962)
Tax on profit/(loss) on ordinary activities	6	-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	11	44,314	(42,962)

The notes on pages 8 to 11 form part of these financial statements.

All amounts derive from continuing operations.

There are no recognised gains or losses for the current year or prior year other than as stated above. Accordingly, no statement of total recognised gains and losses has been presented.

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

BALANCE SHEET 31 December 2013

	Note	2013 £	2012 £
CURRENT ASSETS			
Stocks	7	3,889	1,646
Debtors	8	814,758	1,395,479
Cash at bank and in hand		163,473	776,129
		<u>982,120</u>	<u>2,173,254</u>
CREDITORS: amounts falling due within one year	9	<u>(1,049,324)</u>	<u>(2,284,772)</u>
NET LIABILITIES		<u>(67,204)</u>	<u>(111,518)</u>
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Profit and loss account - deficit	11	<u>(67,304)</u>	<u>(111,618)</u>
SHAREHOLDER DEFICIT	11	<u>(67,204)</u>	<u>(111,518)</u>

The notes on pages 8 to 11 form part of these financial statements.

These financial statements of Cincinnati Bell Technology Solutions UK Limited, registered number 06493410, were approved by the Board of Directors and authorised for issue on 22 September 2014.

Signed on behalf of the Board of Directors


S. Seger
Director

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

NOTES TO THE ACCOUNTS

Year ending 31 December 2013

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. They have all been applied consistently throughout the current and the preceding year.

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.

Accounting convention

The financial statements are prepared under the historical cost convention.

Stocks

Stocks are stated at the lower of cost and net realisable value. 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, 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 taxation is provided on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Cash flow statement

The company qualifies as a small company within the definition set out in the Companies Act 2006 and has taken advantage of the exemption provided by FRS 1 Cash Flow Statements in not providing a cash flow statement as part of these financial statements.

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.

Related party transactions

The Company has taken advantage of the exemption under FRS 8 Related Party Disclosures not to disclose transactions with other group companies.

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

Year ending 31 December 2013

2. TURNOVER

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

	2013 £	2012 £
United Kingdom	2,784,511	3,806,928
Europe excluding United Kingdom	1,007,628	1,854,866
	<u>3,792,139</u>	<u>5,661,794</u>

3. INFORMATION REGARDING DIRECTOR AND EMPLOYEES

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

The director's remuneration for the company has been borne by Cincinnati Bell Technology Solutions Inc and the amount allocated for their services to this company is £nil (2012: £nil).

4. AUDITOR REMUNERATION

The analysis of the auditor's remuneration is as follows:

Auditor remuneration for the period is £21,750 (2012: £20,050).

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £	2012 £
Interest payable	<u>31,477</u>	<u>67,185</u>

NOTES TO THE ACCOUNTS (CONTINUED)

Year ending 31 December 2013

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

A liability to UK corporation tax arose on ordinary activities for the year of £nil (2012: £nil).

The standard rate of tax for the year, based on the UK rate of tax, is 23.25% (2012: 24.5%).

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

	2013 £	2012 £
Profit/(Loss) on ordinary activities before tax	44,314	(42,962)
Tax on profit/(loss) on ordinary activities at standard rate of 23.25% (2012: 24.5%)	10,303	(10,562)
Factors affecting the charge:		
Other permanent differences	18	49
Utilisation of losses carried forward	(10,321)	(10,477)
UK corporation tax for the period	-	-

As announced in the budget on 21 March 2012 and subsequently revised by the announcement in the 2012 Autumn Statement, the main rate of corporation tax decreased to 24% from April 2012 with further reductions planned over the period to April 2014 from which time it is expected that the main rate of corporation tax will be 21%. These rate changes will affect the amount of future cash payments to be made by the company.

Factors that may affect future tax charges

A deferred tax asset of £14,076 (2012: £41,556) 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.

7. STOCKS

	2013 £	2012 £
Finished goods and goods for resale	3,889	1,646

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

8. DEBTORS

	2013 £	2012 £
Trade debtors	748,372	900,645
Prepayments and other debtors	66,386	494,834
	814,758	1,395,479

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

Year ending 31 December 2013

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	333,260	474,917
Amounts owed to group undertakings	541,641	1,337,580
Other taxation and social security	-	15,398
Other creditors	32,534	15,485
Accruals and deferred income	141,889	441,392
	<u>1,049,324</u>	<u>2,284,772</u>

10. CALLED UP SHARE CAPITAL

	2013 £	2012 £
Authorised		
100 (2012: 100) Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Called up, allotted and fully paid		
100 (2012: 100) Ordinary shares of £1 each	<u>100</u>	<u>100</u>

11. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDER DEFICIT AND STATEMENT OF MOVEMENT IN RESERVES

	Ordinary share capital £	Profit and loss account £	Total 2013 £	Total 2012 £
Brought forward	100	(111,618)	(111,518)	(68,556)
Profit/(Loss) for the year	-	44,314	44,314	(42,962)
Carried forward	<u>100</u>	<u>(67,304)</u>	<u>(67,204)</u>	<u>(111,518)</u>

12. RELATED PARTIES

The company has taken the exemption available in Financial Reporting Standard 8 'Related party disclosures' from disclosing transactions with other group companies and 100% owned subsidiaries as 100% of the company's voting rights are controlled within the group headed by Cincinnati Bell Inc., a company incorporated in the USA.

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.