

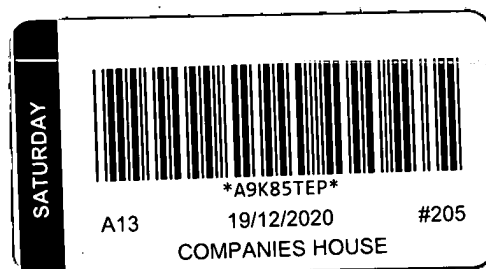
**Company Number: 06493410**

**CBTS TECHNOLOGY SOLUTIONS UK LIMITED**

**(Previously Known as Cincinnati Bell Technology  
Solutions UK Limited)**

**Annual Report and Financial Statements**

**For the year ended 31 December 2019**



# **CBTS TECHNOLOGY SOLUTIONS UK LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

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# **CBTS TECHNOLOGY SOLUTIONS UK LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTOR**

L R Fox

#### **COMPANY SECRETARIES**

Eversecretary Limited  
C M Vogt

#### **REGISTERED OFFICE**

Eversheds House  
70 Great Bridgewater Street  
Manchester  
M1 5ES

#### **BANKERS**

Barclays Bank Plc  
Leicester  
Leicestershire  
LE87 2BB

#### **INDEPENDENT AUDITOR**

Deloitte LLP  
Statutory Auditor  
Reading  
United Kingdom

# **CBTS TECHNOLOGY SOLUTIONS UK LIMITED**

## **DIRECTOR'S REPORT**

The director presents the annual report and the audited financial statements for the year ended 31 December 2019. 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 IT solutions, IT and telephone 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.

On 8<sup>th</sup> March 2019 ONX Holdings LLC, another subsidiary in the Cincinnati Bell Inc. group, transferred 100% of its shares in ONX UK Ltd to CBTS Technology Solutions UK Ltd. ONX UK Limited then transferred all of its assets and liabilities to CBTS Technology Solutions UK Limited on April 30<sup>th</sup> 2019.

The director recommends that no dividends are paid in respect of the year ended 31 December 2019 (2018: £nil).

## **DIRECTORS**

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

L R Fox

## **EXISTENCE OF BRANCHES OUTSIDE THE UK**

The company has branches, as defined in section 1046(3) of the Companies Act 2006, outside the UK as follows:  
Singapore.

## **GOING CONCERN**

The company's business activities are detailed above. Having considered the financial position and long term forecasts 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 Inc., the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The director has also considered the potential impact of Brexit on their long-term trading position and given their limited exposure to European sourcing and customer base in the UK, the Company does not believe that Brexit will cause an issue with going concern. Accordingly the company continues to adopt the going concern basis in preparing the financial statements (note 1).

The director has considered the impact of the Coronavirus (COVID-19) outbreak on business operations. COVID-19 was declared a global pandemic on March 11, 2020. As a result of the announcement, the UK government implemented several measures to limit the spread of the virus. These measures have had a significant impact on the UK economy, but not an equal impact on all businesses. The company has seen limited impact of COVID-19 on its operations. While we are unable to determine or predict the nature, duration or scope of the overall impact the COVID-19 pandemic will have on our business, we believe that it will not have a significant impact on operations. The impact of COVID-19 is and has been limited to the operations due to the fact that the primary customers of the entity are large enterprise customers that are not seeing significant impact to operations either.

## **SUBSEQUENT EVENTS**

Subsequent to year end, COVID-19 was declared a global pandemic in March 2020. These measures have had a significant impact on the UK economy, but not an equal impact on all businesses. The company has seen limited impact of COVID-19 on its operations.

## **CBTS TECHNOLOGY SOLUTIONS UK LIMITED**

### **DIRECTOR'S REPORT**

This is a non-adjusting post balance sheet event and no adjustments have been made to the financial statements in relation to this.

While the Company is unable to determine or predict the nature, duration or scope of the overall impact the COVID-19 pandemic will have on our business, we believe that it will not have a significant impact on operations. The impact of COVID is and has been limited to the operations due to the fact that the primary customers of the entity are large enterprise customers that are not seeing significant impact to operations either.

The company is expected to continue as a going concern for the 12-month period following the signing of the financial statements as disclosed in the director's report.

### **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.

Approved by the Board and Signed on behalf of the Board:



L R Fox

Director

17<sup>th</sup> December 2020

## **CBTS 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 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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; 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 CBTS TECHNOLOGY SOLUTIONS UK LIMITED**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements of CBTS Technology Solutions UK Limited (the 'company'):

- 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, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

### **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 Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the director's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the director has 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.

We have nothing to report in respect of these matters.

### **Other information**

The director is 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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CBTS TECHNOLOGY SOLUTIONS UK LIMITED**

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 respect of these matters.

### **Responsibilities of directors**

As explained more fully in the director's responsibilities statement, the director is 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 director 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Report on other legal and regulatory requirements**

#### **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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the director's report.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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' exemptions in preparing the director's report and from the requirement to prepare a strategic report.

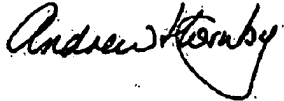
We have nothing to report in respect of these matters.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CBTS  
TECHNOLOGY SOLUTIONS UK LIMITED**

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Hornby (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Reading, United Kingdom  
17<sup>th</sup> December 2020

## **CBTS TECHNOLOGY SOLUTIONS UK LIMITED**

### **PROFIT AND LOSS ACCOUNT** **For the year ended 31 December 2019**

	<b>Note</b>	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
<b>TURNOVER</b>	<b>3</b>	<b>7,716,399</b>	<b>1,610,680</b>
Cost of sales		<u>(6,193,544)</u>	<u>(1,449,648)</u>
<b>GROSS PROFIT</b>		<b>1,522,855</b>	<b>161,032</b>
Administrative expenses		<u>(1,308,537)</u>	<u>(266,983)</u>
<b>OPERATING PROFIT/(LOSS)</b>	<b>4</b>	<b>214,318</b>	<b>(105,951)</b>
Finance costs (net)	<b>6</b>	<u>(185,286)</u>	<u>(33,716)</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<b>29,032</b>	<b>(139,667)</b>
Tax (charge)/credit on profit/(loss)	<b>7</b>	<u>(21,860)</u>	<u>25,959</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>7,172</b>	<b>(113,708)</b>

The above results were derived from continuing operations.

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

# CBTS TECHNOLOGY SOLUTIONS UK LIMITED

## BALANCE SHEET As at 31 December 2019

	Note	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	10	-	440,385
Investments	11	1,000	-
		<u>1,000</u>	<u>440,385</u>
<b>CURRENT ASSETS</b>			
Debtors	8	5,452,220	1,955,125
Cash at bank and in hand		1,854,504	136,786
Stock		39,168	1,537
		<u>7,345,892</u>	<u>2,093,448</u>
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(7,436,299)</u>	<u>(2,582,200)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>(89,407)</u>	<u>(488,752)</u>
Deferred tax asset	12	49,593	1,381
<b>NET ASSETS/(LIABILITIES)</b>		<u>(39,814)</u>	<u>(46,986)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	100	100
Profit and loss account		(39,914)	(47,086)
<b>SHAREHOLDER'S FUNDS</b>		<u>(39,814)</u>	<u>(46,986)</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 CBTS Technology Solutions UK Limited, registered number 06493410, were approved by the Board and authorised for issue on 17<sup>th</sup> December 2020

Signed on behalf of the Board:



L R Fox  
Director

# CBTS TECHNOLOGY SOLUTIONS UK LIMITED

## STATEMENT OF CHANGES IN EQUITY For the year ending 31 December 2019

	Called-up share capital £	Profit and loss account £	Total £
At 1 January 2018	100	66,622	66,722
Total comprehensive loss for the financial year	-	(113,708)	(113,708)
At 31 December 2018	100	(47,086)	(46,986)
Total comprehensive profit for the financial year	-	7,172	7,172
At 31 December 2019	100	(39,914)	(39,814)

## **CBTS TECHNOLOGY SOLUTIONS UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2019**

#### **1. ACCOUNTING POLICIES**

##### **General information and basis of accounting**

CBTS Technology Solutions UK Limited is a private company limited by shares incorporated in England and Wales and domiciled in the United Kingdom. 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 CBTS 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.

CBTS 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. CBTS Technology Solutions UK Limited is consolidated in the financial statements of its parent, CBTS LLC., 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 financial statements have been prepared on the going concern basis as the Company's ultimate parent undertaking, Cincinnati Bell Inc., has supplied a letter confirming it will provide financial support for a period of at least 12 months from the date of signing of the financial statements. The director has engaged with the parent company to understand the financial position and long term forecasts of the wider group, and based on this, has determined that the parent has appropriate resources to support the company. The audited accounts of Cincinnati Bell Inc. can be obtained from the address detailed in Note 15.

The director has considered the impact of the Coronavirus (COVID-19) outbreak on business operations. COVID-19 was declared a global pandemic on March 11, 2020. As a result of the announcement, the UK government implemented several measures to limit the spread of the virus. These measures have had a significant impact on the UK economy, but not an equal impact on all businesses. The company has seen limited impact of COVID-19 on its operations. While we are unable to determine or predict the nature, duration or scope of the overall impact the COVID-19 pandemic will have on our business, we believe that it will not have a significant impact on operations. The impact of COVID-19 is and has been limited to the operations due to the fact that the primary customers of the entity are large enterprise customers that are not seeing significant impact to operations either.

The director has a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. Thus, the director continues to adopt the going concern basis of accounting in preparing the annual financial statements.

##### **Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Plant and machinery	3 years
---------------------	---------

##### **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.

##### **Fixed Asset Investments**

Investments in subsidiaries and associates are measured at cost less impairment.

## **CBTS TECHNOLOGY SOLUTIONS UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2019**

#### **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.

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 director is 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,

## CBTS TECHNOLOGY SOLUTIONS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

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.

#### 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. 34% (2018: 29%) of its turnover, in the opinion of the director, is attributable to those markets.

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

	2019 £	2018 £
Sale of goods	6,586,152	941,273
Rendering of services	1,130,247	669,407
	<u>7,716,399</u>	<u>1,610,680</u>

#### 4. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	2019 £	2018 £
Gain/(loss) on foreign exchange on trading activity	404,113	(4,204)
Auditor's remuneration	41,450	25,925

Fees payable to Deloitte LLP for the audit of the Company's annual accounts were £35,000 (2018: £22,600).

Fees payable to Deloitte LLP for non-audit services to the Company were £6,450 (2018: £3,325).

#### 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 CBTS Technology Solutions Inc. and the amount allocated for his services to the company is £nil (2018: £nil).

#### 6. FINANCE COSTS (NET)

	2019 £	2018 £
Interest payable to group undertakings	(185,286)	(39,827)
Other interest income	-	6,111
	<u>(185,286)</u>	<u>(33,716)</u>

# CBTS TECHNOLOGY SOLUTIONS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2019

### 7. TAX ON PROFIT/(LOSS)

The tax (credit)/charge comprises:

	2019 £	2018 £
<b>Current tax</b>		
UK Corporation tax on profits for the period	70,072	-
Adjustment in respect of previous periods	-	(1,992)
<b>Total current tax</b>	<u>70,072</u>	<u>(1,992)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(53,884)	(26,537)
Effect of changes in tax rates	5,672	2,570
<b>Total deferred tax</b>	<u>(48,212)</u>	<u>(23,967)</u>
<b>Total tax charge/(credit) on profit/(loss)</b>	<u>21,860</u>	<u>(25,959)</u>

The standard rate of tax applied to reported profit on ordinary activities is 19 per cent (2018: 19 per cent).

The charge for the year can be reconciled to the profit/(loss) per the income statement as follows:

	2019 £	2018 £
<b>Profit/(loss) before tax</b>	<u>29,032</u>	<u>(139,667)</u>
Tax on profit/(loss) at standard UK corporation tax rate of 19 per cent (2018: 19 per cent)	5,516	(26,537)
Effects of:		
- Expenses not deductible for tax purposes	10,672	1
- Adjustments from previous periods	-	(1,992)
- Tax rate changes	5,672	2,570
- Rounding	-	(1)
<b>Total tax charge/(credit) for period</b>	<u>21,860</u>	<u>(25,959)</u>

The main rate of corporation tax changed from 19.25% to 19% from the 1<sup>st</sup> April 2018.

The Finance Act 2016 reduced the main rate of corporation tax from 20% to 19% for financial years beginning 1 April 2017, 1 April 2018 and 1 April 2019. At Budget 2020, the government announced that the Corporate Tax main rate for the years starting 1 April 2020 and 2021 would remain at 19%. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.



# CBTS TECHNOLOGY SOLUTIONS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2019

### 8. DEBTORS

	2019 £	2018 £
Trade debtors	4,925,397	862,560
Amounts due from group undertakings	-	916,042
Prepayments and other debtors	526,823	176,523
	<u>5,452,220</u>	<u>1,955,125</u>

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

### 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	1,990,292	165,186
Corporation tax	142,785	-
Amounts owed to group undertakings	4,376,025	2,312,413
Accruals and deferred income	927,197	104,601
	<u>7,436,299</u>	<u>2,582,200</u>

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

Corporation tax payable includes £72,713 payable which was assumed from the merger of ONX UK into the Company.

### 10. TANGIBLE FIXED ASSETS

	Plant and machinery £	Total £
<b>Cost or valuation</b>		
At 1 January 2019	818,816	818,816
At 31 December 2019	<u>818,816</u>	<u>818,816</u>
<b>Depreciation</b>		
At 1 January 2019	378,431	378,431
Charge for the year	440,385	440,385
At 31 December 2019	<u>818,816</u>	<u>818,816</u>
<b>Net book value</b>		
At 31 December 2018	<u>440,385</u>	<u>440,385</u>
At 31 December 2019	<u>0</u>	<u>0</u>

# CBTS TECHNOLOGY SOLUTIONS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2019

### 11. FIXED ASSETS INVESTMENTS

Investments in subsidiaries and associates are measured at cost less impairment.

	2019 £	2018 £
Subsidiary undertakings	1,000	-

The Company has investments in the following subsidiary undertakings, associates and other significant investments.

	Country of incorporation or principal business address	Nature of business	Class of shares	% Held direct
Subsidiary undertakings				
ONX UK Limited	UK	Non trading	Ordinary	100

#### *Subsidiary undertakings*

	£
Cost	
At 1 January 2019	-
Additions	1,000
<b>Carrying value at 31 December 2019</b>	<b>1,000</b>

Subsidiary undertakings have not been consolidated by CBTS Technology Solutions UK Ltd as permitted by s.400 of the Companies Act 2006 as they are consolidated in the financial statements of CBTS LLC.

### 12. DEFERRED TAX

	Deferred taxation £
At 1 January 2019	1,381
Charged to profit and loss account	48,212
<b>At 31 December 2019</b>	<b>49,593</b>

Deferred tax asset is due to losses and fixed asset timing differences.

## CBTS TECHNOLOGY SOLUTIONS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2019

#### 13. CALLED UP SHARE CAPITAL

	2019 £	2018 £
<b>Authorised</b>		
100 (2018: 100) Ordinary shares of £1 each	100	100
<b>Called up, allotted and fully paid</b>		
100 (2018: 100) Ordinary shares of £1 each	100	100

#### 14. NON-ADJUSTING SUBSEQUENT EVENTS

Subsequent to year end, COVID-19 was declared a global pandemic in March 2020. These measures have had a significant impact on the UK economy, but not an equal impact on all businesses. The company has seen limited impact of COVID-19 on its operations.

This is a non-adjusting post balance sheet event and no adjustments have been made to the financial statements in relation to this.

While the Company is unable to determine or predict the nature, duration or scope of the overall impact the COVID-19 pandemic will have on our business, we believe that it will not have a significant impact on operations. The impact of COVID is and has been limited to the operations due to the fact that the primary customers of the entity are large enterprise customers that are not seeing significant impact to operations either.

The company is expected to continue as a going concern for the 12-month period following the signing of the financial statements as disclosed in the director's report.

#### 15. ULTIMATE PARENT COMPANY

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

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

The smallest group to consolidate these financial statements is CBTS LLC, 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 CBTS LLC and Cincinnati Bell Inc. can be obtained from their registered address, 201 E. 4th Street, Cincinnati, OH 45202.