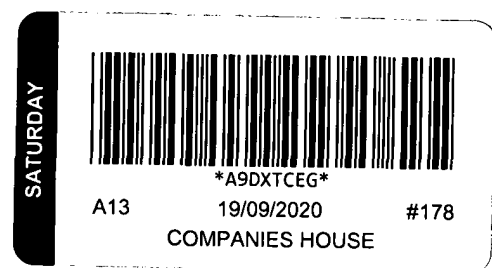


Registered number: 02966414

CTDI (DEPOT) SERVICES LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



CTDI (DEPOT) SERVICES LTD

COMPANY INFORMATION

Directors	M Bull D Hollenbach M Ruth
Company secretary	CLC Secretarial Services Ltd
Registered number	02966414
Registered office	Featherstone Road Wolverton Mill Milton Keynes MK12 5TH
Independent auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors Moorgate House 201 Silbury Boulevard Milton Keynes Buckinghamshire MK9 1LZ

CTDI (DEPOT) SERVICES LTD

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CTDI (DEPOT) SERVICES LTD

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

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

Business review

The Company acts as an intermediate holding company and has previously provided management services and financing to companies within the same group.

The Company has reported an operating profit of £1,990k (2018 - £6,609k loss). In addition, it has received a significant income from dividends of its subsidiary undertakings £5,940k (2018 - £Nil). Overall, the profit for the financial year £8,641k (2018 - £8,505k loss) was significantly higher compared to previous years.

As an intermediate holding company the Company's success is dependent on the success of its Subsidiaries which have a significant carrying value of £20,565k (2018 - £20,528k) in the Balance sheet, as these companies provide the Company with its investment returns.

The directors have been satisfied with the performance of its Subsidiary companies in 2019 which have performed in line with expectations.

The closing equity shareholder's funds at 31 December 2019 is £46,809k (2018 - £38,168k). The Company has net current assets of £26,243k (2018 - £17,640k) including amounts owed to group undertakings of £9,693k (2018 - £5,735k). The Company expects to meet these liabilities out of the expected dividend stream from the future profitability of its subsidiary undertakings and out of the existing financing arrangements with the direct shareholder.

The impact of the current COVID-19 pandemic in 2020 on customers, suppliers and employees is being closely monitored by the directors across the Company's subsidiaries. Our COVID-19 statement included within accounting policy 2.5, sets out in more detail the actions being taken on an ongoing basis to mitigate the effects on our business.

The Company's subsidiaries in the UK and Europe are classified as essential businesses due to their role in the telecommunications industry as such the Subsidiaries have seen performance remain at broadly similar levels to pre COVID-19.

In spite of the current COVID-19 pandemic, the directors expect the business to continue to perform in line with expectations for the foreseeable future. It is believed that the market for products and services that the company offers will enable satisfactory financial results in 2020.

Principal risks and uncertainties

As the Company is an intermediate holding company there are no principal risks and uncertainties which exist other than those which relate to the Company's subsidiaries.

Set out below are some of the principal risks and uncertainties identified by the directors which exist within the Company's subsidiaries and are actively dealt with by the directors but nevertheless, could adversely affect the Company's subsidiaries, results of operations and financial condition of the Company subsidiaries. The following risk information is not intended to be a comprehensive overview of risks inherent within the business nor is it intended to rank the risks in order of importance of materiality.

Commercial risks: The Company's success relies on revenue from the contracts it has with its customers. Therefore the Company must offer competitive rates to win and maintain these contracts. Furthermore, the Company also relies on the volume of electronic equipment needing repair from its customers.

CTDI (DEPOT) SERVICES LTD

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

System and efficiency risks: The Company's systems are critical in delivering high quality outputs in an efficient manner. Policies and procedures are in place to ensure system integrity is maintained and to deliver consistent customer service.

Legislative and compliance: In order for the Company to meet its ISO requirements and achieve its annual certification, it must adhere to a number of legislative and compliance requirements and pass the annual audits as conducted within the year.

COVID-19: The impact of the current COVID-19 pandemic in 2020, on customers, suppliers and employees is being closely monitored. Our COVID-19 statement included within accounting policy 2.5, sets out in more detail the actions being taken on an ongoing basis to mitigate the effects on our business.

Financial key performance indicators

The Company acts as an intermediate holding company its key performance indicators relate to the carrying value of investments and shareholders funds which have been disclosed above.

This report was approved by the board and signed on its behalf.


M Bull
Director

Date: 27/4/2020

CTDI (DEPOT) SERVICES LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 to 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.

Principal activity

The Company is a wholly owned subsidiary of CTDI GmbH and is an intermediate holding company.

Results and dividends

The profit for the year, after taxation, amounted to £8,641k (2018 - loss £8,505k).

The directors do not recommend a dividend.

Directors

The directors who served during the year were:

M Bull
D Hollenbach
M Ruth
G J Parsons (resigned 17 December 2019)
L D Parsons (resigned 17 December 2019)

Future developments

Future developments have been disclosed in the Strategic Report.

CTDI (DEPOT) SERVICES LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Acquisition of own shares

On 15 November 2019, the Company repurchased 468,479,351 Ordinary £0.02 shares. The consideration paid for the purchase of these shares amounted to £9,369,587. The shares were subsequently cancelled. The purchase of the shares represented 16.3% of the total called up share capital. The reason for the purchase was for the benefit of the Company's future strategic planning and development.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed 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 ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

The effect of the Covid-19 pandemic have been disclosed in the Strategic Report and accounting policy 2.5.

Auditors

The auditors, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



M Bull
Director

Date: 27/4/2020

CTDI (DEPOT) SERVICES LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CTDI (DEPOT) SERVICES LTD

Opinion

We have audited the financial statements of CTDI (Depot) Services Ltd (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 the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

CTDI (DEPOT) SERVICES LTD

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CTDI (DEPOT) SERVICES LTD
(CONTINUED)**

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 Auditors' 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.

Opinion 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

CTDI (DEPOT) SERVICES LTD

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CTDI (DEPOT) SERVICES LTD
(CONTINUED)**

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, 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.

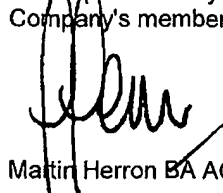
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.



Martin Herron BA ACA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Moorgate House
201 Silbury Boulevard
Milton Keynes
Buckinghamshire
MK9 1LZ

Date: 29 APRIL 2020

CTDI (DEPOT) SERVICES LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
Administrative expenses		(3,029)	(8,886)
Other operating income	4	5,019	2,277
Operating profit/(loss)	5	1,990	(6,609)
Income from fixed assets investments	8	5,940	-
Amounts written off investments		-	(2,597)
Interest receivable and similar income	9	744	467
Interest payable and similar expenses	10	(33)	240
Profit/(loss) before tax		8,641	(8,499)
Tax on profit/(loss)	11	-	(6)
Profit/(loss) for the financial year		8,641	(8,505)

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018 £Nil).

The notes on pages 11 to 27 form part of these financial statements.

CTDI (DEPOT) SERVICES LTD
REGISTERED NUMBER: 02966414

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	12	-	5
Tangible assets	13	1	1
Investments	14	20,565	20,528
		<u>20,566</u>	<u>20,534</u>
Current assets			
Debtors: amounts falling due within one year	15	35,833	21,416
Cash at bank and in hand	16	194	2,036
		<u>36,027</u>	<u>23,452</u>
Creditors: amounts falling due within one year	17	(9,784)	(5,812)
Net current assets		<u>26,243</u>	<u>17,640</u>
Total assets less current liabilities		<u>46,809</u>	<u>38,174</u>
Provisions for liabilities			
Deferred tax	18	-	(6)
		<u>-</u>	<u>(6)</u>
Net assets		<u><u>46,809</u></u>	<u><u>38,168</u></u>
Capital and reserves			
Called up share capital	19	48,000	57,370
Profit and loss account	20	(1,191)	(19,202)
		<u>46,809</u>	<u>38,168</u>

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



M Bull
 Director

Date: 27/4/2020

The notes on pages 11 to 27 form part of these financial statements.

CTDI (DEPOT) SERVICES LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2019	57,370	(19,202)	38,168
Profit for the year	-	8,641	8,641
Purchase of own shares	(9,370)	9,370	-
At 31 December 2019	48,000	(1,191)	46,809

The notes on pages 11 to 27 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2018	57,370	(10,697)	46,673
Loss for the year	-	(8,505)	(8,505)
At 31 December 2018	57,370	(19,202)	38,168

The notes on pages 11 to 27 form part of these financial statements.

CTDI (DEPOT) SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

CTDI (Depot) Services Ltd is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office and principal place of business is: Featherstone Road, Wolverton Mill, Milton Keynes, MK12 5TH, United Kingdom.

The financial statements are presented in Pound Sterling, which is the functional currency of the Company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of CTDI GmbH as at 31 December 2019 and these financial statements may be obtained from CTDI GmbH, Stephanstr. 4-8 76316 Malsch, Germany.

2.3 Name of parent of group

CTDI (Depot) Services Ltd is a wholly owned subsidiary of CTDI GmbH. Communications Test Design Inc is the ultimate parent of the Company. The results of CTDI (Depot) Services Ltd are included in the consolidated financial statements of Communications Test Design Inc which are not available to the public. The results of the CTDI (Depot) Services Ltd are also included in the consolidated financial statements of CTDI GmbH.

A copy of these consolidated financial statements are available from the registered office address of CTDI GmbH, Stephanstr. 4-8 76316 Malsch, Germany.

CTDI (DEPOT) SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.5 Going concern

The financial statements have been prepared on a going concern basis. The Directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment.

As an intermediate holding company, the impact of COVID 19 has been on the Company's subsidiary entities rather than the Company itself.

The Company's subsidiaries have followed the respective advice of their local Governments.

The activity of the Company's subsidiaries is considered essential to the supply chain of its telecommunications customers and therefore have remained operational throughout this period.

Overall customer demand has remained broadly similar to pre COVID 2019 levels for the Company's subsidiaries. Some customers have adjusted their focus due to changes in their supply chains and customer demand. This has led to less demand on some products and new opportunities on other products. Management have maintained open dialogue with customers throughout this period.

As a result the Company's subsidiaries have remained profitable through this period and the directors are satisfied with their performance.

As a subsidiary of CTDI Europe , CTDI Depot (Services) Limited has continued to receive the same level of management, systems and financial support throughout this period.

The Senior Management of CTDI Depot (Services) Limited, along with its European and Global Group headquarters have daily focus meetings and watch closely developments happening in all areas affecting employees, customers and suppliers and to agree mitigating actions.

Financing for CTDI Depot (Services) Limited continues to be secured via its cash pooling arrangements within the CTDI Europe Group. That liquidity is not under threat.

Specific documentation and procedures are in place within CTDI Europe, as part of standard Business Continuity Planning. That documentation has been recently updated to address the specific COVID-19 pandemic. As well as detailing what processes are to be implemented and who is responsible, it also details what specific measures need to be implemented to keep the Company operational not just during the current COVID-19 pandemic but also immediately after.

Based on the above assessments and having regard to the resources available to the entity, the directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.6 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Pound sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.7 Interest Income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Development expenditure	-	3 years
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2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures, fittings and equipment - 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.18 Financial instruments

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgements in applying accounting policies 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. Revision to accounting estimates are recognised in the period in which an 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.

Critical judgements and estimates

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Carrying value of investments

A key area of judgement for the Company is the carrying value of investments which are held at cost in the financial statements. A downturn in the trading performance of subsidiaries could result in a potentially material write down in the carrying value of investments. The directors are also required to make estimates as to likely future earnings and cash inflows from investments in assessing any impairment.

Recoverability of amounts due by group undertakings

A key area of judgement for the Company is the recoverability of amounts due by group undertakings which are held at amortised cost. A downturn in the trading performance of group undertakings could result in a potentially material write off in the amounts due by group undertakings.

CTDI (DEPOT) SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Other operating income

	2019 £000	2018 £000
Intercompany recharging	5,019	2,277

5. Operating profit/(loss)

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

	2019 £000	2018 £000
Exchange differences	1,075	1,279

6. Auditors' remuneration

	2019 £000	2018 £000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	9	9

7. Employees

Staff costs were as follows:

	2019 £000	2018 £000
Wages and salaries	589	550
Social security costs	75	66
Cost of defined contribution scheme	26	21
	690	637

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Directors	5	5

CTDI (DEPOT) SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Income from investments

	2019	2018
	£000	£000
Income from fixed asset investments	5,940	-

9. Interest receivable

	2019	2018
	£000	£000
Interest receivable from group companies	744	467

10. Interest payable and similar expenses

	2019	2018
	£000	£000
Interest payable to group companies	33	(240)

11. Taxation

	2019	2018
	£000	£000
Corporation tax		
Current tax on profits for the year	-	1
	-	1
Total current tax	-	1
Deferred tax		
Origination and reversal of timing differences	-	5
Total deferred tax	-	5
Taxation on profit on ordinary activities	-	6

CTDI (DEPOT) SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than *(2018 - higher than)* the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Profit/(loss) on ordinary activities before tax	8,641	(8,499)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	1,642	(1,615)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	493
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1	1,071
Short term timing difference leading to an increase (decrease) in taxation	-	6
Non-taxable income	(1,722)	(17)
Group relief	79	68
Total tax charge for the year	-	6

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

CTDI (DEPOT) SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
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12. Intangible assets

	Development costs £000
Cost	
At 1 January 2019	42
At 31 December 2019	42
Amortisation	
At 1 January 2019	37
Charge for the year	5
At 31 December 2019	42
Net book value	
At 31 December 2019	-
At 31 December 2018	5

CTDI (DEPOT) SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

13. Tangible fixed assets

	Furniture, fittings and equipment £000
Cost	
At 1 January 2019	7
At 31 December 2019	<u>7</u>
Depreciation	
At 1 January 2019	6
At 31 December 2019	<u>6</u>
Net book value	
At 31 December 2019	<u><u>1</u></u>
At 31 December 2018	<u><u>1</u></u>

CTDI (DEPOT) SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Fixed asset investments

	Investments in subsidiary companies £000
Cost	
At 1 January 2019	30,316
Additions	37
Disposals	(5,600)
At 31 December 2019	<u>24,753</u>
Impairment	
At 1 January 2019	9,788
Impairment on disposals	(5,600)
At 31 December 2019	<u>4,188</u>
Net book value	
At 31 December 2019	<u><u>20,565</u></u>
At 31 December 2018	<u><u>20,528</u></u>

CTDI (DEPOT) SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
CTDI Glenrothes Limited	Featherstone Road, Wolverton Mill, Milton Keynes, MK12 5TH	Management and provision of service and repair of electronic equipment, computer components and peripherals.	Ordinary	100%
CTDI Schloss Holte GmbH	Bahndamn, 39, 33758 Schloss Holte- Stukenbrock, Germany	Management and provision of service and repair of electronic equipment, computer components and peripherals.	Ordinary	100%
Regenersis (Germany) Limited	Featherstone Road, Wolverton Mill, Milton Keynes, MK12 5TH	Holding company	Ordinary	100%
CTDI Huntingdon Limited	Featherstone Road, Wolverton Mill, Milton Keynes, MK12 5TH	Technical services	Ordinary	100%
CTDI Poland sp z o.o	ul. Logistyczna 7, 05-090 Sekocin Stary, Poland	Service and repair management of telecommunications equipment including mobile phones	Ordinary	100%
CTDI Russia LLC	2M, room. 61, block 2, 1, Chongarsky Boulevard, Moscow, Russian Federation, 117556	Management and provision of service and repair of electronic equipment	Ordinary	100%
Regenersis (Portugal) Lda	Poligono Industrial da Granja, Rua Primeiro de Maio, 32, 2625-717 Vialonga, Portugal	Technical repair and repair avoidance	Ordinary	99%
CTDI Belgium SPRL	Rue de Liege (CO) 70, 6180 Courcelles, Belgium	Management and provision of service and repair of electronic equipment, computer components and peripherals.	Ordinary	99%
Regenersis (Glasgow) Limited	1 James Watt Avenue, Westwood Park, Glenrothes, Fife, United Kingdom, KY7 4UA	Technical repair services	Ordinary	100%
Regenersis (SCS Partnership) Limited	Featherstone Road, Wolverton Mill, Milton Keynes, MK12 5TH	Holding company	Ordinary	100%

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Fixed asset investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Principal activity	Class of shares	Holding
Regeneris (Spain) Limited	Featherstone Road, Wolverton Mill, Milton Keynes, MK12 5TH	Holding company	Ordinary	100%
Regeneris Istanbul Teknologi Danismanligi Turkey Limited Serketi	Tadisu Mh. Senol Gunes Bulvari mira Tower No:2, Istanbul, P.K.34805, Turkey	Technical repair services	Ordinary	100%
Regeneris (Bucharest) SRL	Street Buiacului, No. 2 Hall B2/B6, Mogosoaia. Ilfov, Postal code: 077135, Bucharest, Romania	Technical repair services	Ordinary	99.99%
Regeneris SC Refurbishment Bucharest s.r.l	Street Buiacului, No. 2 Hall B2/B6, Mogosoaia. Ilfov, Postal code: 077135, Bucharest, Romania	Technical repair services	Ordinary	1.00%
CTDI Czech s.r.o	Pod Dolni drahou 105, 41742 Krupka, Czech Republic	Technical repair services	Ordinary	100%
CTDI (Netherlands) B.V	Venootstraat 00002, 5804CN Venray, Netherlands	Technical repair services	Ordinary	100%

15. Debtors

	2019 £000	2018 £000
Trade debtors	-	4
Amounts owed by group undertakings	35,820	21,381
Other debtors	1	13
Deferred taxation	12	18
	35,833	21,416

Of the amounts owed by group undertakings, £28,515k (2018: £11,425k) is due after more than one year. Interest is charged at 2.85% or 3% on the amounts due from group undertakings and the balance is repayable on demand.

CTDI (DEPOT) SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. Cash and cash equivalents

	2019	2018
	£000	£000
Cash at bank and in hand	194	2,036

17. Creditors: Amounts falling due within one year

	2019	2018
	£000	£000
Amounts owed to group undertakings	9,693	5,735
Other taxation and social security	1	-
Other creditors	23	15
Accruals and deferred income	67	62
	9,784	5,812

Interest is charged at 2.85% or 3% on the amounts due to group undertakings and the balance is repayable on demand.

18. Deferred taxation

	2019	2018
	£000	£000
At beginning of year	12	18
Charged to profit or loss	-	(6)
At end of year	12	12

CTDI (DEPOT) SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

18. Deferred taxation (continued)

The deferred tax balance is made up as follows:

	2019 £000	2018 £000
Tax losses carried forward	12	12
	<u>12</u>	<u>12</u>
Comprising:		
Asset - due within one year	12	18
Liability	-	(6)
	<u>12</u>	<u>12</u>

19. Share capital

	2019 £000	2018 £000
Allotted, called up and fully paid		
2,400,000,000 (2018 - 2,868,479,351) Ordinary shares of £0.02 each	<u>48,000</u>	<u>57,370</u>

On 15 November 2019, the Company repurchased 468,479,351 Ordinary £0.02 shares. The consideration paid for the purchase of these shares amounted to £9,369,587. The shares were subsequently cancelled. The purchase of the shares represented 16.3% of the total called up share capital. The reason for the purchase was for the benefit of the Company's future strategic planning and development.

20. Reserves**Profit and loss account**

The profit and loss account reserve includes all current and prior period retained profit and losses.

21. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £26k (2018 - £21k). Contributions totalling £4k (2018 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

CTDI (DEPOT) SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

22. Financial commitments, guarantees and contingent liabilities

The Company has guaranteed, via fixed and floating charges over the whole of its property, undertaking and assets, the bank borrowings of other companies in the CTDI Group. At 31 December 2019, the liability covered by this guarantee amounted to €55.5m (2018 - €68.7m).

23. Related party transactions

As a wholly owned subsidiary, the Company has taken advantage of the exemption contained in Financial Reporting Standard 102 to not disclose transactions with wholly owned group companies.

24. Controlling party

The Company's immediate parent is CTDI GmbH, incorporated in Germany.

The largest group on which the results of the Company are consolidated is that headed by Communications Test Design, Inc. a company registered at 1373 Enterprise Drive, West Chester, PA 19380, United States of America. The consolidated financial statements of this group are not available to the public.

The smallest group on which they are consolidated is that headed by CTDI GmbH, a company registered at Stephanstr. 4-8, 76316 Malsch, Germany. The consolidated financial statements of this group may be obtained from the registered address of CTDI GmbH.

In the opinion of the directors there is no single controlling party of the ultimate parent company.