

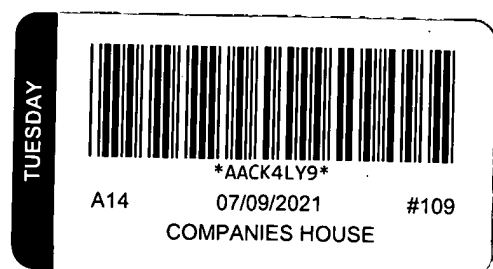
REGISTRAR

Registered number: 02966414

CTDI (DEPOT) SERVICES LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



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 2020

Introduction

The directors present their strategic report for the year ended 31 December 2020.

Business review

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

The Company has reported an operating profit of £1,477k (2019: - £1,990k). In addition to this it has received significant income from dividends of its subsidiary undertakings £8,665k (2019 - £5,940k). Overall the profit pre tax for the financial year of £10,960k was 27% higher than the 2019 profit pre tax of £8,641k.

As an intermediate holding company, the success of the Company is dependent on the success of its subsidiaries, which have a significant carrying value of £21,117k (2019 - £20,565k) as these companies provide the Company with its investment returns.

The Company directors are satisfied with the performance of its subsidiary companies which have performed in line with expectations.

The closing equity shareholders' funds as at 31 December 2020 are £50,599k (2019 - £46,809k). The Company has net current assets of £29,208k (2019 - £26,243k), including amounts owed to group undertakings of £1,032k (2019 - £9,693k). The Company expects to meet these liabilities out of the future profitability of its subsidiary undertakings and from existing financing arrangements with the direct shareholder.

The impact of the current COVID-19 pandemic 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 Going Concern, 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 with individual locations in the UK and Europe remaining open throughout 2020 and 2021. In spite of the ongoing pandemic, the directors of the Company expect business to continue to perform in line with expectations. It is believed that the market for products and services offered by the Company group, will enable satisfactory results in 2021.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 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 risks and uncertainties identified by the directors which exist within the Company's subsidiaries and are actively dealt with the directors, but nevertheless, could adversely affect the Company's subsidiaries, operational results and financial condition of the Company's 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 or 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 volumes of electronic equipment needing serviced and repaired from its customers.

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 consistent customer service delivered.

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 in the year.

COVID-19: The impact of the current COVID-19 pandemic on customers, suppliers and employees is being closely monitored. Our COVID-19 statement included with 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: 29/4/2021

CTDI (DEPOT) SERVICES LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

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 £11,233k (2019 - £8,641k).

The Company voted dividends during the year totalling £7,443k (2019 - £Nil).

Directors

The directors who served during the year were:

M Bull
D Hollenbach
M Ruth

Future developments

Future developments have been disclosed in the Strategic Report.

CTDI (DEPOT) SERVICES LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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.

In February 2021 CTDI operations in Romania were merged into one company. Regenersis (Bucharest) SRL, Refurbishment Bucharest SRL and CTDI Romania SRL all merged to form one company. CTDI (Depot) Services Limited holds a 98.75% investment in the Company.

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: 29/4/2021

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 2020, 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 2020 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**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 the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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.

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journals entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation

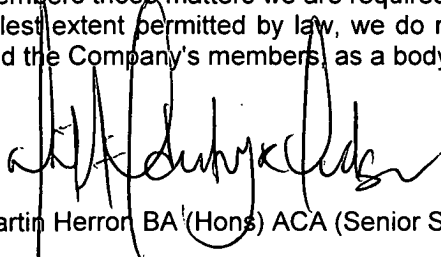
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

CTDI (DEPOT) SERVICES LTD

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

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 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, as a body, for our audit work, for this report, or for the opinions we have formed.



Martin Herron BA (Hons) 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: 30 APRIL 2021

CTDI (DEPOT) SERVICES LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
Administrative expenses		(104)	(3,029)
Other operating income	4	1,581	5,019
Operating profit	5	1,477	1,990
Income from fixed assets investments	9	8,665	5,940
Interest receivable and similar income	10	949	744
Interest payable and similar expenses	11	(131)	(33)
Profit before tax		10,960	8,641
Tax on profit	12	273	-
Profit for the financial year		11,233	8,641

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019 - £Nil).

The notes on pages 12 to 29 form part of these financial statements.

CTDI (DEPOT) SERVICES LTD
REGISTERED NUMBER: 02966414

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	14	-	-
Tangible assets	15	1	1
Investments	16	21,117	20,565
		<u>21,118</u>	<u>20,566</u>
Current assets			
Debtors: amounts falling due after more than one year	17	26,393	28,515
Debtors: amounts falling due within one year	17	2,861	7,318
Cash at bank and in hand	18	1,369	194
		<u>30,623</u>	<u>36,027</u>
Creditors: amounts falling due within one year	19	(1,142)	(9,784)
Net current assets		<u>29,481</u>	<u>26,243</u>
Total assets less current liabilities		<u>50,599</u>	<u>46,809</u>
Net assets		<u>50,599</u>	<u>46,809</u>
Capital and reserves			
Called up share capital	21	48,000	48,000
Profit and loss account	22	2,599	(1,191)
		<u>50,599</u>	<u>46,809</u>

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



M Bull
Director

Date: 29/4/2021

The notes on pages 12 to 29 form part of these financial statements.

CTDI (DEPOT) SERVICES LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2020	48,000	(1,191)	46,809
Profit for the year	-	11,233	11,233
Dividends: Equity capital	-	(7,443)	(7,443)
At 31 December 2020	48,000	2,599	50,599

The notes on pages 12 to 29 form part of these financial statements.

**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 12 to 29 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

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

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

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, rounded to the nearest £1k.

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 2020 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 subsidiary entities rather than on 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 has remained operational throughout this period.

Overall customer demand has remained broadly similar to pre COVID-19 levels for the Company's subsidiaries. Some customers have adjusted their focus due to changes in their supply chain and customer demand. This has led to less demand on some products and new opportunities on new products. Management have maintained an open dialogue with customers throughout this period.

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

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

Specific documentation and procedures remain in place in CTDI Europe, as part of standard Business Continuity Planning. It has also been updated to take account of the ongoing COVID-19 situation.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss 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 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.10 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 profit or loss 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 2020**

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

2.12 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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2.13 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 2020**

2. Accounting policies (continued)

2.13 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 profit or loss.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 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.

2.16 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.

2.17 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.

2.18 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 profit or loss 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 2020**

2. Accounting policies (continued)

2.19 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.

2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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.

4. Other operating income

	2020	2019
	£000	£000
Intercompany recharging	1,581	5,019

5. Operating profit

The operating profit is stated after charging:

	2020	2019
	£000	£000
Exchange differences (credit) / charge	(1,510)	1,075

CTDI (DEPOT) SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Auditors' remuneration

	2020 £000	2019 £000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<u>8</u>	<u>8</u>
Fees payable to the Company's auditor and its associates in respect of:		
All other services	<u>1</u>	<u>1</u>

7. Employees

Staff costs were as follows:

	2020 £000	2019 £000
Wages and salaries	636	589
Social security costs	82	75
Cost of defined contribution scheme	29	26
	<u>747</u>	<u>690</u>

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

	2020 No.	2019 No.
Directors	3	5
Staff	7	6
	<u>10</u>	<u>11</u>

8. Directors' remuneration

Remuneration for the directors for the current and prior period has been borne by other group companies.

CTDI (DEPOT) SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Income from investments

	2020	2019
	£000	£000
Income from fixed asset investments	8,665	5,940

10. Interest receivable

	2020	2019
	£000	£000
Interest receivable from group companies	949	744

11. Interest payable and similar expenses

	2020	2019
	£000	£000
Interest payable to group companies	131	33

12. Taxation

	2020	2019
	£000	£000
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(273)	-
Total deferred tax	(273)	-
Taxation on (loss)/profit on ordinary activities	(273)	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Profit on ordinary activities before tax	10,960	8,641
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	2,082	1,642
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	1
Utilisation of tax losses	(402)	-
Other timing differences leading to an increase (decrease) in taxation	(273)	-
Non-taxable income	(1,646)	(1,722)
Other differences leading to an increase (decrease) in the tax charge	(34)	-
Group relief	-	79
Total tax charge for the year	(273)	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

13. Dividends

	2020 £000	2019 £000
Dividends paid on ordinary shares	7,443	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

14. Intangible assets

	Development costs £000
Cost	
At 1 January 2020	42
At 31 December 2020	<u>42</u>
Amortisation	
At 1 January 2020	42
At 31 December 2020	<u>42</u>
Net book value	
At 31 December 2020	<u><u>-</u></u>
At 31 December 2019	<u><u>-</u></u>

CTDI (DEPOT) SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Tangible fixed assets

	Furniture, fittings and equipment £000
Cost	
At 1 January 2020	7
Additions	1
	<hr/>
At 31 December 2020	8
	<hr/>
Depreciation	
At 1 January 2020	6
Charge for the year on owned assets	1
	<hr/>
At 31 December 2020	7
	<hr/>
Net book value	
At 31 December 2020	1
	<hr/> <hr/>
<i>At 31 December 2019</i>	1
	<hr/> <hr/>

CTDI (DEPOT) SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. Fixed asset investments

	Investments in subsidiary companies £000
Cost	
At 1 January 2020	24,753
Additions	552
At 31 December 2020	25,305
Impairment	
At 1 January 2020	4,188
At 31 December 2020	4,188
Net book value	
At 31 December 2020	21,117
At 31 December 2019	20,565

CTDI (DEPOT) SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. 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 Ltd	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%

CTDI (DEPOT) SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. 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, Mogosoiaia. Ilfov, Postal code: 077135, Bucharest, Romania	Technical repair services	Ordinary	99.99%
Refurbishment Bucharest SRL	Street Buiacului, No. 2 Hall B2/B6, Mogosoiaia. 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	Lichttoren 32, 5611 BJ Eindhoven Netherlands	Technical repair services	Ordinary	100%
CTDI Spain S.L	Leonardo De Vinci 13, Parque Empresarial "LaCarpetina", Getafe, Madrid, 28906, Spain.	Technical repair services	Ordinary	44.55%

In February 2021 CTDI operations in Romania were merged into one company. Regeneris (Bucharest) SRL, Refurbishment Bucharest SRL and CTDI Romania SRL all merged to form one company. CTDI (Depot) Services Limited holds a 98.75% investment in the Company.

CTDI (DEPOT) SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

17. Debtors

	2020	2019
	£000	£000
Due after more than one year		
Amounts owed by group undertakings	26,393	28,515
	2020	2019
	£000	£000
Due within one year		
Amounts owed by group undertakings	2,573	7,305
Other debtors	3	1
Deferred taxation	285	12
	2,861	7,318

Interest is charged at 2.85% or 3% on the amounts due from group undertakings.

18. Cash and cash equivalents

	2020	2019
	£000	£000
Cash at bank and in hand	1,369	194

19. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Trade creditors	19	-
Amounts owed to group undertakings	1,032	9,693
Other taxation and social security	2	1
Other creditors	30	23
Accruals and deferred income	59	67
	1,142	9,784

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

CTDI (DEPOT) SERVICES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

20. Deferred taxation

	2020 £000	2019 £000
At beginning of year	12	12
Charged to profit or loss	273	-
At end of year	285	12

The deferred tax balance is made up as follows:

	2020 £000	2019 £000
Tax losses carried forward	285	12
	285	12
Comprising:		
Asset - due within one year	285	12
	285	12

21. Share capital

	2020 £000	2019 £000
Allotted, called up and fully paid		
2,400,000,000 (2019 - 2,400,000,000) Ordinary shares of £0.02 each	48,000	48,000

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.

22. Reserves**Profit and loss account**

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

23. 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 £29k (2019 - £26k). Contributions totalling £4k (2019 - £4k) were payable to the fund at the balance sheet date and are included in creditors.

24. 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 2020, the liability covered by this guarantee amounted to €52.5m (2019 - €55.5m).

25. 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.

26. 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.