

Belgacom International Carrier Services UK Limited

Directors' Report and Financial Statements

Year Ended

31 December 2017

Company Number 03610028

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Belgacom International Carrier Services UK Limited

Company Information

Directors	D P Kurgan J A M M J Wouters F E Salmon
Registered number	03610028
Registered office	70 Great Bridgewater Street Manchester M1 5ES
Independent auditor	Deloitte LLP Abbots House Abbey Street Reading RG1 3BD
Bankers	ING Bank N.V. 60 London Wall London EC2M 5TQ
Solicitors	Eversheds LLP 70 Great Bridgewater Street Manchester M1 5ES

Belgacom International Carrier Services UK Limited

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Belgacom International Carrier Services UK Limited

Directors' Report For the year ended 31 December 2017

The directors present their report together with the financial statements and auditor's report for the year ended 31 December 2017.

Principal activity

Belgacom International Carrier Services UK Limited ("The company") principal activity continued to be the provision of network services for international wholesale voice and data communication companies. Such activities are solely provided intra-group to the company's parent, Belgacom International Carrier Services S.A. (BICS SA).

Going concern

Given the fact that the ultimate holding company BICS SA has agreed to provide adequate funds to enable the company to meet in full its financial obligations as they fall due for the foreseeable future, as evidenced by the letter of support received for at least 12 months, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least 12 months following the date of signing the financial statements, despite the current uncertain economic climate. Thus they continue to adopt the going concern basis in preparing the financial statements.

Review of business and dividends

The Statement of Comprehensive Income is set out on page 7 and shows the profit for the year.

The company achieved turnover of £3,384,101 (2016 - £3,178,341) and profit for the year, after taxation, amounted to £50,204 (2016 - £98,763). The company had net assets of £513,139 (2016 - £462,935).

The directors do not recommend the payment of a dividend (2016 – nil).

Directors

The directors who served during the year and up to the date of signing the financial statements were:

D P Kurgan
J A M M J Wouters
F E Salmon

Principal risks and uncertainties

Since the company is fully supported by its parent company, BICS SA, all risks and uncertainties that would otherwise be borne by the company are borne by the parent company.

Future developments

There are no specific investments foreseen. The level of activity is expected to remain relatively similar to the current year. In general BICS SA, the parent company of Belgacom International Carrier Services UK Limited, will continue to invest in the development of its Pan European Network as well as in the expansion of its network outside Europe. The use of new generation, more performance equipment, will enable the company to connect more customers at less cost thus increasing the direct margin per customer and at the same time decrease the overall network cost.

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Belgacom International Carrier Services UK Limited

Directors' Report for the year ended 31 December 2017 (continued)

Auditor

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

This report was approved by the board on 28 September, 2018 and signed on its behalf:



F E Salmon
Director

Belgacom International Carrier Services UK Limited

Directors' Responsibilities Statement for the year ended 31 December 2017

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to 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.

Belgacom International Carrier Services UK Limited

Independent Auditor's Report to the Members of Belgacom International Carrier Services UK Limited

Opinion

In our opinion the financial statements of Belgacom International Carrier Services Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- accounting policies; and
- the related notes 1 to 19.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

Belgacom International Carrier Services UK Limited

Independent Auditor's Report to the Members of Belgacom International Carrier Services UK Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report¹, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Belgacom International Carrier Services UK Limited

Independent Auditor's Report to the Members of Belgacom International Carrier Services UK Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report

We have nothing to report in respect of these matters.

Use of our report

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



Suzanne Gallagher ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Reading
United Kingdom

28 September, 2018

Belgacom International Carrier Services UK Limited

Statement of Comprehensive Income for the year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	4	3,384,101	3,178,341
Cost of sales		(3,051,856)	(2,835,634)
Gross profit		332,245	342,707
Administrative expenses		(237,194)	(272,582)
Other operating income	5	-	47,859
Operating profit	6	95,051	117,984
Interest payable and expenses	9	(27,419)	(32,130)
Profit before tax		67,632	85,854
Tax on profit	10	(17,428)	12,909
Profit for the financial year		50,204	98,763

There was no other comprehensive income for 2017 (2016 - £NIL).

The notes on pages 10 to 19 form part of these financial statements.

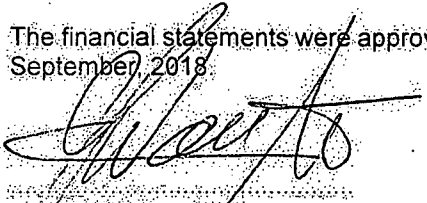
Belgacom International Carrier Services UK Limited

Balance sheet As at 31 December 2017

Company number 03610028	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets	11		216,103		224,795
Tangible assets	12		3,388,114		2,642,176
			<u>3,604,217</u>		<u>2,866,971</u>
Current assets					
Debtors: amounts falling due within one year	13	1,514,976		846,132	
Cash at bank and in hand	14	50,066		49,971	
		<u>1,565,042</u>		<u>896,103</u>	
Creditors: amounts falling due within one year	15	(4,636,234)		(3,246,877)	
Net current liabilities			<u>(3,071,192)</u>		<u>(2,350,774)</u>
Total assets less current liabilities			<u>533,025</u>		<u>516,197</u>
Provisions for liabilities					
Deferred tax	16		(19,886)		(53,262)
Net assets			<u>513,139</u>		<u>462,935</u>
Capital and reserves					
Called up share capital			51		51
Profit and loss account			513,088		462,884
			<u>513,139</u>		<u>462,935</u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2018


J.A.M.M.J. Wouters
Director


F.E. Salmon
Director

The notes on pages 10 to 19 form part of these financial statements.

Belgacom International Carrier Services UK Limited

Statement of Changes in Equity for the year ended 31 December 2017

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2017	51	462,884	462,935
Comprehensive income for the year			
Profit for the year	-	50,204	50,204
Total comprehensive income for the year	-	50,204	50,204
At 31 December 2017	51	513,088	513,139

Statement of Changes in Equity for the year ended 31 December 2016

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2016	51	364,121	364,172
Comprehensive income for the year			
Profit for the year	-	98,763	98,763
Total comprehensive income for the year	-	98,763	98,763
At 31 December 2016	51	462,884	462,935

The notes on pages 10 to 19 form part of these financial statements.

Belgacom International Carrier Services UK Limited

Notes forming part of the financial statements for the year ended 31 December 2017

1 General information

Belgacom International Carrier Services UK Limited ("the Company") is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006. The address of the registered office is shown on the company information page. The nature of the Company's operations and its principal activities are outlined in the directors' report.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom 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 meets the definition of a qualifying entity under FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and as such, has taken advantage of the following disclosure exemptions in preparing these financial statements:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- 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 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Belgacom International Carrier Services S.A. as at 31 December 2017 and these financial statements may be obtained from 27, Boulevard du Roi, Albert II, 1030 Brussels, Belgium.

2.3 Going concern

Given the fact that the ultimate holding company Belgacom International Carrier Services S.A. has agreed to provide adequate funds to enable the Company to meet in full its financial obligations as they fall due for the foreseeable future, as evidenced by the letter of support dated 28/09/2018, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the 12 months following the date of signing the financial statements, despite the current uncertain economic climate. Thus, they continue to adopt the going concern basis in preparing the financial statements.

Belgacom International Carrier Services UK Limited

Notes forming part of the financial statements for the year ended 31 December 2017 (*continued*)

2 Accounting policies (*continued*)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 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.

2.6 Intangible assets

Separately acquired 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.

2.7 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.

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:

Plant and machinery - 4 - 10 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.

Belgacom International Carrier Services UK Limited

Notes forming part of the financial statements for the year ended 31 December 2017 (continued)

2 Accounting policies (continued)

2.8 Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

2.9 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.

2.10 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.

2.11 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.

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Belgacom International Carrier Services UK Limited

**Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)**

2 Accounting policies (continued)

2.13 Foreign currency translation

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.12 Operating leases: Lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive income on a straight line basis over the period of the lease.

2.14 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.

2.14 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.

Belgacom International Carrier Services UK Limited

Notes forming part of the financial statements for the year ended 31 December 2017 (continued)

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements and in the application of the Company's policies which are described above, the directors have had to make the following significant judgements:

- Determine whether there are indicators of impairment of the Company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 12)
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4 Turnover

All turnover arose within the United Kingdom and is derived from the Company's principal activity

5 Other operating income

	2017 £	2016 £
Other operating income	-	47,859

6 Operating profit

	2017 £	2016 £
The operating profit is stated after charging:		
Depreciation of tangible fixed assets	914,334	817,754
Amortisation of intangible assets	40,948	38,744
Operating leases	1,625,718	1,522,230
Exchange differences	54,642	85,589

7 Auditor's remuneration

	2017 £	2016 £
Fees payable to auditors for the audit of the company's accounts	7,900	7,457

Belgacom International Carrier Services UK Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

8 Employees

The company has no employees in both the current and prior years. The directors are employees of Belgacom Carrier Services S.A; and are remunerated by this company for their services to the group as a whole. Details of their remuneration can be found in the financial statements of this entity. It is not possible to disaggregate this amount in respect of services performed on behalf of Belgacom International Carrier Services UK Limited in either year.

9 Interest payable and similar expenses

	2017 £	2016 £
Other loan interest payable	155	74
Loans from group undertakings	27,264	32,056
	<u>27,419</u>	<u>32,130</u>

10 Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	50,804	9,453
	<u>50,804</u>	<u>9,453</u>
Total current tax		
	<u>50,804</u>	<u>9,453</u>
Deferred tax		
Origination and reversal of timing differences (note 16)	(33,376)	(22,362)
	<u>(33,376)</u>	<u>(22,362)</u>
Total deferred tax		
	<u>(33,376)</u>	<u>(22,362)</u>
Taxation on profit/(loss)	<u>17,428</u>	<u>(12,909)</u>

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	67,632	85,854
	<u>67,632</u>	<u>85,854</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%)	13,019	17,171
	<u>13,019</u>	<u>17,171</u>
Effects of:		
Adjustments to tax charge/(credit) in respect of prior periods	-	(7,640)
Deferred tax movement in year	4,409	(22,440)
	<u>4,409</u>	<u>(22,440)</u>
Total tax charge/(credit) for the year	<u>17,428</u>	<u>(12,909)</u>

Belgacom International Carrier Services UK Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (*continued*)

10 Taxation (*continued*)

Factors that may affect future tax charges

The company has trading losses carried forward amounting to £Nil as at 31 December 2017 (2016 - £Nil). A deferred tax asset of £Nil (2016 - £Nil) has been recognised in relation to these trading losses.

A deferred tax liability on fixed asset timing differences of £19,886 (2016 - £53,262) has been recognised which will unwind as the related assets are amortised.

Based on current capital investment plans, the group expects to continue to be able to claim capital allowances in excess of depreciation in future years but at a slightly lower level than in the current year.

The group has now used all brought forward tax losses, which have significantly reduced tax payments in recent years.

The UK corporation tax main rates are set at 19% for the years starting 1 April 2017, 2018 and 2019 and at 17% for the year starting 1 April 2020. These rate reductions have been reflected in the calculation for deferred tax at the balance sheet date.

11 Intangible assets

	Patents £
Cost	
At 1 January 2017	2,135,901
Additions	32,256
	<hr/>
At 31 December 2017	2,168,157
	<hr/>
Amortisation	
At 1 January 2017	1,911,106
Charge for the year	40,948
	<hr/>
At 31 December 2017	1,952,054
	<hr/>
Net book value	
At 31 December 2017	216,103
	<hr/>
At 31 December 2016	224,795
	<hr/>

Intangible fixed assets comprise the indefeasible contractual rights to the use of optical fibre infrastructure under two agreements. Their useful life is not less than the contract terms and as such they are being amortised on a straight line basis over the life of the contracts which are 22 years and 15 years with 6 and 8 years remaining respectively.

Belgacom International Carrier Services UK Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (*continued*)

12 Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 January 2017	9,059,850
Additions	1,754,310
Disposals	(328,278)
	<hr/>
At 31 December 2017	10,485,882
	<hr/>
Depreciation	
At 1 January 2017	6,417,674
Charge for the year on owned assets	914,334
Disposals	(234,240)
	<hr/>
At 31 December 2017	7,097,768
	<hr/>
Net book value	
At 31 December 2017	3,388,114
	<hr/>
At 31 December 2016	2,642,176
	<hr/>

13 Debtors

	2017 £	2016 £
Trade debtors	6,735	7,143
Amounts owed by group undertakings	384,757	220,179
Other debtors	65,929	29,948
Prepayments and accrued income	462,393	410,258
VAT receivable	595,162	178,604
	<hr/>	<hr/>
	1,514,976	846,132
	<hr/>	<hr/>

Amounts owed by group undertakings are unsecured, non-interest bearing and repayable on demand.

14 Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	50,066	49,971
	<hr/>	<hr/>

Belgacom International Carrier Services UK Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (continued)

15 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	483,401	269,347
Amounts owed to group undertakings	3,707,611	2,524,187
Corporation tax	18,004	17,093
Accruals and deferred income	427,218	436,250
	<u>4,636,234</u>	<u>3,246,877</u>

Amounts owed to group undertakings are unsecured, and aside from the cash pool account, are non-interest bearing.

Amounts owed to group undertakings include at 31 December 2017 a cash pool account of £3,707,611 (2016 - £2,432,161). Interest on the cash pool account is repayable at a rate between 1.11375% and 0.93188%.

16 Deferred taxation

	2017 £	2016 £
At beginning of year	53,262	75,624
Charged to profit or loss	(33,376)	(22,362)
	<u>19,886</u>	<u>53,262</u>
At end of year	19,886	53,262

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	19,926	53,262
Tax losses carried forward	(40)	-
	<u>19,886</u>	<u>53,262</u>

17 Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
51- Ordinary shares of £1 each	<u>51</u>	<u>51</u>

Belgacom International Carrier Services UK Limited

Notes forming part of the financial statements
for the year ended 31 December 2017 (*continued*)

18 Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	513,932	55,190
Later than 1 year and not later than 5 years	1,571,055	176,512
Later than 5 years	595,219	300,157
	<u>2,680,206</u>	<u>531,859</u>

19 Controlling party

The immediate parent undertaking of the company is Belgacom International Carrier Services S.A.; and the ultimate parent undertaking and controlling party of the company is Belgacom S.A.; a company incorporated in Belgium. Copies of Belgacom S.A.'s consolidated financial statements are publicly available from: 27 Boulevard du Roi, Albert II, 1030 Brussels, Belgium. This also comprises the smallest and largest group of which the company is a member and group accounts are prepared.