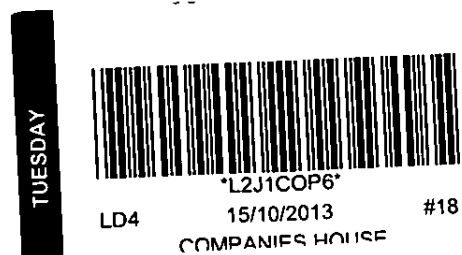


Financial Statements

LCC Deployment Services UK Limited

For the year ended 31 December 2012



Registered number: 04349192

Company Information

Directors	K Young C Schreuder B Dunn A Medina R Marioni (appointed 12 March 2013)
Company secretary	L Eleftheriou
Registered number	04349192
Registered office	450 Bath Road West Drayton Middlesex UB7 0EB
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Grant Thornton House Melton Street Euston Square London NW1 2EP
Bankers	HSBC Bank Plc Harry Weston Road Binley West Midlands CV3 2TQ

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Directors' report

For the year ended 31 December 2012

The directors present their report and the financial statements for the year ended 31 December 2012

Principal activities

The principal activity of the company is the provision of acquisition, design and consulting services regarding the construction and maintenance of telecom networks in the United Kingdom

Directors

The directors who served during the year were

K Young
C Schreuder
B Dunn
A Medina

Directors' responsibilities statement

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). 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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 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.

Directors' report

For the year ended 31 December 2012

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 that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that 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

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 14 October 2013 and signed on its behalf



A Medina
Director

Independent auditor's report to the members of LCC Deployment Services UK Limited

We have audited the financial statements of LCC Deployment Services UK Limited for the year ended 31 December 2012, which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

Basis for disclaimer of opinion of the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent auditor's report to the members of LCC Deployment Services UK Limited

Matters on which we are required to report by exception

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

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

Grant Thornton UK LLP

Marc Summers (Senior Statutory Auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
London
Date 14 October 2013

Profit and loss account

For the year ended 31 December 2012

	Note	2012 £	2011 £
Turnover	1	4,592,512	3,222,505
Cost of sales		<u>(4,309,848)</u>	<u>(2,942,584)</u>
Gross profit		282,664	279,921
Administrative expenses		<u>(124,865)</u>	<u>(249,204)</u>
Operating profit	2	157,799	30,717
Interest payable and similar charges	4	<u>(26,338)</u>	<u>-</u>
Profit on ordinary activities before taxation		131,461	30,717
Tax on profit on ordinary activities	5	<u>-</u>	<u>38,883</u>
Profit for the financial year	13	<u>131,461</u>	<u>69,600</u>

The notes on pages 7 to 13 form part of these financial statements

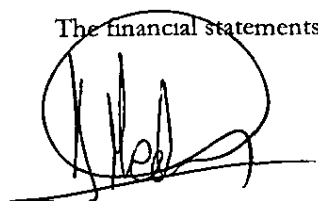
Balance sheet

As at 31 December 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	6		1,843		-
Investments	7		361,000		-
			<u>362,843</u>		<u>-</u>
Current assets					
Debtors	8	1,486,502		938,319	
Cash at bank		46,173		65,104	
		<u>1,532,675</u>		<u>1,003,423</u>	
Creditors amounts falling due within one year	9	(1,484,313)		(3,676,572)	
Net current assets/(liabilities)			<u>48,362</u>		<u>(2,673,149)</u>
Total assets less current liabilities			<u>411,205</u>		<u>(2,673,149)</u>
Provisions for liabilities					
Other provisions	11		-		(323)
Net assets/(liabilities)			<u><u>411,205</u></u>		<u><u>(2,673,472)</u></u>
Capital and reserves					
Called up share capital	12		1,500,097		1,500,097
Share premium account	13		4,999,904		4,999,904
Other reserves	13		2,953,216		-
Profit and loss account	13		<u>(9,042,012)</u>		<u>(9,173,473)</u>
Shareholders' funds/(deficit)			<u><u>411,205</u></u>		<u><u>(2,673,472)</u></u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

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


A Medina
Director 14 October 2013

The notes on pages 7 to 13 form part of these financial statements

Notes to the financial statements

For the year ended 31 December 2012

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The Company has taken the exemption provided by section 400 of the Companies Act 2006 not to prepare consolidated accounts as it forms part of the consolidated financial statements of the ultimate parent company, LCC International Inc, a company incorporated in the USA. The consolidated accounts of this group can be obtained from 7900 Westpark Drive, Suite A-315, McLean, VA 22102, USA

1.2 Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons

The directors have considered the trading position and the market for the company and detailed profit and loss and cash flow forecasts for the year to 30 September 2014. The directors believe that the company will generate sufficient cash in the period to enable them to continue trading for at least that period without further external funding, provided that payment of existing intercompany debts are not demanded

However, the company is reliant for their working capital funds provided by fellow subsidiaries of the parent undertaking, LCC International Inc. Consequently the directors of the company have required, and LCC International Inc has provided, an undertaking that it will, for at least 12 months from the date of approval of these financial statements, continue to make available such funds as are needed by the company and in particular, will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue. The directors have considered the situation of the parent company as disclosed in the consolidated financial statements of the parent company, LCC International Inc for the year 31 December 2012 and remain comfortable with the strength of the financial covenant of the group

1.3 Turnover

Turnover represents the total net sales to customers excluding value added tax. Contract revenue is recognised over the duration of the contract as work is performed

1.4 Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that the company's results will be included in the consolidated financial statements of its ultimate parent undertaking, LCC International Inc, which will be publicly available

Notes to the financial statements

For the year ended 31 December 2012

1. Accounting policies (continued)

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Computer equipment	-	3-4 years
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1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment

1.7 Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

2. Operating profit

The operating profit is stated after charging

	2012	2011
	£	£
Auditor's remuneration	20,000	13,500
Auditor's remuneration - non-audit	5,000	4,000
Pension costs	-	11,063
	<u>25,000</u>	<u>28,563</u>

3. Directors' remuneration

	2012	2011
	£	£
Aggregate remuneration	97,669	-
	<u>97,669</u>	<u>-</u>

Notes to the financial statements

For the year ended 31 December 2012

4. Interest payable

	2012	2011
	£	£
On loans from group undertakings	18,054	-
Other interest payable	8,284	-
	<u>26,338</u>	<u>-</u>

5. Taxation

	2012	2011
	£	£
UK corporation tax charge/(credit) on profit for the year	-	(38,883)
	<u>-</u>	<u>(38,883)</u>

6. Tangible fixed assets

	Computer equipment £
Cost	
At 1 January 2012	-
Additions	1,843
At 31 December 2012	<u>1,843</u>
Depreciation	
At 1 January 2012 and 31 December 2012	-
Net book value	
At 31 December 2012	<u>1,843</u>
At 31 December 2011	<u>-</u>

Notes to the financial statements

For the year ended 31 December 2012

7. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2012	-
Additions	361,000
At 31 December 2012	361,000
Net book value	
At 31 December 2012	361,000
At 31 December 2011	-

Subsidiary undertakings

During the year the company made the following investment in subsidiaries

Name	Class of shares	Holding
Merlin Projects Limited	Ordinary	100%

8. Debtors

	2012 £	2011 £
Trade debtors	501,381	660,664
Amounts owed by group undertakings	400,695	86,823
Prepayments and Accrued income	-	-
Other debtors	545,543	151,949
Deferred tax asset (see note 10)	38,883	38,883
	<u>1,486,502</u>	<u>938,319</u>

9. Creditors:**Amounts falling due within one year**

	2012 £	2011 £
Trade creditors	164,386	531,230
Amounts owed to group undertakings	1,224,275	2,760,585
Other taxation and social security	32,304	57,983
Other creditors	63,348	326,774
	<u>1,484,313</u>	<u>3,676,572</u>

Notes to the financial statements

For the year ended 31 December 2012

9. Creditors: Amounts falling due within one year (continued)

10. Deferred tax asset

	2012 £	2011 £
At beginning of year	38,883	-
Released during year (P&L)	-	38,883
At end of year	<u>38,883</u>	<u>38,883</u>

The deferred tax asset is made up as follows

	2012 £	2011 £
Tax losses carried forward	<u>38,883</u>	<u>38,883</u>

11. Provisions

	Total £
At 1 January 2012	323
Amounts used	<u>(323)</u>
At 31 December 2012	<u>-</u>

The restructuring provision was set up as a result of the significant ramp down of the operators network plans. This provision covers the cost of making staff redundant, the closure of offices and surplus IT equipment.

12. Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
150,009,700 Ordinary shares of £0.01 each	<u>1,500,097</u>	<u>1,500,097</u>

Notes to the financial statements

For the year ended 31 December 2012

13. Reserves

	Share premium account £	Other reserves £	Profit and loss account £
At 1 January 2012	4,999,904		(9,173,473)
Profit for the year			131,461
Movement on other reserves		2,953,216	
At 31 December 2012	<u>4,999,904</u>	<u>2,953,216</u>	<u>(9,042,012)</u>

During the period £2,953,216 due to LCC UK Ltd was converted into capital

Notes to the financial statements

For the year ended 31 December 2012

14. Pension commitments

The company operates a defined contribution scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £11,825 (2011: £11,063).

Contributions amounting to nil (2011: nil) were payable to the scheme at year end.

15. Capital commitments

The company had no capital commitments at 31 December 2012 or 31 December 2011.

16. Contingent assets/liabilities

There were no contingent liabilities at 31 December 2012 or 31 December 2011.

17. Transactions with directors/and other related parties

On 18 December 2012 ownership of the company was transferred from LCC United Kingdom Limited to LCC Europe Holding B.V., a company incorporated in the Netherlands. From this date the immediate parent company was LCC Europe Holdings B.V. and the ultimate controlling party is LCC International Inc., the ultimate holding company.

The company has taken advantage of the exemption in Financial Reporting Standard No 8 "Related party disclosures" and has not disclosed transactions with group undertakings.

There are no other related party transactions.

18. Ultimate parent company and parent undertaking of larger group which the company is a member

The company is a subsidiary undertaking of LCC International Inc., which is the ultimate parent company incorporated in the USA.

The largest group in which the results of the company are consolidated is that headed by LCC International Inc., a company incorporated in the USA. The consolidated accounts of this group can be obtained from 7900 Westpark Drive, Suite A-315, McLean, VA 22102, USA.

19. Turnover

0.9% of the company's turnover (2011: Nil) is attributable to geographical markets outside the United Kingdom.