

Revenet Solutions Limited (Formerly UKB Solutions Limited)

Annual Report and Financial Statements

31 December 2017

Registered number: 04939176

THURSDAY



L7CØ20LU
LD2 09/08/2018 #19
COMPANIES HOUSE

Contents

Pages

Company information	1
Directors' report	2-3
Independent auditors' report	4-5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9-13

Company Information

Directors

Christina Tsz Wan Lui (appointed on 27 September 2017)

Martin O'Donnell (appointed on 27 September 2017)

Nicholas James Williams (resigned on 27 September 2017)

Company secretary

Jordan Cosec Limited

First Floor, Templeback

10 Temple Back

Bristol

BS1 6FL

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

1 Embankment Place

London

WC2N 6RH

Registered office

Suite 1, 3rd Floor

11-12 St. James's Square

London

SW1Y 4LB

Registered number

04939176

Directors' Report

For the year ended 31 December 2017

The directors present their report and audited financial statements for the year ended 31 December 2017 of Revenet Solutions Limited (the "company").

The company is a limited company, domiciled and incorporated in the United Kingdom. As of 31 July 2017, the company was renamed to Revenet Solutions Limited from UKB Solutions Limited.

Business review, principal activities and future developments

The principal activities of the company during the year, and through until June 2017, were the provision of wireless solutions including design and equipment supply.

In June 2017, the company sold its equipment, customer contracts and assets (the "sales") to Purdicom Limited ("Purdicom"). The directors do not intend for the company to trade in future years following the sales.

Review of the financial performance and position of the business and key performance indicators (KPIs)

The business is measured by revenue and operating profit or loss before tax. Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Results and dividends

Operating profit for the financial year, amounted to £6,256 (2016: loss £481,606). The directors do not recommend the payment of a dividend (2016: nil).

Directors

The directors of the company who held office during the year and up to the date of signing the financial statements are as follows:

Christina Tsz Wan Lui (appointed on 27 September 2017)

Martin O'Donnell (appointed on 27 September 2017)

Nicholás James Williams (resigned on 27 September 2017)

Political and charitable donations

During the year, the company made no political or charitable contributions (2016: nil).

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the intermediate holding company, PCCW-HKT Limited. The directors have received confirmation that PCCW-HKT Limited intends to support the company.

Directors' Report (continued)

For the year ended 31 December 2017

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

This report has been prepared taking advantage of the small companies exemption in accordance with section 415A of the Companies Act 2006.

On behalf of the board,



Christina Tsz Wan Lui
Director

2 August 2018

Independent Auditors' Report To the Members of Revenet Solutions Limited

Report on the audit of the financial statements

Opinion

In our opinion, Revenet Solutions Limited's financial statements:

- 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 (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2017; the Statement of Comprehensive income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

Independent Auditors' Report To the Members of Revenet Solutions Limited (continued)

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement of exemption

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from the responsibility.



Neil Proudlove (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

2 August 2018

Statement of Comprehensive income
For the year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	2	929,980	1,963,635
Cost of sales		<u>(879,558)</u>	<u>(2,158,736)</u>
Gross profit/ (loss)		50,422	(195,101)
Administrative expenses		<u>(224,166)</u>	<u>(286,505)</u>
Operating loss	3	(173,744)	(481,606)
Exceptional item	5	180,000	-
		<u>6,256</u>	<u>(481,606)</u>
Profit/ (loss) on discontinued operations before tax		6,256	(481,606)
Tax on profit/ (loss)	6	<u>-</u>	<u>-</u>
Profit/ (loss) and total comprehensive income/ (expense) for the year		<u>6,256</u>	<u>(481,606)</u>

The results above are derived from discontinued operations (see note 5).

The company has no other comprehensive income/ (expense) other than the profit/ (loss) for the financial year above.

Statement of Financial Position
As at 31 December 2017

	Note	2017 £	2016 £
Current assets			
Stock	5	-	263,235
Debtors	7	588,925	350,696
		<u>588,925</u>	<u>613,931</u>
Creditors: Amounts falling due within one year	8	<u>(1,398,232)</u>	<u>(1,429,494)</u>
Net current liabilities		<u>(809,307)</u>	<u>(815,563)</u>
Total assets less current liabilities		<u>(809,307)</u>	<u>(815,563)</u>
Net liabilities		<u>(809,307)</u>	<u>(815,563)</u>
Capital and reserves			
Called up share capital	9	100,000	100,000
Share premium account		1,006,942	1,006,942
Accumulated losses		(1,916,417)	(1,922,673)
Other reserves		168	168
Total shareholders' deficit		<u>(809,307)</u>	<u>(815,563)</u>

The financial statements on pages 6 to 13 were approved by the board of directors and signed on its behalf by Christina Tsz Wan Lui on 2 August 2018



Director
Christina Tsz Wan Lui

Registered number: 04939176

Statement of Changes in Equity
As at 31 December 2017

	Called up share capital	Share premium account	Other reserves	Accumulated loss	Total shareholders' fund
	£	£	£	£	£
At 1 January 2016	100,000	1,006,942	168	(1,441,067)	(333,957)
Loss and total comprehensive expense for the financial year	-	-	-	(481,606)	(481,606)
At 31 December 2016	<u>100,000</u>	<u>1,006,942</u>	<u>168</u>	<u>(1,922,673)</u>	<u>(815,563)</u>
At 1 January 2017	100,000	1,006,942	168	(1,922,673)	(815,563)
Profit and total comprehensive income for the financial year	-	-	-	6,256	6,256
At 31 December 2017	<u>100,000</u>	<u>1,006,942</u>	<u>168</u>	<u>(1,916,417)</u>	<u>(809,307)</u>

1 Accounting policies

a) Basis of preparation

The financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006, and with Financial Reporting Standard 101 ("FRS 101") 'Reduced Disclosure Framework' and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below and have been applied consistently.

At 31 December 2017 the company had net current liabilities and net liabilities of £809,307 (2016: £815,563). The directors of PCCW-HKT Limited ("PCCW"), the intermediate holding company, are committed to provide the necessary level of financial support, for a period of at least 12 months from the date of signing these financial statements, to enable the company to pay its debts as they become due and believe PCCW has the financial resources to fulfil that commitment.

The Board has reviewed the company's financial position to ensure that it has adequate resources to continue in operational existence until the company is liquidated.

b) Critical accounting estimates and judgements

The preparation of the financial information in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are both readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. There are no significant judgements or estimates in applying accounting policies.

c) Exemptions

The company has taken advantage of certain disclosure exemptions in FRS 101 and Company Act 2006, Section 400, in part because its financial statements are included in the publicly available consolidated financial statements of PCCW Limited, a company incorporated in Hong Kong. Copies of the financial statements are available to the public and may be obtained from their website www.pccw.com.

FRS 101 disclosure exemptions relate to:

- The requirements of IAS 7 'Statement of Cash Flows';
- The statement of compliance with adopted IFRSs;
- New IFRSs that have been issued but are not yet effective and which have not been applied by the company;
- Financial instruments disclosures required by IFRS 7 'Financial Instruments: Disclosures';
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Capital management disclosures;
- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
 - paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period); and

1 Accounting policies (continued)

c) Exemptions (continued)

- Paragraph 17 of IAS 24 'Related party disclosures' (key management compensation)
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' and
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

d) Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Tax deferred or accelerated by the effect of timing differences is accounted for to the extent that a transaction or an event that has occurred at the end of the reporting period gives rise to an obligation to pay more tax in the future or a right to pay less tax in the future.

However, deferred tax assets are only recognised to the extent that, based on all available evidence, it is more likely than not that suitable taxable profits will arise from which the reversal of the underlying timing differences can be deducted. Deferred tax is recognised on an undiscounted basis.

e) Foreign currencies

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction was entered into. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rate at the end of the reporting period. Exchange gains and losses on the settlement of trading transactions and the revaluation of monetary assets and liabilities are included in income statement.

f) Turnover

Revenues comprise amounts amount receivable for goods and services provided in the normal course of business, net of trade discounts and value added tax. The revenue is recognised when the goods are delivered and services are rendered.

Contract revenue is invoiced in accordance with the agreement and is initially deferred and included in trade and other payables. The revenue is recognised when the service is provided.

g) Financial assets

All of the company's financial assets are classified as loans and receivables. All financial assets are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets categorised as loans and receivables are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost.

h) Trade receivables

Trade receivables, classified as loans and receivables, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

1 Accounting policies (continued)

i) Trade payables

Trade payables, classified as other liabilities, are initially recognised at fair value less transaction costs and subsequently at amortised cost using the effective interest method.

j) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into. An instrument will be classified as a financial liability when there is a contractual obligation to deliver cash or another financial asset to another enterprise. Instruments that are settled through the delivery of a variable number of equity shares are classified as financial liabilities.

k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

l) Leases

Lease payments under the operating lease are recognised as expense on a straight-line basis over the lease term. The company only has operating leases.

m) Stocks

Stock consists of network equipment, stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling prices less costs expected to be incurred. A provision is made for obsolete items where appropriate.

n) Other income

Other income comprises amounts receivable for services provided which are not in the normal course of the business. Other income is recognised when the goods are delivered or when services are rendered.

o) Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale. Results in relation to the discontinued operation are presented separately from the continued operation in the statement of comprehensive income.

p) Exceptional items

Items that are material, either because of their size or their nature, or that are non-recurring are considered as exceptional items and are presented within the line items to which they best relate.

2 Turnover

This represents revenue, net of trade discounts, value added tax and other sales related taxes, for goods delivered and services rendered during the period until June 2017.

Notes to the financial statements (continued)
For the year ended 31 December 2017

3 Operating profit/ (loss)

Operating profit/ (loss) is stated after charging/ (crediting):

	2017	2016
	£	£
Outsourced personnel costs	208,658	186,441
Travelling and expenses	560	9,968
Rent and rates	9,545	23,024
Auditors' remuneration – statutory audit	<u>13,000</u>	<u>26,500</u>

4 Directors' remuneration

No directors have been remunerated by the company for their services during the year (2016: nil).

5 Discontinued operations

The company sold all its stock, together with its equipment, customer contracts and ongoing trading relationships and obligations to Purdicom Limited in June 2017 for a total consideration of £295,186. Stocks were sold at a value of £115,186 while £180,000 is attributable to customer contracts and ongoing trading relationships resulting in a profit on sale of £180,000 and included as an exceptional item in the Statement of Comprehensive income. The company ceased trading in June 2017 following the sale.

6 Tax on result

The company did not generate a profit chargeable to UK corporation tax and there was no unprovided deferred tax liability at 31 December 2017 (2016: nil). The company has tax losses carried forward of approximately £2.1 million (2016: £2.1 million) available to set off against any future taxable profit.

	2017	2016
	£	£
Profit/ (loss) on discontinued operations before tax	<u>6,256</u>	<u>(481,606)</u>
UK Corporation Tax on the profit/ (loss) before tax at an effective rate of 19.25% (2016 20.4%)	<u>1,204</u>	<u>(98,248)</u>
Tax loss not recognised	-	98,248
Utilisation of previously unrecognised tax losses	<u>(1,204)</u>	<u>-</u>
Tax charge	<u>-</u>	<u>-</u>

7 Debtors

	2017	2016
	£	£
VAT recoverable	18,632	-
Amounts owed by group undertakings	570,293	-
Trade debtors	-	350,696
	<u>588,925</u>	<u>350,696</u>

The amounts owed by group undertakings are unsecured, non-interest bearing and repayable on demand, and hence included within current assets.

Notes to the financial statements (continued)
For the year ended 31 December 2017

8 Creditors: Amounts falling due within one year

	2017	2016
	£	£
Amounts owed to group undertakings	1,374,952	1,386,155
Trade creditors	5,280	-
Accruals	18,000	43,339
	<u>1,398,232</u>	<u>1,429,494</u>

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

9 Called up share capital

	2017	2016
	£	£
Authorised:		
100,000 (2016: 100,000) ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

	2017	2016
	£	£
Allotted and fully paid:		
100,000 (2016: 100,000) ordinary share of £1 each	<u>100,000</u>	<u>100,000</u>

10 Ultimate controlling party and related party transactions

Seamless Industries Limited, which is incorporated in the British Virgin Islands, is the immediate holding company of the company (100% effective holding). The directors regard PCCW Limited, a company incorporated in Hong Kong, as the ultimate parent company and the ultimate controlling party. The company results are consolidated in PCCW Limited and the consolidated financial statements are available to the public and may be obtained from their website www.pccw.com.

The company is a wholly-owned subsidiary of the PCCW group, and its financial performance is included in PCCW group's consolidated financial statements. It has therefore taken advantage of the exemption in FRS 101 from disclosing related party transactions with entities which are part of the PCCW group, which are within the same wholly owned group.

During the year, the company has purchased management services of £208,658 (2016: nil) from PCCW Global Networks (UK) Plc, an indirect wholly-owned subsidiary of HKT Limited. Net amount owed to PCCW Global Networks (UK) Plc as at 31 December 2017 total £254,580 (2016: nil).