

Company Registration No. 09946524 (England and Wales)

CITIC TELECOM INTERNATIONAL CPC (EUROPE) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



CITIC TELECOM INTERNATIONAL CPC (EUROPE) LIMITED

CONTENTS

	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditor's report	3
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9 - 12

CITIC TELECOM INTERNATIONAL CPC (EUROPE) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Principal activities

The principal activity of the company continued to be that of provision of telecommunications and network services. The company has not traded in the year.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr Yue Jiang Xin	(Resigned on 28 April 2022)
Mr Zhenhui Lin	(Resigned on 28 February 2020)
Mr Dawei Cai	(Appointed on 28 February 2020 and resigned on 28 April 2022)
Mr Wai Chung Stephen Ho	(Resigned on 1 February 2020)
Mr Christopher Stephen Green	(Resigned on 15 April 2020)
Mr Bing Chi Esmond Li	(Resigned on 16 March 2022)
Ms Yuen Kai Catherine Lo	(Appointed on 1 February 2020 and resigned on 28 April 2022)
Mr Yau Fai Andy Hui	
Mr Ching Wa Wong	(Appointed on 16 March 2022)

Results and dividends

The directors do not recommend the payment of dividend (December 2019: £Nil).

Auditor

The financial statements for the year ended 31 December 2020 have been audited by BDO LLP who shall retire and, being eligible, offer themselves for reappointment.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

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

On behalf of the board



Mr Yau Fai Andy Hui

Director

Date: 31 May 2022

CITIC TELECOM INTERNATIONAL CPC (EUROPE) LIMITED

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 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 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.

CITIC TELECOM INTERNATIONAL CPC (EUROPE) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITIC TELECOM INTERNATIONAL CPC (EUROPE) LIMITED

Opinion

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 loss 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.

We have audited the financial statements of CITIC TELECOM INTERNATIONAL CPC (EUROPE) LIMITED ("the Company") for the year ended 31 December 2020 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements, 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*.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

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 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

CITIC TELECOM INTERNATIONAL CPC (EUROPE) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITIC TELECOM INTERNATIONAL CPC (EUROPE) LIMITED (CONTINUED)

Other Companies Act 2006 reporting

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 material misstatements in 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; 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' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, 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.

CITIC TELECOM INTERNATIONAL CPC (EUROPE) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITIC TELECOM INTERNATIONAL CPC (EUROPE) LIMITED (CONTINUED)

Extent to which the audit was capable of detecting irregularities, including fraud

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:

- We gained an understanding of the legal and regulatory framework applicable to the Company and the industry on which it operates through discussions with management, and the Company's legal counsel and our knowledge of the industry.
- We focused on significant laws and regulation that could give rise to material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, Corporate legislation, and Employment Taxes.
- We considered compliance with these laws and regulations through discussions with management and reviewing minutes of meetings between the Board of Directors.
- Specific consideration was made to whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work and fraud risks.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud may occur. In addressing the risk of fraud including management override of controls and improper revenue recognition, we tested the appropriateness of journal entries made throughout the year by applying specific criteria.
- We identified areas at risk of management bias including revenue recognition.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

DocuSigned by:

Dan Laird

7E2AC06743FB405...

Daniel Laird (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

London

United Kingdom

Date: 31 May 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CITIC TELECOM INTERNATIONAL CPC (EUROPE) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
	Notes	£	£
Administrative expenses		(83,398)	(245,860)
Loss before taxation		<u>(83,398)</u>	<u>(245,860)</u>
Tax on loss	6	-	-
Loss and total comprehensive loss for the year		<u>(83,398)</u>	<u>(245,860)</u>

The notes on pages 9 to 12 form part of these financial statements.

CITIC TELECOM INTERNATIONAL CPC (EUROPE) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Current assets					
Debtors	7	822		411	
Cash at bank and in hand		31,436 /		32,587	
		<u>32,258</u>		<u>32,998</u>	
Creditors: amounts falling due within one year	8	<u>(877,710)</u>		<u>(795,052)</u>	
Net current liabilities			<u>(845,452)</u>		<u>(762,054)</u>
Capital and reserves					
Called up share capital	9		100 /		100
Profit and loss reserves			<u>(845,552)</u>		<u>(762,154)</u>
Total equity			<u>(845,452)</u>		<u>(762,054)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 31 May 2022 and are signed on its behalf by:



Mr Yau Fai Andy Hui
Director

Company Registration No. 09946524

The notes on pages 9 to 12 form part of these financial statements.

CITIC TELECOM INTERNATIONAL CPC (EUROPE) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2019	100	(516,294)	(516,194)
Year ended 31 December 2019:			
Loss and total comprehensive loss for the year	-	(245,860)	(245,860)
Balance at 31 December 2019	100	(762,154)	(762,054)
Year ended 31 December 2020:			
Loss and total comprehensive loss for the year	-	(83,398)	(83,398)
Balance at 31 December 2020	100	(845,552)	(845,452)

The notes on pages 9 to 12 form part of these financial statements.

CITIC TELECOM INTERNATIONAL CPC (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

CITIC Telecom International CPC (Europe) Limited is a private company limited by shares and incorporated in England and Wales. The registered office is 4th Floor, Chaucer House, 13-14 Cork Street, London, W1S 3NS.

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention. These financial statements have been prepared in accordance with FRS 102 Section 1A "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are presented in Pounds Sterling (GBP), which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The preparation of financial statements in compliance with FRS102 section 1A requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2). The principal accounting policies adopted are set out below.

1.2 Going concern

The Financial Statements have been prepared on the going concern basis. The intermediate holding company, CITIC Telecom International Holdings Limited has confirmed its intention to provide continuing financial support for a period of at least 15 months from the date of authorising these financial statements, to the Company to enable it to meet its liabilities as and when they fall due and to continue its operations. The directors consider that the Company will continue to operate and have reasonable expectation that the Company has adequate resources from its intermediate holding company to continue in operational existence for a period of at least 12 months from the date of authorising these financial statements.

1.3 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.4 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

CITIC TELECOM INTERNATIONAL CPC (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, and loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.5 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.6 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense,

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Judgements and key sources of estimation uncertainty

The directors do not perceive there to be significant judgements.

3 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	17,000	4,200

CITIC TELECOM INTERNATIONAL CPC (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Management	1	1
Administration staff	1	1
Total	<u>2</u>	<u>2</u>

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	<u>45,641</u>	<u>205,681</u>

5 Directors' remuneration

No Directors emoluments are disclosed as no fees or other emoluments were paid to the directors during the current and prior years as these fees were borne by other group companies.

6 Taxation

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Loss before taxation	<u>(83,398)</u>	<u>(245,860)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(15,846)	(46,713)
Tax effect of expenses that are not deductible in determining taxable profit	178	567
Unutilised tax losses carried forward	<u>15,668</u>	<u>46,146</u>
Taxation charge for the year	<u>-</u>	<u>-</u>

No deferred tax asset is recognized on the basis it is uncertain the company will generate sufficient future profits to utilise these losses.

CITIC TELECOM INTERNATIONAL CPC (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7	Debtors		
		2020	2019
	Amounts falling due within one year:	£	£
	Prepayments and accrued income	822	411
		<u>822</u>	<u>411</u>
8	Creditors: amounts falling due within one year		
		2020	2019
		£	£
	Amounts owed to group undertakings	847,898	782,216
	Accruals and deferred income	29,812	12,836
		<u>877,710</u>	<u>795,052</u>
9	Share capital		
		2020	2019
		£	£
	Ordinary share capital		
	Issued and fully paid		
	100 Ordinary shares of £1 each	100	100
		<u>100</u>	<u>100</u>
10	Immediate parent and ultimate controlling party		

The immediate parent and the ultimate controlling party of the Company are CITIC Telecom International CPC Limited, which is incorporated in Hong Kong, and CITIC Group Corporation, which is a wholly state-owned company in the People's Republic of China, respectively.