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**CINCINNATI BELL TECHNOLOGY
SOLUTIONS UK LIMITED**

Report and Financial Statements

Year ended 31 December 2010

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CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

REPORT AND FINANCIAL STATEMENTS 2010

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CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

REPORT AND FINANCIAL STATEMENTS 2010

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

J P Burns

SECRETARIES

Trusec Limited

C J Wilson

REGISTERED OFFICE

2 Lambs Passage

London

EC1Y 8BB

BANKERS

ABN AMRO Bank N V

250 Bishopsgate

London

EC2M 4AA

AUDITORS

Deloitte LLP

Reading

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

DIRECTOR'S REPORT

The director presents their report and the audited financial statements for the year ended 31 December 2010. These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

PRINCIPAL ACTIVITY

The principal activity of the company is that of a provider of managed information technology solutions, IT and telephony equipment sales, and professional IT infrastructure staff augmentation services.

REVIEW OF THE BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The directors recommend that no dividends are paid in respect of the period ended 31 December 2010 (2009 nil).

The directors are confident about the future prospects for the company.

DIRECTOR

The director who served throughout the year and to the date of signing this report is as shown on page 1.

GOING CONCERN

The company's business activities are detailed above. Having considered the financial position of the company in the context of the uncertainties in the current economic environment and the letter of continuing financial support from the board of directors of Cincinnati Bell Technology Solutions Inc., the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the director continues to adopt the going concern basis in preparing the financial statements.

AUDITORS

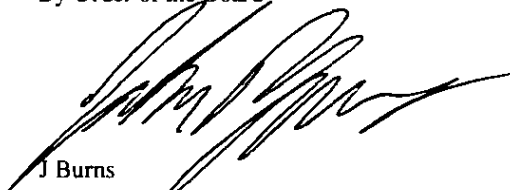
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as each of the directors is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



J Burns

Director

13 September 2011

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 director is 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

We have audited the financial statements of Cincinnati Bell Technology Solutions UK Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on 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 2010 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.

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.

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.



John Clennett (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Reading, UK
15 September 2011

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2010

	Note	2010 £	2009 £
TURNOVER	2	254,350	-
Cost of sales		(228,233)	-
GROSS PROFIT		26,117	-
Administrative expenses		(239,401)	(5,893)
OPERATING LOSS		(213,284)	(5,893)
Interest payable and similar charges	5	(10,005)	(36)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(223,289)	(5,929)
Tax on loss on ordinary activities	6	-	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	11	(223,289)	(5,929)

All amounts derive from continuing operations

There are no recognised gains or losses for the current year or prior year other than as stated above. Accordingly, no statement of total recognised gains and losses has been presented

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

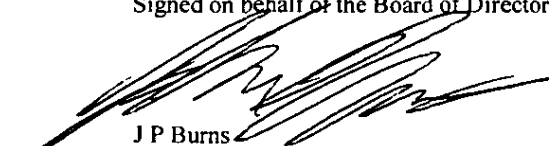
BALANCE SHEET 31 December 2010

	Note	2010 £	2009 £
CURRENT ASSETS			
Stocks	7	2,013	-
Debtors	8	331,084	639
Cash at bank and in hand		43,551	3,468
		<u>376,648</u>	<u>4,107</u>
CREDITORS: amounts falling due within one year	9	<u>(605,766)</u>	<u>(9,936)</u>
NET LIABILITIES		<u>(229,118)</u>	<u>(5,829)</u>
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Profit and loss account	11	<u>(229,218)</u>	<u>(5,929)</u>
SHAREHOLDER'S DEFICIT	11	<u>(229,118)</u>	<u>(5,829)</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

These financial statements of Cincinnati Bell Technologies UK Limited, registered number 06493410, were approved by the Board of Directors and authorised for issue on 13 September 2011

Signed on behalf of the Board of Directors



J P Burns

Director

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

NOTES TO THE ACCOUNTS

Year ending 31 December 2010

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. They have all been applied consistently throughout the current and the preceding year.

Going concern

The company's business activities are detailed in the director's report. Having considered the financial position of the company in the context of the uncertainties in the current economic environment and the letter of continuing financial support from the board of directors of Cincinnati Bell Technology Solutions Inc, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the director continues to adopt the going concern basis in preparing the financial statements.

Accounting convention

The financial statements are prepared under the historical cost convention.

Stocks

Stocks and work-in-progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Turnover

Turnover represents amounts receivable for services net of VAT. Turnover is recognised when delivery has occurred and substantially all of the contractual commitments related to that service have been delivered.

Taxation

Current tax, including 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 balance sheet date.

Deferred taxation is provided on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Cash flow statement

The company qualifies as a small company within the definition set out in the Companies Act 2006 and has taken advantage of the exemption provided by paragraph 5f of FRS 1 Cash Flow Statements in not providing a cash flow statement as part of these financial statements.

Foreign exchange

Transactions denominated in foreign currencies are translated into the functional currency at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Related party transactions

The Company has taken advantage of the exemption under FRS 8 Related Party Disclosures not to disclose transactions with other group companies.

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

Year ending 31 December 2010

2. TURNOVER

Turnover represents amounts invoiced (excluding VAT) to customers, and is generated by the company's principal activity

	2010 £	2009 £
United Kingdom	84,873	-
Europe excluding United Kingdom	169,477	-
	<u>254,350</u>	<u>-</u>

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Staff costs during the period

	2010 £	2009 £
Wages and salaries	73,130	-
Social security costs	8,751	-
	<u>81,881</u>	<u>-</u>

Directors' remuneration for the company has been borne by Cincinnati Bell Technology Solutions Inc and the amount allocated for their services to this company is nil (2009 nil)

Average number of persons employed

	No	No.
Sales	1	-
	<u>1</u>	<u>-</u>

4. AUDITORS REMUNERATION

Auditors' remuneration for the period is £8,000 (2009 £2,000 borne by Cincinnati Bell Inc)

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £	2009 £
Group interest payable	<u>10,005</u>	<u>36</u>

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

Year ending 31 December 2010

6 TAX ON LOSS ON ORDINARY ACTIVITIES

No liability to UK corporation tax arose on ordinary activities for the year (2009 £nil)

The standard rate of tax for the year, based on the UK rate of tax, is 28% (2009 28%)

The actual tax charge differs from the standard rate for the reasons set out in the following reconciliation

	2010 £	2009 £
Loss on ordinary activities before tax	(223,289)	(5,929)
Tax on loss on ordinary activities at standard rate of 28% (2009 28%)	(62,521)	(1,660)
Factors affecting the charge		
Losses carried forward	62,521	1,660
UK corporation tax for the year	-	-

A deferred tax asset of £64,181 (2009 £1,660) in respect of unutilised losses has not been recognised due to insufficient certainty as to the probability of generating sufficient future profits against which this asset could reverse

7. STOCKS

	2010 £	2009 £
Finished goods and goods for resale	2,013	-

There is no material difference between the balance sheet value of stocks and their replacement cost

CINCINNATI BELL TECHNOLOGY SOLUTIONS UK LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

Year ending 31 December 2010

8. DEBTORS

	2010 £	2009 £
Trade debtors	300,146	-
Prepayments and other debtors	30,938	639
	<u>331,084</u>	<u>639</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Trade creditors	34,094	-
Amounts owed to group undertakings	480,750	9,936
Other taxation and social security	3,053	-
Other creditors	4,730	-
Accruals and deferred income	83,139	-
	<u>605,766</u>	<u>9,936</u>

10. CALLED UP SHARE CAPITAL

	2010 £	2009 £
Authorised		
100 (2009 100) Ordinary shares of £1 each	100	100
Called up, allotted and fully paid		
100 (2009 100) Ordinary shares of £1 each	100	100

11. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT AND STATEMENT OF MOVEMENT IN RESERVES

	Ordinary share capital £	Profit and loss account £	Total 2010 £	Total 2009 £
Brought forward	100	(5,929)	(5,829)	100
Loss for the year	-	(223,289)	(223,289)	(5,929)
Carried forward	<u>100</u>	<u>(229,218)</u>	<u>(229,118)</u>	<u>(5,829)</u>

12. CONTROLLING PARTY

The directors regard Cincinnati Bell Inc, a company incorporated in the USA, as the ultimate parent company and controlling party

Cincinnati Bell Technology Solutions Inc owns the entire share capital of Cincinnati Bell Technology Solutions UK Limited. Cincinnati Bell Inc, the ultimate parent company and controlling party, in turn owns the entire share capital of Cincinnati Bell Technology Solutions Inc.