

Company Number: 06493410

CBTS TECHNOLOGY SOLUTIONS UK LIMITED

Annual Report and Financial Statements

For the year ended 31 December 2022



CBTS TECHNOLOGY SOLUTIONS UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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CBTS TECHNOLOGY SOLUTIONS UK LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2022**

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

L R Fox

COMPANY SECRETARIES

C M Vogt
LDC Nominee Secretary Limited

REGISTERED OFFICE

Eversheds House
2 New Bailey
6 Stanley Street
Salford
Greater Manchester
M3 5GS

BANKERS

Barclays Bank Plc
Leicester
Leicestershire
LE87 2BB

INDEPENDENT AUDITOR

Deloitte LLP
Statutory Auditor
Bristol

CBTS TECHNOLOGY SOLUTIONS UK LIMITED

DIRECTOR'S REPORT

The Director presents the annual report and the audited financial statements for the year ended 31 December 2022. In preparing this report, the Director has taken advantage of the small companies' exemption provided by section 415A of the Companies Act 2006 and accordingly no strategic report has been prepared.

PRINCIPAL ACTIVITY

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

REVIEW OF THE BUSINESS

The results for the year, a loss of £31,725 (2021: gain of £56,639), and financial position of the company are as shown in the annexed financial statements. The decline is due to changes in customer demand.

The Director recommends that no dividends are paid in respect of the year ended 31 December 2022 (2021: £nil).

DIRECTORS

The Director who served during the year and to the date of this report unless otherwise indicated are as follows:

L R Fox

DIRECTOR'S INDEMNITIES

The Company has made qualifying third party indemnity provision for the benefit of its director which were made during the year and remain in force at the date of this report.

EXISTENCE OF BRANCHES OUTSIDE THE UK

The company has branches, as defined in section 1046(3) of the Companies Act 2006, outside the UK as follows: Singapore.

GOING CONCERN

The company's business activities are detailed above. Having considered the net current liability position of £234,392 and long term forecasts 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 Inc., which covers a period no less than 12 months from the date of approval of these financial statements, the Director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The audited financial statements of Cincinnati Bell Inc. can be obtained from the address detailed in Note 15. Cincinnati Bell Inc., is the parent company of Cincinnati Bell Technology Solutions.

On 24 February 2022, Russia invaded Ukraine. The ongoing war has affected a number of businesses due to sanctions against Russia as well as global uncertainty. At present, the company is not affected by this war as it has no exposure to Russia or Ukraine in both its supply chain and customer base. Accordingly, the company continues to adopt the going concern basis in preparing the financial statements (Note 1).

The Director has a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. Thus, the Director continues to adopt the going concern basis of accounting in preparing the annual financial statements.

SUBSEQUENT EVENTS

There are no subsequent events currently affecting the company.

CBTS TECHNOLOGY SOLUTIONS UK LIMITED

DIRECTOR'S REPORT

AUDITOR

The person who is a Director at the date of approval of this report confirms 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 he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is 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 auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and Signed on behalf of the Board:



L R Fox

Director

12 September 2023

CBTS 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 judgements and accounting estimates that are reasonable 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 AUDITOR'S REPORT TO THE MEMBERS OF CBTS TECHNOLOGY SOLUTIONS UK LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of CBTS Technology Solutions UK Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss 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 profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 15.

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

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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CBTS TECHNOLOGY SOLUTIONS UK LIMITED

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.

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.

Extent to which the audit was considered 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 considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CBTS TECHNOLOGY SOLUTIONS UK LIMITED

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, UK Bribery Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. This included General Data Protection Regulation (GDPR).

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in revenue recognition specifically relating to the recognition of revenue in the appropriate period, and our procedures performed to address it are described below:

- Performing test of details on revenue transactions in the specified period before and after year end to ascertain that revenue has been recognised in the appropriate period.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations.

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.

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; or

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CBTS TECHNOLOGY SOLUTIONS UK LIMITED

- 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.

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.



Mark Boxall FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Bristol, United Kingdom

12 September 2023

CBTS TECHNOLOGY SOLUTIONS UK LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2022

	Note	2022 £	2021 £
TURNOVER	3	1,862,508	2,263,717
Cost of sales		(1,405,056)	(1,936,529)
GROSS PROFIT		457,452	327,188
Administrative expenses		(427,162)	(143,047)
Depreciation		(14,487)	(-)
OPERATING PROFIT	4	15,803	184,141
Finance costs (net)	6	(79,761)	(128,823)
(LOSS)/PROFIT BEFORE TAXATION		(63,958)	55,318
TAX CREDIT ON PROFIT	7	32,233	1,321
(LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		(31,725)	56,639

The above results were derived from continuing operations.

The company has no recognised income or expenditure in either year other than the results above. Therefore, no statement of comprehensive income has been presented.

CBTS TECHNOLOGY SOLUTIONS UK LIMITED

BALANCE SHEET

As at 31 December 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets	10	257,502	1,933
Investments	11	1,000	1,000
Deferred tax asset	12	75,738	41,947
		<u>334,240</u>	<u>44,880</u>
CURRENT ASSETS			
Debtors	8	1,668,838	5,439,622
Cash at bank and in hand		310,416	579,268
Stock	14	-	2,179
		<u>1,979,254</u>	<u>6,021,069</u>
CREDITORS: amounts falling due within one year	9	<u>(2,213,646)</u>	<u>(5,934,376)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(234,392)</u>	<u>86,693</u>
NET ASSETS		<u>99,848</u>	<u>131,573</u>
CAPITAL AND RESERVES			
Called up share capital	13	100	100
Profit and loss account		99,748	131,473
SHAREHOLDER'S FUNDS		<u>99,848</u>	<u>131,573</u>

The financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime. CBTS Technology Solutions UK Limited has no other comprehensive income or loss.

These financial statements of CBTS Technology Solutions UK Limited, registered number 06493410, were approved by the Board and authorised for issue on 12 September 2023.

Signed on behalf of the Board:



L R Fox
Director

CBTS TECHNOLOGY SOLUTIONS UK LIMITED**STATEMENT OF CHANGES IN EQUITY****For the year ending 31 December 2022**

	Called-up share capital £	Profit and loss account £	Total £
At 1 January 2021	100	74,834	74,934
Total comprehensive income for the financial year	-	56,639	131,473
At 31 December 2021	100	131,473	131,573
Total comprehensive loss for the financial year	-	(31,725)	(31,725)
At 31 December 2022	100	99,748	99,848

CBTS TECHNOLOGY SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. ACCOUNTING POLICIES

General information and basis of accounting

CBTS Technology Solutions UK Limited is a private company limited by shares incorporated in England and Wales and domiciled in the United Kingdom. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Director's report on page 2.

The functional currency of CBTS Technology Solutions UK Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

CBTS Technology Solutions UK Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. CBTS Technology Solutions UK Limited is consolidated in the financial statements of its parent, CBTS LLC., which may be obtained at 201 E. 4th Street, Cincinnati, OH 45202. Exemptions have been taken in these separate company financial statements in relation to the presentation of a cash flow statement and remuneration of key management personnel.

Going concern

The financial statements have been prepared on the going concern basis as the Company's ultimate parent undertaking, Cincinnati Bell Inc., has supplied a letter confirming it will provide financial support for a period of at least 12 months from the date of signing of the financial statements. The Director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The audited financial statements of Cincinnati Bell Inc. can be obtained from the address detailed in Note 15.

On 24 February 2022, Russia invaded Ukraine. The ongoing war has affected a number of businesses due to sanctions against Russia as well as global uncertainty. At present, the company is not affected by this war as it has no exposure to Russia or Ukraine in both its supply chain and customer base.

The Director has a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. Thus, the Director continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial Assets and Liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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 Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Group, 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.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

CBTS TECHNOLOGY SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. ACCOUNTING POLICIES continued

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Plant and machinery	3 years
Network equipment	5 years

Turnover

Turnover represents amounts receivable for services and the value of goods sold and delivered to customers during the year net of VAT. Turnover is recognised when delivery has occurred for goods sold and when substantially all of the contractual commitments related to a service have been delivered.

Fixed Asset Investments

Investments in subsidiaries and associates are measured at cost less impairment.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

CBTS TECHNOLOGY SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. ACCOUNTING POLICIES continued

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in Note 1, the Director is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. No critical accounting judgements or sources of estimation uncertainty have been identified.

3. TURNOVER

Turnover represents amounts invoiced (excluding VAT) to customers and is generated by the company's principal activity, which is that of a provider of managed IT solutions, IT and telephone equipment sales, and professional IT infrastructure staff augmentation services.

An analysis of the company's turnover is as follows:

	2022 £	2021 £
Sale of goods	1,326,640	1,799,875
Rendering of services	535,868	463,842
	<u>1,862,508</u>	<u>2,263,717</u>

CBTS TECHNOLOGY SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2022	2021
	£	£
Loss/(Gain) on foreign exchange on trading activity	79,832	(150,402)
Auditor's remuneration	61,960	59,060
Depreciation Expense	14,487	-

Fees payable to Deloitte LLP for the audit of the Company's annual financial statements were £55,000 (2021: £52,100).

Fees payable to Deloitte LLP for tax compliance services to the Company were £6,960 (2021: £6,960).

5. INFORMATION REGARDING DIRECTOR AND EMPLOYEES

The company had an average of 1 employee during the current financial year (2021: 1).

	2022	2021
	£	£
Wages and salaries paid or payable	62,000	62,000
Social security costs	12,499	12,994
Other pension costs so incurred	2,480	2,480

The Director's remuneration for the company has been borne by CBTS Technology Solutions Inc. and the amount allocated for his services to the company is £nil (2021: £nil).

6. FINANCE COSTS

	2022	2021
	£	£
Interest payable to group undertakings	(78,363)	(128,823)
Other Interest Expense	(1,398)	(-)

CBTS TECHNOLOGY SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

7. TAXATION

The tax charge comprises:

	2022 £	2021 £
Current tax		
UK Corporation tax on profits for the year	-	-
Prior Year Expense	(4,540)	40,626
Total current tax	<u>(4,540)</u>	<u>40,626</u>
Deferred tax		
Origination and reversal of timing differences	(26,863)	8,747
Effect of changes in tax rates	(8,483)	(10,068)
Prior Year effect	7,653	(40,626)
Total deferred tax	<u>(27,694)</u>	<u>(41,947)</u>
Total tax credit on profit	<u>(32,233)</u>	<u>(1,321)</u>

The company's profit for accounting year ended 31 December 2022 was taxed at a rate of 19% (2021: 19%).

The charge for the year can be reconciled to the profit/(loss) per the income statement as follows:

	2022 £	2021 £
(Loss)/Profit for the period	<u>(63,958)</u>	<u>55,318</u>
Tax on profit/(loss) at standard UK corporation tax rate of 19% per cent (2021: 19%)	(12,152)	10,510
Effects of:		
- Expenses not deductible for tax purposes	681	183
- Income not taxable	(15,393)	(1,946)
- Adjustment from prior periods	3,114	-
- Tax rate changes	(8,483)	(10,068)
Total tax credit for year	<u>(32,233)</u>	<u>(1,321)</u>

Finance Bill 2022 reduces the main rate of corporation tax back to 20%, but was not enacted until after the balance sheet date, thus having no effect on the deferred tax balances. However, Finance Bill 2023 enacted a standard small profits rate of 19%. CBTS UK qualified for the lower rate in 2022. The standard rate is increased to 25% for 2023 and thus the deferred balances reflect the increased rate.

CBTS TECHNOLOGY SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

8. DEBTORS

	2022 £	2021 £
Trade debtors	614,189	1,844,676
Prepayments and other debtors	744,555	538,293
Amounts owed by group undertakings	310,094	3,056,653
	<u>1,668,838</u>	<u>5,439,622</u>

Amounts owed by group undertakings are unsecured, subject to interest at market rates (variable) and repayable on demand.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	346,853	1,153,420
Corporation tax	-	74,983
Amounts owed to group undertakings	1,727,749	4,473,158
Accruals and deferred income	139,044	232,815
	<u>2,213,646</u>	<u>5,934,376</u>

Amounts owed to group undertakings are unsecured, subject to interest at market rates (variable) and repayable on demand.

10. TANGIBLE FIXED ASSETS

	Network equipment £	Construction in Process (CIP) £	Total £
Cost or valuation			
At 1 January 2022	-	1,933	1,933
Additions	140,288	129,768	270,056
At 31 December 2022	<u>140,288</u>	<u>131,701</u>	<u>271,989</u>
Depreciation			
At 1 January 2022	-	-	-
Charge for the year	14,487	-	14,487
At 31 December 2022	<u>14,487</u>	<u>-</u>	<u>14,487</u>
Net book value			
At 31 December 2021	<u>-</u>	<u>1,933</u>	<u>1,933</u>
At 31 December 2022	<u>125,801</u>	<u>131,701</u>	<u>257,502</u>

CBTS TECHNOLOGY SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

11. FIXED ASSETS INVESTMENTS

Investments in subsidiaries and associates are measured at cost less impairment.

	2022 £	2021 £
Subsidiary undertakings	1,000	1,000

The Company has investments in the following subsidiary undertakings, associates and other significant investments.

	Country of incorporation or principal business address	Nature of business	Class of shares	% Held direct
Subsidiary undertakings				
ONX UK Limited	Principal business address is the same as CBTS Technology Solutions UK Limited	Non trading	Ordinary	100

Subsidiary undertakings

	£
Cost	
At 1 January 2022	1,000
Carrying value at 31 December 2022	<u>1,000</u>

Subsidiary undertakings have not been consolidated by CBTS Technology Solutions UK Limited as permitted by s.400 of the Companies Act 2006 as they are consolidated in the financial statements of CBTS LLC.

12. DEFERRED TAX ASSET

	Deferred taxation £
At 1 January 2022	41,947
Charged to profit and loss account	33,791
At 31 December 2022	<u>75,738</u>

Deferred tax asset is due to losses and fixed asset timing differences.

13. CALLED UP SHARE CAPITAL

	2022 £	2021 £
Authorised		
100 (2021: 100) Ordinary shares of £1 each	100	100
Called up, allotted and fully paid		
100 (2021: 100) Ordinary shares of £1 each	100	100

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14. STOCK

The company does not hold general stock for resale. All stock on hand at the end of the year are goods in-transit to customers where the company still holds title until delivery is complete.

	2022 £	2021 £
In-transit goods	-	2,179
	<u>-</u>	<u>2,179</u>

15. ULTIMATE PARENT COMPANY

The Director regards Red Fiber Holdings LLC, a company incorporated in the Delaware, as the ultimate parent company and controlling party.

CBTS LLC owns the entire share capital of CBTS Technology Solutions UK Limited. Red Fiber Holdings LLC, the ultimate parent company and controlling party, owns the entire share capital of Cincinnati Bell Inc., who in turn owns the entire share capital of CBTS LLC.

The smallest group to consolidate these financial statements is CBTS LLC, an intermediate company in the Cincinnati Bell Group. The largest group to consolidate these financial statements is Cincinnati Bell Inc. The consolidated financial statements of CBTS LLC and Cincinnati Bell Inc. can be obtained from their registered address, 201 E. 4th Street, Cincinnati, OH 45202.