

Financial Statements for the Year Ended 31 December 2021

for

CITIC Telecom (UK) Limited

Shinewing Wilson Accountancy Limited
Chartered Certified Accountants
and Statutory Auditors
9 St Clare Street
London
EC3N 1LQ

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for the Year Ended 31 December 2021

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DIRECTOR: Ching Wa Wong

REGISTERED OFFICE: 5 New Street Square
London
EC4A 3TW

REGISTERED NUMBER: 04608401 (England and Wales)

AUDITORS: Shingwing Wilson Accountancy Limited
Chartered Certified Accountants
and Statutory Auditors
9 St Clare Street
London
EC3N 1LQ

Statement of Financial Position
31 December 2021

	Notes	31.12.21 £	£	31.12.20 £	£
FIXED ASSETS					
Tangible assets	4		6,197		7,774
CURRENT ASSETS					
Debtors	5	234,757		20,237	
Cash at bank		<u>26,889</u>		<u>49,288</u>	
		261,646		69,525	
CREDITORS					
Amounts falling due within one year	6	<u>2,988,824</u>		<u>2,967,075</u>	
NET CURRENT LIABILITIES			<u>(2,727,178)</u>		<u>(2,897,550)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(2,720,981)</u>		<u>(2,889,776)</u>
CAPITAL AND RESERVES					
Called up share capital			2		2
Retained earnings			<u>(2,720,983)</u>		<u>(2,889,778)</u>
			<u>(2,720,981)</u>		<u>(2,889,776)</u>

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the director and authorised for issue on 22 September 2022 and were signed by:

Ching Wa Wong - Director

Notes to the Financial Statements
for the Year Ended 31 December 2021

1. **STATUTORY INFORMATION**

CITIC Telecom (UK) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

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

Going Concern

The company had current liabilities of £2,727,178 and net liabilities of £2,720,981 at 31 December 2021, however the director consider that the company has adequate resources to continue its operational existence for the foreseeable future. The basis of this expectation is that the intermediate holding company, CITIC Telecom International Holdings Limited, has confirmed in writing that it will continue support the company for 18 months from the date of signing the financial statements, and also that the group undertaking will not seek, recall or demand repayment of amount owed to them unless the company has sufficient working capital to make payment, therefore the financial statements have been prepared on the going concern basis.

Comparative figures

Comparative figures for trade debtors and other debtors have been reclassified to conform with current period presentation.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

- (i) Colocation fees are recognised over the period of time during which the services are provided.
- (ii) Agency fees are recognised over the period of time during which the services are provided.

Tangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Telecom equipment - 12.5% - 33.3% straight line

Fixtures, fittings and equipment - 12.5% - 33.3% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Financial instruments

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

Financial instruments are recognised 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 trade and other receivables 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, and amount owed to group undertakings, are initially recognised at transaction price.

Share capital

Financial instruments issued by the company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The company's ordinary shares are classified as equity instruments.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

2. **ACCOUNTING POLICIES - continued**

Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 3 (2020 - 2) .

4. **TANGIBLE FIXED ASSETS**

	Tangible asset £
COST	
At 1 January 2021 and 31 December 2021	<u>301,373</u>
DEPRECIATION	
At 1 January 2021	293,599
Charge for year	<u>1,577</u>
At 31 December 2021	<u>295,176</u>
NET BOOK VALUE	
At 31 December 2021	<u>6,197</u>
At 31 December 2020	<u>7,774</u>

5. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.21 £	31.12.20 £
Trade debtors	207,249	6,548
Amounts owed by group undertakings	2,908	3,119
Other debtors	<u>24,600</u>	<u>10,570</u>
	<u>234,757</u>	<u>20,237</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

6. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.21 £	31.12.20 £
Trade creditors	-	20,800
Amounts owed to group undertakings	2,932,884	2,921,378
Other creditors	<u>55,940</u>	<u>24,897</u>
	<u>2,988,824</u>	<u>2,967,075</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

7. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.21	31.12.20
	£	£
Within one year	<u>5,966</u>	<u>5,966</u>

8. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Julie Zhuge Wilson (Senior Statutory Auditor)
for and on behalf of Shinewing Wilson Accountancy Limited

9. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

10. ULTIMATE CONTROLLING PARTY

The immediate parent company is ComNet International Holding Limited, which is incorporated in British Virgin Islands.

The ultimate controlling party is CITIC Group Corporation, which is a wholly stated-owned company in the People's Republic of China.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.