

MP SOFTWARE INTERNATIONAL LIMITED

Report and Financial Statements

Year ended 31 March 2016

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MP SOFTWARE INTERNATIONAL LIMITED
REPORT AND FINANCIAL STATEMENTS 2016
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MP SOFTWARE INTERNATIONAL LIMITED
REPORT AND FINANCIAL STATEMENTS 2016
OFFICERS AND PROFESSIONAL ADVISORS

DIRECTOR

M A Webberley

REGISTERED OFFICE

Point 3
Haywood Road
Warwick
CV34 5AH

AUDITOR

KPMG LLP
Chartered Accountants and Statutory Auditor
Birmingham, UK

MP SOFTWARE INTERNATIONAL LIMITED

DIRECTOR'S REPORT

The Director presents his annual report and the audited financial statements of the Company for the year ended 31 March 2016.

This Director's report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006.

PRINCIPAL ACTIVITIES AND FUTURE PROSPECTS

The Company has not traded during the year and did not trade during the previous year. The Director does not anticipate that the Company will resume trading in the foreseeable future.

RESULTS AND DIVIDENDS

The Company made a loss after tax of £7,000 during the year (2015 loss: £79,000). The Director does not recommend the payment of a dividend (2015: £nil).

The Director acknowledges that the Company's net current assets position is reliant on an inter-company debtor of £3,213,000. As such, the parent company, **telent** Limited, has agreed to support the Company for at least the next 12 months, commencing from the date these accounts are signed. Accordingly, the Director continues to adopt the going concern basis in preparing the financial statements.

DIRECTORS

The Directors holding office since 1 April 2015 are listed below:

C G Donaldson (resigned 31 March 2016)
M A Webberley

AUDITOR

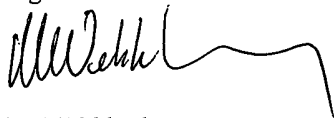
In the case of the person who is a Director of the Company at the date when this report is approved:

- so far as the Director is aware, there is no relevant audit information (as defined in the Companies Act 2006) 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 (as defined) 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

The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, KPMG LLP shall be deemed to be re-appointed as auditor for a further term under the provisions of section 487(2) of the Companies Act 2006.

Signed:



M A Webberley
Director

24 October 2016

MP SOFTWARE INTERNATIONAL LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

The Director is responsible for preparing the Director's 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 Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), 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 he is 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 and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 him to ensure that the financial statements comply with the Companies Act 2006. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MP SOFTWARE INTERNATIONAL LIMITED

We have audited the financial statements of Mp Software International Limited for the year ended 31 March 2016 set out on pages 5 to 10. 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), including FRS 102, the financial reporting standard applicable in the UK and Republic of Ireland.

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.

Respective responsibilities of Directors and auditor

As explained more fully in the Director's Responsibilities Statement set out on page 3, the Director is 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 March 2016 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 Director's 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
- the director was not entitled to not prepare a strategic report, in accordance with the small companies regime; or
- we have not received all the information and explanations we require for our audit.



Stuart Smith (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham, B4 6GH

Date: 28 OCTOBER 2016

MP SOFTWARE INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 March 2016

	Note	2016 £000	2015 £000
OPERATING RESULT		-	-
Interest receivable and similar income :			
Foreign exchange differences	4	23	-
Interest payable and similar charges :			
Foreign exchange differences	5	-	(48)
Interest due on overseas taxation	5	(30)	(31)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(7)	(79)
Tax on loss on ordinary activities	6	-	-
		<hr/>	<hr/>
LOSS FOR THE FINANCIAL YEAR		<u>(7)</u>	<u>(79)</u>

The accompanying notes are an integral part of this profit and loss account.

The results for the current and prior year relate to discontinued operations.

The Company had no recognised gains or losses in either the current or prior year other than the loss set out above. Accordingly no Statement of Comprehensive Income has been prepared.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2016

	Share capital £000	Share premium £000	Capital redemption reserve £000	Profit and loss account £000	Total £000
At 1 April 2014	40,000	7,399	22	(44,876)	2,545
Loss for the financial year	-	-	-	(79)	(79)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2015	40,000	7,399	22	(44,955)	2,466
Loss for the financial year	-	-	-	(7)	(7)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Shareholder's funds at 31 March	<u>40,000</u>	<u>7,399</u>	<u>22</u>	<u>(44,962)</u>	<u>2,459</u>

MP SOFTWARE INTERNATIONAL LIMITED

BALANCE SHEET

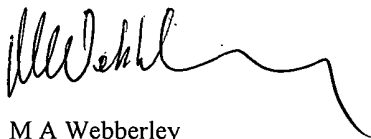
At 31 March 2016

	Note	2016 £000	2015 £000
CURRENT ASSETS			
Debtors	7	3,213	3,213
CREDITORS: Amounts falling due within one year	8	(754)	(747)
NET CURRENT ASSETS AND NET ASSETS		<u>2,459</u>	<u>2,466</u>
CAPITAL AND RESERVES			
Called up share capital	9	40,000	40,000
Share premium		7,399	7,399
Capital redemption reserve		22	22
Profit and loss account		(44,962)	(44,955)
SHAREHOLDER'S FUNDS		<u>2,459</u>	<u>2,466</u>

The accompanying notes are an integral part of this balance sheet.

The Director has approved and authorised for issue the financial statements of MP Software International Limited, registered number 2436108 on 24 October 2016.

Signed:



M A Webberley
Director

MP SOFTWARE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2016

1. ACCOUNTING POLICIES

Mp Software International Limited is a company limited by shares and incorporated and domiciled in the UK.

These financial statements have been prepared in accordance with Financial Reporting Standard 102 ("FRS 102"). The Company transitioned from old UK GAAP to FRS 102 as at 1 April 2014. The financial position and financial performance of the Company has not changed as a result of the transition.

The financial statements are prepared in Sterling which is the functional currency of the Company and under the historical cost convention.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS102 in respect of the following disclosures:

- Cash flow statement and related notes;
- Key management personnel compensation;
- The disclosures required by FRS102.11 (Basic Financial Instruments) and FRS102.12 (Other Financial Instrument Issues) in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36 (4) of Schedule 1.

Related party transactions

The Company is a wholly owned subsidiary of **telent** Limited. Advantage has been taken of the exemption permitted by FRS102 section 33.11 not to disclose transactions with entities that are part of the **telent** Group or investees of the **telent** Group qualifying as related parties. Balances with these entities are disclosed in note 7 of these financial statements.

Going Concern

The Director acknowledges that the Company's net current assets position is reliant on an inter-company debtor of £3,213,000. As such, the parent company, **telent** Limited, has agreed to support the Company for at least the next 12 months, commencing from the date these accounts are signed. Accordingly, the Director continues to adopt the going concern basis in preparing the financial statements.

Taxation

Taxation on profit on ordinary activities is that which has been paid or becomes payable in respect of profits for the year, after taking account of adjustments in respect of prior period liabilities.

Deferred tax is provided in full on timing differences that 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 items of income or expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are not 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.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. All exchange differences are included in the profit and loss account.

Interest receivable and payable

Interest payable and similar charges include net foreign exchange losses that are recognised in the profit and loss account. Interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains. Interest receivable and interest payable are recognised in profit or loss as they accrue. Foreign currency gains and losses are reported on a net basis.

MP SOFTWARE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

At 31 March 2016

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

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 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.

The Director has reviewed the estimates and underlying assumptions used in preparing these accounts and, in his opinion, there are no critical estimates and judgements to disclose.

3. DIRECTORS, EMPLOYEES AND AUDITOR

The Directors are employed and remunerated by other companies in the **telent** Group. They do not receive any remuneration specifically for their services as Directors of the Company (2015: £nil). The Company had no employees during the year (2015: none). Fees payable to the Company's auditor for the audit of the annual accounts are £1,800 (2015: £1,800), and were borne by another Group company in both the current and preceding years. There were no fees paid for non-audit work in either year.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016 £000	2015 £000
Foreign exchange gains	23	-

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £000	2015 £000
Foreign exchange losses	-	48
Interest due on overseas taxation	30	31
	30	79

MP SOFTWARE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

At 31 March 2016

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	2016 £000	2015 £000
a) Total tax on loss on ordinary activities		
Total tax charge on profit on ordinary activities	-	-
b) Reconciliation of total tax for the year		
Loss before tax	(7)	(79)
Tax credit on loss at UK rate of 20% (2015: 21%)	(1)	(17)
Non-deductible items	1	17
Total tax for the year	-	-

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. When substantively enacted, this will reduce the Company's future current tax charge accordingly.

7. DEBTORS

	2016 £000	2015 £000
Amounts falling due within one year		
Amounts owed by Group undertakings	3,213	3,213

The amounts owed by group undertakings are considered current as they could be recalled at any time.

8. CREDITORS: Amounts falling due within one year

	2016 £000	2015 £000
Overseas tax	109	112
Accrued interest	645	635
	754	747

MP SOFTWARE INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

At 31 March 2016

9. CALLED UP SHARE CAPITAL

	2016 £000	2015 £000
Allotted, called up and fully paid 1,600,000,000 (2015: 1,600,000,000) ordinary shares of 2.5p each	40,000	40,000

10. DEFERRED TAX ASSET

	2016 £000	2016 £000	2015 £000	2015 £000
	Recognised	Not Recognised	Recognised	Not Recognised
Deferred tax assets not recognised				
Tax effect of timing differences due to:				
Tax losses	-	647	-	718
	-	647	-	718

Deferred tax assets of £647,000 (2015: £718,000) have not been recognised, as the Company is not sufficiently certain that it will be able to recover these assets within a relatively short period of time.

11. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of **telent** Limited. Advantage has been taken of the exemption permitted by FRS 102 section 33.11 not to disclose transactions with entities that are part of the **telent** Group or investees of the Group qualifying as related parties. Balances with these entities are disclosed in note 7 of these financial statements.

12. ULTIMATE PARENT COMPANY

The Company's ultimate controlling party is Tusk Investments LP Inc., a Guernsey registered limited liability partnership. The Company's immediate parent and controlling company is **telent** Limited, which is the only parent undertaking to consolidate the financial statements of the Company.

Copies of the financial statements of **telent** Limited are available from the Secretary at Point 3, Haywood Road, Warwick, CV34 5AH.