

**MP SOFTWARE INTERNATIONAL LIMITED**

**Report and Financial Statements**

**Year ended 31 March 2019**



**MP SOFTWARE INTERNATIONAL LIMITED**  
**REPORT AND FINANCIAL STATEMENTS 2019**  
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**MP SOFTWARE INTERNATIONAL LIMITED**  
**REPORT AND FINANCIAL STATEMENTS 2019**  
**OFFICER AND PROFESSIONAL ADVISORS**

**DIRECTOR**

M A Webberley

**REGISTERED OFFICE**

Point 3  
Haywood Road  
Warwick  
CV34 5AH

**AUDITOR**

KPMG LLP  
Chartered Accountants and Statutory Auditor  
One Snowhill  
Snow Hill Queensway  
Birmingham, B4 6GH

# **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 2019.

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 £44,000 during the year (2018: profit of £72,000). No dividends have been declared or paid in the year (2018: £nil).

The Director acknowledges that the Company's net current assets position is reliant on an inter-company debtor of £3,213,000 (2018: £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.

## **POLITICAL CONTRIBUTIONS**

The Company made no political donations and did not incur any political expenditure during the year.

## **DIRECTORS**

The Director holding office since 1 April 2018 is listed below:

M A Webberley

## **DIRECTOR'S CONFIRMATION**

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

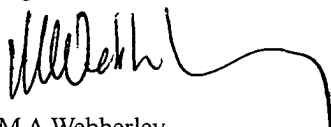
- so far as the Director is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information (as 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

## **AUDITOR**

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

14 November 2019

## **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 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 and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 is responsible for such internal control as he determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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

## Opinion

We have audited the financial statements of Mp Software International Limited ("the Company") for the year ended 31 March 2019 which comprise the profit and loss account, balance sheet, statement of changes in equity, statement of comprehensive income and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 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.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of assets and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

## Going concern

The director has prepared the financial statements on the going concern basis as he does not intend to liquidate the company or to cease its operations, and as he has concluded that the company's financial position means that this is realistic. He has also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the director's conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

## Director's report

The director is responsible for the director's report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the director's report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the director's report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

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

## **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

## **Director's responsibilities**

As explained more fully in their 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; such internal control as he determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 he either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

## **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **The purpose of our audit work and to whom we owe our responsibilities**

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.



**James Tracey (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

Date: 20 November 2019

# MP SOFTWARE INTERNATIONAL LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 31 March 2019

	Note	2019 £000	2018 £000
<b>OPERATING RESULT</b>		-	-
Interest receivable and similar income:			
Foreign exchange differences	4	-	104
Interest payable and similar charges:			
Foreign exchange differences	5	(12)	-
Interest due on overseas taxation	5	(32)	(32)
		<hr/>	<hr/>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(44)	72
Tax on (loss)/profit on ordinary activities	6	<hr/> -	<hr/> -
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<hr/> <hr/> (44)	<hr/> <hr/> 72

The notes on pages 8 to 11 form an integral part of these financial statements.

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)/profit set out above. Accordingly no Statement of Comprehensive Income has been prepared.

## STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2019

	Share capital £000	Share premium £000	Capital redemption reserve £000	Profit and loss account £000	Total £000
At 1 April 2017	40,000	7,399	22	(45,134)	2,287
Profit for the financial year	-	-	-	72	72
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2018	40,000	7,399	22	(45,062)	2,359
Loss for the financial year	-	-	-	(44)	(44)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Shareholder's funds at 31 March 2019</b>	<hr/> <hr/> 40,000	<hr/> <hr/> 7,399	<hr/> <hr/> 22	<hr/> <hr/> (45,106)	<hr/> <hr/> 2,315



# MP SOFTWARE INTERNATIONAL LIMITED

## BALANCE SHEET


At 31 March 2019

	Note	2019 £000	2018 £000
<b>CURRENT ASSETS</b>			
Debtors: Amounts falling due after one year	7	3,213	3,213
<b>CREDITORS: Amounts falling due within one year</b>	8	(898)	(854)
<b>NET CURRENT ASSETS AND NET ASSETS</b>		<u>2,315</u>	<u>2,359</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	40,000	40,000
Share premium		7,399	7,399
Capital redemption reserve		22	22
Profit and loss account		<u>(45,106)</u>	<u>(45,062)</u>
<b>SHAREHOLDER'S FUNDS</b>		<u>2,315</u>	<u>2,359</u>

The notes on pages 8 to 11 form an integral part of these financial statements.

The Director has approved and authorised for issue the financial statements of Mp Software International Limited, registered number 2436108 on 14 November 2019.

Signed:



M A Webberley  
Director

# MP SOFTWARE INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2019

### 1. ACCOUNTING POLICIES

Mp Software International Limited is a private company limited by shares and incorporated and domiciled in England, UK. The address of the registered office is given on page 1.

These financial statements have been prepared in accordance with Financial Reporting Standard 102 ("FRS 102").

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 FRS 102 in respect of the following disclosures:

- Cash flow statement and related notes; and
- Key management personnel compensation.

As the consolidated financial statements of **telent** Limited include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- 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.

Judgements made by the Director in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

#### 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 (2018: £3,213,000). As set out in note 8, the Company is exposed to overseas tax liabilities and interest thereon. The Company has no bank account and accordingly, if and when such liabilities are settled, they will be paid by the parent company, **telent** Limited, and recharged to the Company as a reduction in the inter-company debtor balance. The parent company is also expected to pay for other small administration costs of running the Company. As such, the parent company has agreed to support the Company for at least the next 12 months, commencing from the date these accounts are signed.

As with any company placing reliance on other group entities for financial support, the Director acknowledges that there can be no certainty that this support will continue although, at the date of approval of these financial statements, he had no reason to believe that it will not be so. Consequently, the Director is confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore has prepared the financial statements on a going concern basis.

#### 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.

# MP SOFTWARE INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

At 31 March 2019

### 1. ACCOUNTING POLICIES (CONTINUED)

#### Taxation (continued)

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.

### 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 and which affect the value of assets and liabilities reported in the Balance Sheet and the profit for the year reported in the Profit and Loss Account.

#### Judgements

In the Director's opinion no critical judgements have been made that have had a significant effect on the amounts recognised in the financial statements.

#### Estimates

In making accounting estimates, the Director is required to make assumptions about the future and other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Those matters are set out below.

#### Taxation

The Company has an exposure to an overseas taxation dispute relating to overseas legacy activities in prior years. The Company works closely with local tax advisors to determine whether any provision should be made against this exposure, which is inherently judgemental. The Director estimates that the likelihood of having to settle is probable based on a combination of legal advice and knowledge of the local political and economic environment. The Company's taxation liability is set out in note 8.

### 3. DIRECTORS, EMPLOYEES AND AUDITOR

The Director is employed and remunerated by other companies in the **telent** Group. He does not receive any remuneration specifically for his services as a Director of the Company (2018: £nil). The Company had no employees during the year (2018: none). Fees payable to the Company's auditor for the audit of the annual accounts are £2,800 (2018: £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.

# MP SOFTWARE INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

At 31 March 2019

### 4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019 £000	2018 £000
Foreign exchange gains	-	104

### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Foreign exchange losses	12	-
Interest due on overseas taxation	32	32
	44	32

### 6. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2019 £000	2018 £000
<b>a) Total tax on (loss)/profit on ordinary activities</b>		
Total tax charge on (loss)/profit on ordinary activities	-	-
<b>b) Reconciliation of total tax for the year</b>		
(Loss)/profit before tax	(44)	72
Tax (credit)/charge on (loss)/profit at UK rate of 19% (2018: 19%)	(8)	14
Non deductible/(taxable) items	8	(14)
Total tax for the year	-	-

Reductions in the tax charge to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly. Deferred tax assets on tax losses of £611,000 (2018: £611,000) 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.

### 7. DEBTORS

	2019 £000	2018 £000
<b>Amounts falling due after one year</b>		
Amounts owed by parent undertaking	3,213	3,213

The amounts owed by parent undertakings are interest free and repayable on demand, however, the Director does not expect to receive payment in full within 12 months of the balance sheet date.

# MP SOFTWARE INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

At 31 March 2019

### 8. CREDITORS: Amounts falling due within one year

	2019 £000	2018 £000
Overseas tax	116	114
Accrued interest	782	740
	<u>898</u>	<u>854</u>

### 9. CALLED UP SHARE CAPITAL

	2019 £000	2018 £000
<b>Allotted, called up and fully paid</b>		
1,600,000,000 (2018: 1,600,000,000) ordinary shares of 2.5p each	<u>40,000</u>	<u>40,000</u>

### 10. 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.

### 11. 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.