MPSI SYSTEMS LIMITED

Annual report and financial statements

Registered number 01458176 (England and Wales)

For the year ended 30 June 2019

Contents

Directors' report

The Directors present their report and financial statements for the year ended 30 June 2019.

Principal activities
The principal activity of the company continued to be consultancy services and marketing decision support systems.

Proposed dividend
The directors do not recommend the payment of a dividend.

Directors
The directors who held office during the year were as follows:

A Brown (resigned 31 January 2019)
M Hawtin
S Bacon (appointed 31 January 2019)

Going concern

The directors have prepared the financial statements using the going concern basis, as the directors are satisfied that the Company have sufficient funds to continue trading for the foreseeable future.

Funding arrangements between the Group's sponsoring bank and the Group came into force in December 2019.

Political contributions
The Company made no political donations or incurred any political expenditure during the year.

Disclosure of information to auditor
The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a directors to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Strategic report
The company has met the requirements in the Companies Act 2006 to obtain the exemption provided, based on its size, from the presentation of a strategic report.

Directors' report *(continued)*

Auditor
Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

SBacon.

Stephen Bacon
Director

196 Deansgate
Manchester
M3 3WF

Statement of Director's responsibilities in respect of the Directors' report and the financial statements

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the Directors 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures discussed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- use the going concern basis of accounting unless they either intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

The Directors are 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company, and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of MPSI Systems Limited

Opinion

We have audited the financial statements of MPSI Systems Limited ("the company") for the year ended 30 June 2019 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity 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 30 June 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have 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 directors' 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 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.

Directors' report

The directors are responsible for the directors' 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 directors' report and, in doing so, consider whether, based on our financial statements audit work, the financial 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 directors' report;
- in our opinion the information given in that repot 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 MPSI Systems Limited *(continued)*

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirements to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for; the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine 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 they either intend to liquidate the company or to cease operations, or have 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.

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.

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

16 April 2020

Profit and Loss Account and Other Comprehensive Income
for the year ended 30 June 2019

	Note	**2019** **£**	2018 £
Turnover	2	**109,277**	305,854
Cost of sales		**-**	-
Gross profit		**109,277**	305,854
Administrative expenses		**(99,433)**	(100,572)
Operating profit	3	**9,844**	205,282
Interest receivable and similar income		**1**	1
Profit before taxation		**9,845**	205,283
Tax	6	**-**	-
Profit for the financial year		**9,845**	205,283
Other comprehensive income		-	-
Total comprehensive income for the year		**9,845**	205,283

The notes on pages 9 to 14 form part of these financial statements.

Balance Sheet
at 30 June 2019

	Note	2019	2018
		£	£
Fixed assets			
Tangible assets	7	-	-
Current assets			
Debtors	8	3,684,946	3,575,682
Cash at bank and in hand		2,087	2,717
		3,687,033	3,578,399
Creditors: Amounts falling due within one year	9	(1,352,527)	(1,253,738)
Net current assets		2,334,506	2,324,661
Total assets less current liabilities		2,334,506	2,324,661
Net assets		2,334,506	2,324,661
Capital and reserves			
Called up share capital	10	4,311,973	4,311,973
Profit and loss account		(1,977,467)	(1,987,312)
Shareholders' funds		2,334,506	2,324,661

The notes on pages 9 to 14 form part of these financial statements.

These financial statements were approved by the board of directors on 16 April 2020 and were signed on its behalf by:

SBacon

Stephen Bacon
Director

Company registered number: 01458176

Statement of Changes in Equity

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 July 2017	4,311,973	(2, 192,595)	2,119,378
Total comprehensive income for the period			
Profit for the financial year	-	205,283	205,283
Balance at 30 June 2018	4,311,973	(1,987,312)	2,324,661

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 July 2018	4,311,973	(1,987,312)	2,324,661
Total comprehensive income for the period			
Profit for the financial year	-	9,845	9,845
Balance at 30 June 2019	**4,311,973**	**(1,977,467)**	**2,334,506**

The notes on pages 9 to 14 form part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

Basis of preparation

MPSI Systems Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 01458176 and the registered address is 196 Deansgate, Manchester, M3 3WF, UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Canterbury Acquisition Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Canterbury Acquisition Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 25 Savile Row, London, United Kingdom, W1S 2ER.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, and tangible fixed assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of the ultimate parent undertaking include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosure:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going Concern

The directors have prepared the financial statements using the going concern basis, as the directors are satisfied that the Company have sufficient funds to continue trading for the foreseeable future.

Funding arrangements between the Group's sponsoring bank and the Group, came into force on 6 December 2019.

Notes
(forming part of the financial statements)

1 Accounting policies *(continued)*

Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Non-derivative financial instruments

Non-derivative financial instruments comprise of trade and other debtors, cash and cash equivalents, and trade and other creditors.

Trade and other debtors
Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits.

Trade and other creditors
Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- Fixtures, fittings and equipment 3 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Turnover

The company performs services on behalf of other group entities which include revenues from network planning contracts for which the duration is more than six weeks are recognised based on milestones completed. All other revenue from network planning contracts is recognised upon completion of the contracted service. Revenues from maintenance and support services are recognised over the period that the services are provided on a straight-line basis. Payments received in advance of services performed are recorded as deferred income and vice versa.

Revenues from royalty arrangements are recognised only once the actual revenue to be recognised is ascertained.

Revenue is recognised through intercompany accounts when work is performed on behalf of other group entities.

Taxation

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Notes *(continued)*

1 Accounting policies *(continued)*

***Taxation** (continued)*

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets are only recognised when there is certainty of generating future taxable profits against which the temporary difference can be utilised.

2 Turnover

	2019	2018
	£	£
Rendering of services	109,277	305,854
Total turnover	109,277	305,854

	2019	2018
	£	£
By activity		
Professional services	109,277	305,854
	109,277	305,854
By geographical market		
North America	109,277	305,854
	109,277	305,854

3 Operating profit

Included in operating profit are the following:

	2019	2018
	£	£
Amounts receivable by the company's auditor in respect of:		
Audit of the statutory financial statements	5,500	5,500

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Canterbury Acquisition Limited.

Notes *(continued)*

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees 2019	2018
Management	**2**	2
Professional services	**2**	2
	4	4

The aggregate payroll costs of these persons were as follows:

	2019 £	2018 £
Wages and salaries	**93,349**	87,871
Social security costs	**4,552**	10,537
	97,901	98,408

5 Directors' remuneration

	2019 £	2018 £
Directors' remuneration	-	-
	-	-

Directors' emoluments are paid for by ultimate parent company Canterbury Acquisition Limited and the Company incurs no costs for their qualifying services as directors of this company.

6 Taxation

Analysis of charge in the year:

	2019 £	2018 £
UK corporation tax		
Current tax on income for the period	-	-
Adjustments in respect of prior periods	-	-
	-	-
Double taxation relief	-	-
	-	-
Foreign tax		
Current tax on income for the period	-	-
Adjustments in respect of prior periods	-	-
	-	-
Tax on profit	-	-

Income tax recognised in other comprehensive income

	2019 £	2018 £
Income tax recognised in other comprehensive income	-	-
	-	-

Notes *(continued)*

6 Taxation *(continued)*

Reconciliation of effective tax rate

	2019 £	2018 £
Profit for the year	**9,845**	205,283
Total tax expense		-
Profit excluding taxation	**9,845**	205,283
Tax using the UK corporation tax rate of 19% (2018: 19%)	**1,871**	39,004
Utilisation of previously unrecognised tax losses	**(1,871)**	(38,834)
Non-deductible expenses and other permanent differences	**-**	(170)
Total tax expense	**-**	-

The company has estimated losses of £2,246,468 (2018: £2,256,311) available for carry forward against future trading profits.

The company also has estimated capital losses of £12,488 (2018: £12,488) available for carry forward against future capital gains.

No deferred tax asset has been recognised due to the uncertainty of generating future taxable profits.

Tax losses of £9,845 (2018: £204,960) were utilised in the year.

7 Tangible fixed assets

	Fixtures, fittings and equipment £
Cost	
Balance at 30 June 2018 and 30 June 2019	16,974
Depreciation and impairment	
Balance at 30 June 2018	16,974
Depreciation charge for the year	-
Balance at 30 June 2019	16,974
Net book value	
At 1 July 2018	-
At 30 June 2019	-

8 Debtors

	2019 £	2018 £
Amounts owed by group undertakings	**3,684,946**	3,575,669
Other debtors	**-**	13
Due within one year	**3,684,946**	3,575,682

Amounts due from group undertakings are interest free and payable upon demand.

Notes *(continued)*

9 Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	**1,339,777**	1,240,988
Other creditors	**12,750**	12,750
	1,352,527	1,253,738

Amounts owed to group undertakings are payable are interest free upon demand.

10 Capital and reserves

Share capital

	Shares	£
On issue at 1 July 2018 and 30 June 2019	**4,311,973**	**4,311,973**

	2019 £	2018 £
Allotted, called up and fully paid		
4,311,973 (2017: 4,311,973) Ordinary shares of £1 each	**4,311,973**	4,311,973
Shares classified in shareholders' funds	**4,311,973**	4,311,973

11 Ultimate parent company and parent company of larger group

Following the acquisition of Kalibrate Technologies Limited in 2017, the Company is a subsidiary undertaking of Hanover Active Equity Fund LP, which is the ultimate parent company, incorporated in Cayman Islands. Hanover Active Equity Fund LP is the parent company of Canterbury Acquisition Limited.

The largest group in which the results of the Company are consolidated is that headed by Canterbury Acquisition Limited, 25 Savile Row, London, United Kingdom, W1S 2ER. The consolidated financial statements of Canterbury Acquisition Limited are available to the public and may be obtained from 25 Savile Row, London, United Kingdom, W1S 2ER.