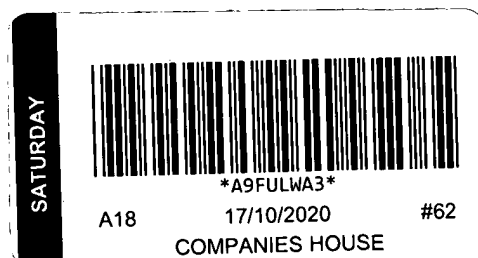


Registration number: 2204070

# M Communications International Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2020



**M Communications International Holdings Limited**

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## **M Communications International Holdings Limited**

### **Company Information**

<b>Directors</b>	M A Webberley H M Green
<b>Registered office</b>	Point 3 Haywood Road Warwick CV34 5AH
<b>Auditor</b>	KPMG LLP Chartered Accountants and Statutory Auditor One Snowhill Snow Hill Queensway Birmingham B4 6GH

## **M Communications International Holdings Limited**

### **Directors' Report for the Year Ended 31 March 2020**

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 March 2020.

#### **Small companies provision statement**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

#### **Principal activity**

The Company acts as an investment holding company and will continue to do so for the foreseeable future.

#### **Results and dividends**

The Company made a loss for the year after taxation of £42,000 (2019: £69,000). No dividends have been declared or paid in the year (2019: £Nil).

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements

#### **Directors**

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

M A Webberley

H M Green

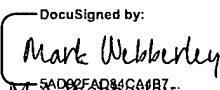
#### **Disclosure of information to the auditor**

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### **Reappointment of auditor**

The auditor KPMG LLP is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 13 October 2020 and signed on its behalf by:

DocuSigned by:  
  
5A08FAD84C8187  
M A WEBBERLEY  
Director

## **M Communications International Holdings Limited**

### **Statement of Directors' Responsibilities**

The Directors acknowledge their responsibilities for preparing the Annual 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 the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 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 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.

## **M Communications International Holdings Limited**

### **Independent Auditor's Report to the Members of M Communications International Holdings Limited**

#### **Opinion**

We have audited the financial statements of M Communications International Holdings Limited (the 'Company') for the year ended 31 March 2020, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 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.

#### **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 to 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 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.

## **M Communications International Holdings Limited**

### **Independent Auditor's Report to the Members of M Communications International Holdings Limited (continued)**

#### **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 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 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.

#### **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.

We have nothing to report in these respects.

#### **Directors' responsibilities**

As explained more fully in their statement 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.

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**

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.

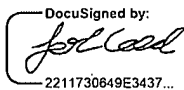
A further description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **M Communications International Holdings Limited**

### **Independent Auditor's Report to the Members of M Communications International Holdings Limited (continued)**

#### **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.

DocuSigned by:  
  
2211730649E3437...

John Leech (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor

One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

13 October 2020



**M Communications International Holdings Limited****Profit and Loss Account for the Year Ended 31 March 2020**

	Note	2020 £ 000	2019 £ 000
Net increase in provisions against fixed asset investments	5	<u>(42)</u>	<u>(69)</u>
Loss before tax		(42)	(69)
Tax charge on profit on ordinary activities	4	<u>-</u>	<u>-</u>
Loss for the financial year		<u><u>(42)</u></u>	<u><u>(69)</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above. Accordingly no statement of comprehensive income has been prepared.

**M Communications International Holdings Limited****Statement of Changes in Equity for the Year Ended 31 March 2020**

	Share capital £ 000	Capital redemption reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2018	-	18,454	(12,207)	6,247
Loss for the year	-	-	(69)	(69)
At 31 March 2019	-	18,454	(12,276)	6,178

	Share capital £ 000	Capital redemption reserve £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2019	-	18,454	(12,276)	6,178
Loss for the year	-	-	(42)	(42)
At 31 March 2020	-	18,454	(12,318)	6,136

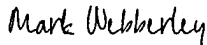
The notes on pages 10 to 14 form an integral part of these financial statements.

**M Communications International Holdings Limited**

(Registration number: 2204070)  
**Balance Sheet as at 31 March 2020**

	Note	2020 £ 000	2019 £ 000
<b>Fixed assets</b>			
Investments	5	<u>-</u>	<u>-</u>
<b>Current assets</b>			
Debtors	6	<u>6,136</u>	<u>6,178</u>
<b>Net assets</b>		<u>6,136</u>	<u>6,178</u>
<b>Capital and reserves</b>			
Called up share capital		-	-
Capital redemption reserve		18,454	18,454
Profit and loss account		<u>(12,318)</u>	<u>(12,276)</u>
<b>Total equity</b>		<u>6,136</u>	<u>6,178</u>

Approved and authorised by the Board on 13 October 2020 and signed on its behalf by:

DocuSigned by:  
  
 5AD03FAD84CA487  
 M A Webberley  
 Director

The notes on pages 10 to 14 form an integral part of these financial statements.

## **M Communications International Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2020**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Point 3

Haywood Road

Warwick

CV34 5AH

These financial statements were authorised for issue by the Board on 13 October 2020.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

##### **Summary of disclosure exemptions**

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; 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.

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 8 of these financial statements.

##### **Group accounts not prepared**

The financial statements contain information about M Communications International Holdings Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of telent Limited, a company registered in England..

## **M Communications International Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **Going concern**

The Directors note that the Company is non-trading and has no liabilities. The small administrative costs incurred to keep the Company in existence are borne by other Group companies. Notwithstanding this, should a commitment arise, the Company could draw on its £6.2 million receivable from Group undertakings and accordingly, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis in preparing the financial statements.

##### **Judgements**

In the Directors' opinion no critical judgements have been made, apart from those involving estimations (see below), that have had a significant effect on the amounts recognised in the financial statements.

##### **Key sources of estimation uncertainty**

In making accounting estimates, the Directors are 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.

##### **Fixed asset investments**

Investments in subsidiary undertakings are valued at cost less any provisions necessary for impairment. The impairment review is performed by comparing the carrying value of the investment with the net assets held by the subsidiary. Assessing the recoverability of the net assets held by the subsidiary is inherently judgemental. After performing the investment impairment review, the Directors consider that the value of the Company's investments in its subsidiary undertakings of £nil is appropriate.

##### **Foreign currency transactions and balances**

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.

Exchange differences arising on foreign currency borrowings, to the extent that they hedge the Company's investment in foreign equity investments, are reported in the statement of total recognised gains and losses. All other exchange differences are included in the profit and loss account.

##### **Tax**

Taxation on profit on ordinary activities is that which has been paid or becomes payable in respect of profits for the year. Deferred taxation 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 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.

## M Communications International Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

#### 2 Accounting policies (continued)

##### Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

#### 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 (2019: £nil). The Company had no employees during the year (2019: none). Fees payable to the Company's auditor for the audit of the annual accounts were £3,500 (2019: £2,800) 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 Taxation

Tax charged/(credited) in the income statement

	2020 £ 000	2019 £ 000
Total current income tax	-	-

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £ 000	2019 £ 000
Loss before tax	(42)	(69)
Corporation tax at standard rate	(8)	(13)
Effect of expense not deductible in determining taxable profit (tax loss)	8	13
Total tax charge/(credit)	-	-

## M Communications International Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

#### 5 Investments in subsidiaries, joint ventures and associates

Subsidiaries	£ 000
<b>Cost or valuation</b>	
At 1 April 2019	44,158
Additions	42
At 31 March 2020	44,200
<b>Provision</b>	
At 1 April 2019	44,158
Provision	42
At 31 March 2020	44,200
<b>Carrying amount</b>	
At 31 March 2020	-

#### Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking			Registered office	Holding	Proportion of voting rights and shares held	
					2020	2019
Subsidiary undertakings						
Allard Consultoria em Telecomunicacoes Limitada			Avenida das Nações Unidas, 6917 Alto de Pinheiros 05477-000 São Paulo, Brazil	Ordinary shares	99.9%	99.9%
M&G Limited	Middle East		PO Box 9854 Riyadh 11423 Saudi Arabia	Ordinary shares	99%	99%
RSCD Telecommunications Private Limited			P-24 Green Park Extension New Delhi-110016 India	Ordinary shares	100%	100%

## M Communications International Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 March 2020 (continued)

#### 5 Investments in subsidiaries, joint ventures and associates (continued)

##### Subsidiary undertakings

###### *Allard Consultoria em Telecomunicacoes Limitada*

The principal activity of Allard Consultoria em Telecomunicacoes Limitada is non-trading.

###### *M&G Middle East Limited*

The principal activity of M&G Middle East Limited is in liquidation.

###### *RSCD Telecommunications Private Limited*

The principal activity of RSCD Telecommunications Private Limited is non-trading.

#### 6 Debtors

	2020	2019
	£ 000	£ 000
Amounts owed by related parties	6,136	6,178

The intercompany debtors are interest free and repayable on demand, however, the Directors do not expect to receive payment in full within 12 months of the balance sheet date.

#### 7 Share capital

##### Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary share of £1 each	100	100	100	100

#### 8 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 8 of these financial statements.

#### 9 Parent and ultimate parent undertaking

The company's immediate parent is telent Limited, incorporated in England.

The ultimate controlling party is Tusk Investments LP Inc, a Guernsey registered limited liability partnership.

The parent of the largest group in which these financial statements are consolidated is telent Limited, incorporated in England.

The address of telent Limited is:

Point 3, Haywood Road, Warwick, CV34 5AH.