

**M COMMUNICATIONS INTERNATIONAL HOLDINGS LIMITED**

**Report and Financial Statements**

**Year ended 31 March 2018**



# **M COMMUNICATIONS INTERNATIONAL HOLDINGS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2018**

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# **M COMMUNICATIONS INTERNATIONAL HOLDINGS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2018**

### **OFFICERS AND PROFESSIONAL ADVISORS**

#### **DIRECTORS**

M A Webberley  
H M Green

#### **REGISTERED OFFICE**

Point 3  
Haywood Road  
Warwick  
CV34 5AH

#### **AUDITOR**

KPMG LLP  
Chartered Accountants and Statutory Auditor  
Birmingham, UK

# **M COMMUNICATIONS INTERNATIONAL HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 March 2018.

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

## **PRINCIPAL ACTIVITY AND FUTURE PROSPECTS**

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

## **RESULTS AND DIVIDENDS**

The profit of the Company for the year ended 31 March 2018 was £nil (2017: £23,000 loss). No dividends have been declared or paid in the year (2017: £nil).

The Directors acknowledge that the Company's net current assets position is reliant on an inter-company debtor of £6,247,000 (2017: £6,247,000). 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 Directors continue 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 Directors holding office since 1 April 2017 are listed below:

H M Green  
M A Webberley

## **AUDITOR**

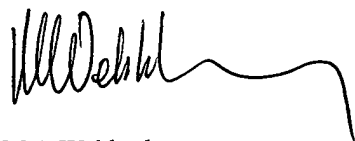
In the case of each of the persons who are Directors of the Company at the date when this report is approved:

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

By Order of the Board



M A Webberley

Director

3 October 2018

# **M COMMUNICATIONS INTERNATIONAL HOLDINGS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

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 the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102, the financial reporting standard applicable in the UK and Republic of Ireland.

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 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;
- 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 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 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 2018 which comprise the profit and loss account, statement of changes in equity, balance sheet 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 2018 and of its result 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.

## **Going concern**

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

## **Director's 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; or
- the Directors are 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF M COMMUNICATIONS INTERNATIONAL HOLDINGS LIMITED**

## **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](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.



**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: 5 OCTOBER 2018

# M COMMUNICATIONS INTERNATIONAL HOLDINGS LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 31 March 2018

	Note	2018 £000	2017 £000
<b>OPERATING RESULT</b>		-	-
Net increase in provisions against fixed asset investments	5	-	(23)
<b>RESULT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	(23)
Tax on result/(loss) on ordinary activities	4	-	-
<b>RESULT/(LOSS) FOR THE FINANCIAL YEAR</b>		-	(23)

The accompanying notes are an integral part of these financial statements.

The Company had no recognised gains or losses in either the current or prior years other than the result set out above. Accordingly no statement of comprehensive income has been prepared.

All results derive from continuing operations.

## STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2018

	Share capital £000	Capital contribution £000	Profit and loss account £000	Total £000
At 1 April 2016	-	18,454	(12,184)	6,270
Loss for the financial year	-	-	(23)	(23)
At 1 April 2017	-	18,454	(12,207)	6,247
Result for the financial year	-	-	-	-
<b>At 31 March 2018</b>	-	18,454	(12,207)	6,247



# M COMMUNICATIONS INTERNATIONAL HOLDINGS LIMITED

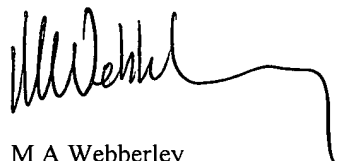
## BALANCE SHEET

At 31 March 2018

	Note	2018 £000	2017 £000
<b>FIXED ASSETS</b>			
Investments	5	-	-
<b>CURRENT ASSETS</b>			
Debtors: Amounts due within one year	6	6,247	6,247
<b>NET CURRENT ASSETS</b>		6,247	6,247
<b>NET ASSETS</b>		6,247	6,247
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	-	-
Capital contribution		18,454	18,454
Profit and loss account		(12,207)	(12,207)
<b>SHAREHOLDER'S FUNDS</b>		6,247	6,247

The Board of Directors approved and authorised for issue the financial statements of M Communications International Holdings Limited, registered number 2204070 on 3 October 2018.

Signed on behalf of the Board of Directors by:



M A Webberley

Director

# M COMMUNICATIONS INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2018

### 1. ACCOUNTING POLICIES

M Communications International Holdings Limited is a private company limited by shares and incorporated and domiciled in England, UK.

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 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 FRS102, 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 Directors 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 FRS 102 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 6 of these financial statements.

#### **Group accounts**

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.

#### **Going Concern**

The Directors acknowledge that the Company's net current assets position is reliant on an inter-company debtor of £6,247,000 (2017: £6,247,000). 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 Directors continue to adopt the going concern basis in preparing the financial statements.

#### **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. Impairment charges are recognised in the profit and loss account to the extent that the carrying value exceeds the net assets held.

# M COMMUNICATIONS INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2018

### 1. ACCOUNTING POLICIES (continued)

#### 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.

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.

#### Taxation

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.

### 2. ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Company's accounting policies, which are described in Note 1, the Directors are 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 result for the year reported in the profit and loss account.

#### 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.

#### Estimates

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.

### 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 (2017: £nil). The Company had no employees during the year (2017: none). Fees payable to the Company's auditor for the audit of the annual accounts were £1,800 (2017: £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.

# M COMMUNICATIONS INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2018

### 4. TAX ON LOSS ON ORDINARY ACTIVITIES

#### a) Total tax on loss on ordinary activities

	2018 £000	2017 £000
Total tax on loss on ordinary activities	-	-

#### b) Reconciliation of total tax credit for the period

	2018 £000	2017 £000
Loss on ordinary activities before taxation	-	(23)
Tax credit on loss at UK statutory rate of 19% (2017: 20%)	-	(5)
Non deductible items	-	5
Total tax for the year	-	-

A reduction in the UK corporation tax rate 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 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly.

There are no deferred tax assets or liabilities.

# M COMMUNICATIONS INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2018

### 5. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Subsidiary undertakings	Cost £000	Provisions £000	Net Book Value £000
At 1 April 2017 and 31 March 2018	44,089	(44,089)	-

The companies set out below are subsidiary undertakings, all of which are non-trading. The share capital of the undertakings comprises ordinary shares or common stock.

	Principal activity	Percentage held at 31 March 2018 and 31 March 2017 %	Registered office address
Allard Consultoria em Telecomunicacoes Limitada	Non-trading	99.9	Avenida das Nações Unidas, 6917, Alto de Pinheiros, 05477-000, São Paulo, Brazil
M & G Middle East Ltd	In Liquidation	99.0	PO Box 9854, Riyadh 11423 Saudi Arabia
RSCD Telecommunications Private Limited	Non-trading	100.0	P-24 Green Park Extension New Delhi-110016 India

Allard Consultoria em Telecomunicacoes Limitada does not trade and is not required to prepare or file accounts. M&G Middle East Limited is in liquidation and the assets and liabilities of the company are under the control of the liquidators. The Directors, therefore, are not in a position to accurately value the result for the year and the aggregate of the capital and reserves of these companies as at 31 March 2018.

RSCD Telecommunications Private Limited does not trade. Its result for the year ended 31 March 2018 was £nil and it had negative capital and reserves of £9,513 as at 31 March 2018 (2017: negative capital and reserves of £10,719).

The Directors do not expect the Company to recover any value for its investment in the three subsidiaries listed above.

### 6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £000	2017 £000
Amounts owed by Group undertakings	6,247	6,247

The intercompany debtors are considered current as they could be re-called at any time.

# M COMMUNICATIONS INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 March 2018

### 7. SHARE CAPITAL

	2018 £	2017 £
Allotted, called up and fully paid		
100 (2017: 100) ordinary shares of £1 each	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 6 of these financial statements.

### 9. PARENT UNDERTAKING

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.