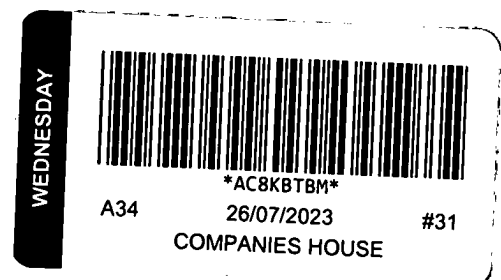


Magdalene Limited

Annual report and financial statements
for the year ended 31 March 2023

Registered number 03198823



Magdalene Limited

Annual report and financial statements for the year ended 31 March 2023

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Magdalene Limited

Company information

Directors	A R Findlay K M Fuller C Keen A H P Loosveld S R Saunders M A Turner J Yarr
Company secretary	I Evans
Registered office	Abel Smith House Gunnels Wood Road Stevenage Hertfordshire SG1 2ST
Registered number	03198823
Independent auditor	Deloitte LLP 1 New Street Square London EC4A 3HQ

Magdalene Limited

Strategic report for the year ended 31 March 2023

The Directors present their strategic report together with the audited financial statements for the year ended 31 March 2023.

Principal activities

The principal activity of the company during the year was that of telecommunications services and consultancy.

Review of the business

The financial results show revenues of £64.1 million (2022: £66.7 million), with the nominal decrease attributed to the challenges within the fixed segment primarily as a result of the Openreach business contract. EBITDA (earnings before interest, tax, depreciation and amortisation) before exceptional items has decreased by 37% to £3.9 million (2022: £6.2 million), whilst the business remains profitable, we have been impacted by the global supply chain pressures, inflationary impacts and business segment mix.

This year has seen overall revenue decrease, however diversification in our client and service portfolio, which is underpinned through delivery excellence, alongside strategic changes in our talent attraction programmes and service innovation leave us well placed for realisation of our business strategy. Our operating model has ensured that we remain resilient in delivering high quality Critical National Infrastructure services during the prolonged difficult and unprecedented economic backdrop and residual effects related to the global pandemic. Business performance has deviated from our strategy in the short term; however, we continue to expand both client and service breadth and embed depth to support the long term strategic ambitions. As an established entity within the M Group Services Limited (the Group) Telecom Division, we remain committed to delivering on our strategy and vision to be the leading Telecom services supplier, offering a complete end-to-end service portfolio across the UK and Ireland.

The appetite for data continues to drive growth in demand for telecommunication services across all segments of the industry, which requires operators to compete in terms of capacity and coverage resulting in significant long-term investment programmes. This is compounded by the consolidation of network operators and technology evolution which drive re-investment capital programmes by the operators. Both public and private network operators are also increasingly keen to access certain services from the prime service provider, a development which dramatically increases Magdalene's addressable market, especially for managed services. These market trends all continue to play an important role in Magdalene's long-term growth strategy.

Future developments

The current year financial performance for Magdalene is forecasted to be in line with our growth strategy. We continue to build on existing relationships with large operators, Original Equipment Manufacturers and private networks supporting critical national infrastructure.

Aligned with the strategy, The company is expecting to grow in this financial year and beyond with new and larger scale opportunities in the private and utilities segment. Furthermore, we firmly expect growth opportunities in all segments to follow our business model of long-term managed services to our customers.

Key performance indicators

The Board monitors progress on the overall Company strategy and trading performance by reference to KPIs, the principal measures being turnover, EBITDA (earnings before interest, taxation, depreciation and amortisation) before exceptional items, operating profit, order book, cash flow and accident frequency rate. These are set out in the annual report and consolidated financial statements of M Group Services Limited.

Magdalene Limited

Strategic report for the year ended 31 March 2023 (continued)

Key performance indicators (continued)

The following table provides a reconciliation from operating profit to EBITDA before exceptional items and the calculation of EBITDA before exceptional items:

	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Operating profit	3,782	6,099
Amortisation on intangible assets (Note 11)	27	19
Depreciation on tangible assets (Note 12)	147	123
Exceptional items	-	5
EBITDA before exceptional items	3,956	6,246

Principal risks and uncertainties

Magdalene is continually assessing the most cost-effective methods of delivering services in order to counter any potential price pressure in the industry. In addition, the company continues to diversify its business both in terms of its customer base and the mix of revenues across all business segments.

The company continues to manage market risk by structuring its business across both the shorter-term network deployment business and longer-term maintenance activities. Key customers are entering into longer-term and more diverse contracts with Magdalene, which reflects the strategic nature of these relationships. The Board invests significant levels of time in maintaining and building these relationships. Regular discussion is held at senior management and Board level about the risks that may be present in each of these relationships.

Economic conditions

The Company's activities operate within framework agreements which do not provide guaranteed levels of turnover. Economic conditions impact our clients and our contracts. In addition, our clients rely on borrowing in the financial markets to finance their operations. There is a risk that clients will seek to reduce expenditure or extend payment terms to manage their cash resources. We engage in regular dialogue with our clients to continually assess these risks and adjust our resources accordingly.

Business interruption

Extraneous events such as pandemic, significant IT failure or cyber-attack, could result in a significant degree of business interruption. There is a risk that the Company may not be able to adapt to a changed environment and suffers significant and prolonged disruption to its activities. The Company has developed crisis management plans to mitigate the impact of such events.

Competitive risks

In general terms, the UK marketplace continues to show strong demand and no major signs of slowdown in growth in our core market sector. Within the contracting environment, major contract awards remain very competitive, and the business continues to experience strong, price led competition. As a point of differentiation, the Company puts considerable emphasis on its technical competencies and quality standards to maintain its position within the market.

Magdalene Limited

Strategic report for the year ended 31 March 2023 (continued)

Principal risks and uncertainties (continued)

Skills shortages

The Company operates in a market where skill shortages prevail and consequently it invests heavily in training and developing employees to their maximum potential. There is a risk that skills shortages may impact on the Company's ability to deliver its services. The Company has been very successful in recruiting from local communities in which it works and in developing and retraining staff. In order to help tackle ongoing skills shortages, the Company has been actively involved in apprentice schemes, training the long-term unemployed and engaging ex-military personnel.

Section 172 statement

Section 172 of the Companies Act 2006 requires each Director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole but having regard to a range of factors set out in section 172(1)(a)-(f) in the Companies Act 2006. In discharging our section 172 duty, we have regard for these factors taking them into consideration when decisions are made.

In addition, we also have regard to other factors which we consider relevant to the decisions being made. Those factors for example include the interest and views of our people, clients and their end users, regulatory bodies, our relationship with our lenders and our people. Board meetings are held periodically at which the Directors consider the Company's activities and make decisions.

Stakeholder engagement

Effective engagement of stakeholder groups supports the principles of Section 172 of the Companies Act 2006, which sets out that Directors should have regard to stakeholder interests when discharging their duty to promote the success of the company.

Our success depends on forging positive relationships with the people, communities and organisations that have an interest in our business and may be impacted by the decisions we make. We actively engage with our stakeholders to understand their views. The views of our stakeholder's assist in shaping our strategy and business model. We set out below how we engage with our main stakeholders and our impact.

People

We endeavour to listen to our people, to provide feedback and keep them engaged and informed. Successful performance can be delivered through a high level of engagement ensuring our people share the Company's core values and feel supported by our culture. We are committed to creating an environment in which our people feel valued, supported and fulfilled. Additional details are set out in the Employee Engagement statement on page 7.

It is key that we continue to engage and listen to all feedback to harness the talent that we already have within the Company and also ensure there exists a working environment that allows people to flourish. Dure the year, a Company wide People Opinion Survey took place enabling us to address areas for improvement to make the Company a better place to work.

Clients

We understand our clients' needs through focused key account management led by our Executive Directors and their management teams. We have long-term relationships with our clients across multiple contracts. We are able to meet the specific needs of each of our clients to deliver best in class solutions.

Suppliers and subcontractors

Dialogue with suppliers and subcontractors is important to mitigate supply chain risk and to ensure we have access to the most cost effective and reliable products and services. We work closely with our supply chain to ensure we can meet our business requirements in a cost-effective sustainable way.

Our code of conduct sets out clear standards regarding our ways of working with our supply chain. Having key account support and face-to-face meetings helps to build trust and long-term relationships which is beneficial to both parties.

Magdalene Limited

Strategic report for the year ended 31 March 2023 (continued)

Section 172 statement (continued)

Stakeholder engagement (continued)

Communities and the environment

Magdalene is signed up to the Armed Forces Covenant, demonstrating our support for Armed Forces Community. Our participation demonstrates that we recognise the values serving personnel (including reservists), Veterans and military families can bring to our business. This commitment also encourages us to work with partners such as the Career Transition Partnership (the official Ministry of Defence provider of Armed Forces resettlement support) who provide employment opportunities for those leaving the Services.

We are committed to minimising our environmental impact, promoting good environmental practice across all our operations. Refer to the Environmental section of the Directors' Report on page 8.

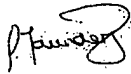
Shareholders

The Company is a wholly owned subsidiary of Minerva Equity Limited, a United Kingdom incorporated company which is owned by management and Blueprint Investments Sarl (Luxembourg). Blueprint Investments Sarl (Luxembourg) is indirectly controlled by PAI Europe VI, a private equity fund which is ultimately controlled by PAI Partners. Monthly reporting of performance is discussed by management and PAI.

PAI aim to increase the profitability and long-term strategic value for the businesses they own in partnership with the management teams. We target long term profitable growth and deliver reliable and stable revenue streams, margins and cash flow.

The strategic report was approved and authorised for issue by the board of Directors.

On behalf of the board,



S R Saunders
Director

21 July 2023

Registered Number: 03198823

Abel Smith House
Gunnels Wood Road
Stevenage
Hertfordshire
SG1 2ST

Magdalene Limited

Directors' report for the year ended 31 March 2023

The Directors present their annual report together with the audited financial statements for the year ended 31 March 2023.

Information disclosed within the Strategic report

In accordance with section 414c (11) of the Companies Act 2006, the Directors have chosen to include the principal activities of the Company; review of the business; the principal risks and uncertainties and future developments in the Strategic Report.

Dividends

Dividends paid in the year total £5.0 million (2022: £nil). The Directors do not recommend the payment of a final dividend (2022: £nil).

Directors

The Directors of the company who were in office during the year and up to the date of signing were as follows:

J M Arnold	(resigned 1 January 2023)
B G Casey	(resigned 14 November 2022)
A R Findlay	
K M Fuller	(appointed 15 September 2022)
C Keen	(appointed 15 September 2022)
A H P Loosveld	
S R Saunders	(appointed 15 September 2022)
M A Turner	
J R Winnicott	(resigned 28 February 2023)
J Yarr	(appointed 26 June 2023)

Third party indemnity

The Company's Directors are covered by qualifying third party indemnity insurance taken out by M Group Services Limited as allowed by section 234 of the Companies Act 2006. These insurances were in force throughout the period year to ending 31 March 2023 and continue to the date of approval of the financial statements.

Going concern

The Directors have undertaken the going concern assessment for the Company for a minimum of 12 months from the date of signing these financial statements. The Directors have taken into account the outlook for the Company including the resilient sectors in which it operates, the nature of the essential services that we provide to critical national infrastructure, and the strong long-term order book with blue-chip clients. The Directors have also taken into account uncertainties in preparing financial projections and assessing the future prospects of the Company. These included the impact of the high inflationary environment, which is considered low risk given the nature of the Company's framework agreements, the majority of which have indexation mechanisms.

Accordingly, based on the Company's financial projections and the current expectations of the Directors about the prospects of the Company, the financial statements have been prepared on the going concern basis. As at 31 March 2023 the Company had net current assets of £4.8m (2022: £2.8m) and net assets of £19.1m (2022: £21.2m).

The Directors consider that the Company can meet its obligations as they fall due for a period of at least twelve months from the date of the Directors' approval of these financial statements.

The Company has access, if needed, to funding from its ultimate holding company Minerva Equity Limited, which has confirmed its intention to support the business for a period of at least twelve months from the date of approval of the financial statements.

Magdalene Limited

Directors' report for the year ended 31 March 2023 (continued)

Financial risk management objectives and policies

Financial risk faced by the Company include liquidity and funding risk, market risk including interest rate risk, and credit risk. The Company reviews these risks on an ongoing basis in accordance with internal policies.

Liquidity risk

Liquidity and funding risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. The Company aims to mitigate liquidity risk by managing cash generation and utilisation by its operations and applying best practice within the credit control function. The Company is focussed on reducing debtor days and also the timeliness of billing customers.

Market risk

The Company is exposed to various elements of market risk, which include interest rate risk and inflation risk. The Company is not exposed to significant foreign exchange risk as it operates in the UK and has no overseas subsidiaries. Interest rate risk is the risk that debt issued at variable interest rates will give rise to cash flow risk, management reviews debt commitments and cash flow forecasts on a regular basis to manage this risk. Inflation risk is the risk that inflationary uplifts in rates will give rise to cash flow risk, the Company manages this risk mainly via framework agreements with a contractual allowance for annual inflationary uplift.

Credit risk

Credit risk represents the risk that a counterparty will not meet its obligations leading to a financial loss for the Company. Credit risk arises from cash at bank, and debtors. For debtors, the Company's credit risk is managed by engaging with a diverse portfolio of blue-chip clients. Maximum exposure to credit risk at the end of the reporting period reflects the carrying amount of the Company's financial assets, cash at bank and debtors.

Employee engagement

Our statement describing how the Board has had regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006 when performing its duty under section 172 is set out on pages 4 and 5.

Employees are kept informed on matters affecting them. The Company communicates through regular briefings, presentations, electronic mailings, an intranet and the wide circulation of publications, to achieve awareness of all employees in relation to the financial and economic factors that affect the performance of the Company. Reward and recognition schemes are in place to encourage participation in the Company's performance, highlight the achievements and successes of our people and to thank them for their hard work and dedication. Employees are encouraged to participate in a confidential opinion survey carried out annually.

Disabled employees

The Company is an equal opportunities employer and applications from disabled persons are fully and fairly considered, having regard to the aptitudes and abilities of the applicant. In the event of disability, every effort is made to ensure that employment continues and appropriate training is given. Career development and promotion of disabled people is, as far as possible, identical to that of other employees.

Modern Slavery and Human Rights

The Company supports and carries out its business in a manner compatible with the protection of individuals' human rights. The Company does this through its compliance with relevant legislation and through its insistence on ethical business practices. The Company has policies that reflect the rights granted to individuals under the Human Rights Act 1998, such as the areas of non-discrimination, data protection, dignity at work and health and wellbeing. Furthermore, the Company is committed to preventing modern slavery and human trafficking in all its activities and ensures that its supply chains are free from slavery and human trafficking, as set out in our most recent Modern Slavery Statement available here: www.mgroupservices.com/corporate-responsibility/modern-slavery-human-trafficking-statement/.

Magdalene Limited

Directors' report for the year ended 31 March 2023 (continued)

Stakeholders engagement – Other stakeholders

Based on our engagement with and feedback from stakeholders, we factor their views into the decision making of the Board. Our statement describing how the Board has had regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006 when performing its duty under section 172 is set out on pages 4 and 5.

Environmental

In the essential infrastructure services sector in which we operate in we continue to promote good environmental practice within the Company. Through our quality and environmental management systems and active ISO accreditation we continually look to develop and introduce sustainable processes and behaviours across each of our businesses, as well as with our clients and supply chains.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible 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), including FRS 102 "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 the 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; 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.

Statement of disclosure of information to auditor

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all the 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.

Magdalene Limited

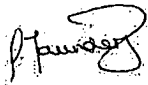
Directors' report for the year ended 31 March 2023 (continued)

Auditor

Deloitte LLP have expressed their willingness to continue as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

The Directors' report was approved and authorised for issue by the board of Directors.

On behalf of the board,



S R Saunders

Director

21 July 2023

Registered Number: 03198823

Abel Smith House
Gunnels Wood Road
Stevenage
Hertfordshire
SG1 2ST

Magdalene Limited

Independent auditor's report to the members of Magdalene Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Magdalene Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 25.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice)

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Magdalene Limited

Independent auditor's report to the members of Magdalene Limited (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the directors about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, pensions legislation; and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included employee laws, health and safety, environmental regulations, Data Protection 2018 and the Bribery Act.

We discussed among the audit engagement team including relevant internal specialists such as tax, pensions and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Magdalene Limited

Independent auditor's report to the members of Magdalene Limited (continued)

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address them are described below:

- The recoverability and valuation of amounts recoverable on contracts not yet billed post-year end. The procedures performed to address this risk included:
 - Evaluating management's assessment on the overall customer contract performance during the period to understand any key issues around the contract and determine the impact on the recoverability of the balance;
 - Assessing the accuracy of the WIP report ageing through testing on a sample basis and agreeing the amount of revenue recognised to the Cost Value Reconciliation and supporting evidence; and
 - Obtaining an understanding from respective financial and Commercial Directors of the WIP position at year-end and any judgements around recoverability issues and evaluating residual balances that remain unpaid for collectability.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 respect of these matters.

Magdalene Limited

Independent auditor's report to the members of Magdalene Limited (continued)

Use of our report

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.

A handwritten signature in black ink that reads "Kate Darlison". The signature is written in a cursive, slightly informal style.

Kate Darlison, FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

21 July 2023

Magdalene Limited

Statement of comprehensive income for the year ended 31 March 2023

	Notes	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Turnover	5	64,069	66,680
Cost of sales		(54,540)	(55,997)
Gross profit		9,529	10,683
Administrative expenses		(5,780)	(4,584)
Other operating income	6	33	-
EBITDA before exceptional items		3,956	6,246
Amortisation	7,11	(27)	(19)
Depreciation	7,12	(147)	(123)
Exceptional items	7	-	(5)
Operating profit		3,782	6,099
Interest payable and similar expenses	9	(93)	(48)
Profit before taxation	7	3,689	6,051
Tax on profit	10	(814)	(1,251)
Profit for the financial year		2,875	4,800
Other comprehensive income:			
Remeasurement of net defined benefit obligation	18	168	3
Total tax (charge)/income on components of other comprehensive income	10	(104)	2
Other comprehensive income for the year		64	5
Total comprehensive income for the year		2,939	4,805

The accompanying notes on pages 17 to 39 form part of these financial statements.

The above results relate to continuing operations for both financial years.

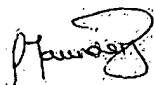
Magdalene Limited

Balance sheet as at 31 March 2023

		At 31 March 2023	At 31 March 2022
	Notes	£'000	£'000
Fixed assets			
Intangible assets	11	169	52
Tangible assets	12	1,609	1,641
Debtors: amounts due after more than one year	13	12,550	16,639
		14,328	18,332
Current assets			
Stocks	14	1,944	2,786
Debtors	15	17,053	17,104
Cash at bank and in hand		8,156	7,531
		27,153	27,421
Creditors: amounts falling due within one year	16	(22,311)	(24,590)
Net current assets		4,842	2,831
Total assets less current liabilities		19,170	21,163
Provisions for liabilities	17	(68)	-
Net assets		19,102	21,163
Capital and reserves			
Called up share capital	19	22	22
Profit and loss account		19,080	21,141
Shareholders' funds		19,102	21,163

The notes on pages 17 to 39 are an integral part of these financial statements.

The financial statements on pages 14 to 39 were approved and authorised for issue by the board of directors on 21 July 2023 and were signed on its behalf by:



S R Saunders
Director



K M Fuller
Director

Registered Number: 03198823

Magdalene Limited

Statement of changes in equity for the year ended 31 March 2023

	Called up share capital	Profit and loss account	Shareholders' funds
	£'000	£'000	£'000
Balance as at 1 April 2021	22	16,336	16,358
Profit for the financial year	-	4,800	4,800
Other comprehensive income for the year	-	5	5
Total comprehensive income for the year	-	4,805	4,805
Balance as at 31 March 2022	22	21,141	21,163
Profit for the financial year	-	2,875	2,875
Other comprehensive income for the year	-	64	64
Total comprehensive income for the year	-	2,939	2,939
Dividend paid ¹	-	(5,000)	(5,000)
Balance as at 31 March 2023	22	19,080	19,102

The notes on pages 17 to 39 are an integral part of these financial statements.

¹ Dividend was paid during the year as part of the reorganisation of the business.

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2023

1 General information

Magdalene Limited is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England. The address of its registered office is Abel Smith House, Gunnels Wood Road, Stevenage, Hertfordshire, SG1 2ST.

2 Statement of compliance

The individual financial statements of Magdalene Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Summary of significant accounting policies

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.

Basis of preparation

The financial statements are prepared on a going concern basis under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Going concern

The Directors have undertaken the going concern assessment for the Company for a minimum of 12 months from the date of signing these financial statements. The Directors have taken into account the outlook for the Company including the resilient sectors in which it operates, the nature of the essential services that we provide to critical national infrastructure, and the strong long-term order book with blue-chip clients. The Directors have also taken into account uncertainties in preparing financial projections and assessing the future prospects of the Company. These included the impact of the high inflationary environment, which is considered low risk given the nature of the Company's framework agreements, the majority of which have indexation mechanisms.

Accordingly, based on the Company's financial projections and the current expectations of the Directors about the prospects of the Company, the financial statements have been prepared on the going concern basis. As at 31 March 2023 the Company had net current assets of £4.8m (2022: £2.8m) and net assets of £19.1m (2022: £21.2m).

The Directors consider that the Company can meet its obligations as they fall due for a period of at least twelve months from the date of the Directors' approval of these financial statements.

The Company has access, if needed, to funding from its ultimate holding company Minerva Equity Limited, which has confirmed its intention to support the business for a period of at least twelve months from the date of approval of the financial statements.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions which have been complied with. The Company is a qualifying entity as its results are consolidated into the financial statements of Minerva Equity Limited which are publicly available.

As a qualifying entity the company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, as allowed by FRS 102 paragraph 1.12(b)
- from disclosing a table of financial instruments as allowed by FRS 102 paragraph 1.12(c)

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

3 Summary of significant accounting policies (continued)

Exemptions for qualifying entities under FRS 102 (continued)

- from disclosing transactions with entities that are part of the Minerva Equity Limited Company where 100% of the voting rights of these entities are controlled within the Company as required by FRS 102 paragraph 33.1A.
- from disclosing key management personnel compensation, as required by FRS 102 paragraph 33.7.

Foreign currencies

The Company's functional and presentation currency is the pound sterling. Monetary amounts in these financial statements are rounded to the nearest thousand.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and that these benefits can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable for goods and services provided and net of discounts and value added taxes.

Contract income

The activities of the company are largely undertaken through long-term framework contracts. Under these contracts revenue is recognised in line with each separate supply of goods and services completed. Where losses are foreseeable in respect of future supplies committed under these framework contracts, appropriate provisions are made. In addition, an accrual is maintained for future remedial works that may be required in respect of supplies already made.

Amounts recoverable on contracts are stated as accrued income less provision for losses and payments on account. Payments on account in excess of amounts recoverable on contracts are included in creditors.

Exceptional items

Where it is considered that items of income or expense are material and are considered 'one off' or because they are material and of a scale such that separate presentation is helpful for the reader of the financial statements to understand the financial performance of the entity, their nature and amount is disclosed separately on the face of the profit and loss account where this enhances the understanding of the company's financial performance.

Employee benefits

Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the year in which the service is received.

Defined contribution pension plans

The Company operates defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

3 Summary of significant accounting policies (continued)

Defined benefit pension plan

The Company operates defined benefit scheme arrangements for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The defined benefit scheme arrangements are funded separately, with the assets of the scheme held separately from those of the Company in a trustee administered fund.

The liabilities recognised in the balance sheet in respect of the defined benefit plan arrangements are the present value of the defined benefit obligations at the end of the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit liabilities, net of the related deferred tax, are presented separately on the face of the balance sheet.

The fair value of the plan assets are measured in accordance with FRS 102 and in accordance with the Company's policy for similarly held assets.

The cost of the defined benefit plan, recognised in profit and loss as employee costs comprises:

- a) The increase in pension benefit liability arising from the employee service during the year; and
- b) The cost of the plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligations and the fair value of plan assets. These costs are recognised in profit or loss as 'Net interest expense on post-employment benefits'.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurements of net defined benefit liability' in the consolidated statement of comprehensive income.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

3 Summary of significant accounting policies (continued)

Deferred tax (continued)

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions.

Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only when the Company has a right to set off related current tax assets and tax liabilities, which is generally the case for balances within the same taxable entity.

Leased assets

At inception, the company assesses agreements that transfer the right to use assets to the company. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Lease incentives

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Provisions and contingencies

Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The increase in the provision due to passage of time is recognised as a finance cost. A provision for onerous contracts is recognised for contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Contingencies

Contingent liabilities arising as a result of past events are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote. Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

3 Summary of significant accounting policies (continued)

Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss account.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

3 Summary of significant accounting policies (continued)

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the amortisable amount of the assets less their estimated residual value over their expected useful lives, as follows:

Software	- 3 to 10 years
----------	-----------------

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Tangible assets

Tangible assets are included at historical purchase cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset and the costs directly attributable to bringing the asset into its working condition for its intended use.

Depreciation and residual values

Depreciation of assets is calculated at rates expected to write off cost less the estimated residual value of the relevant assets over their estimated economic lives. The estimated useful lives of the assets to the business are reassessed periodically in light of experience. The estimated economic lives used are principally as follows:

Leasehold property	- over the life of the lease
Fixtures, fittings and equipment	- 1 to 15 years

Assets under construction are not depreciated until they are available for use.

Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss account.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

Stock value is determined using a first in, first out basis.

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

3 Summary of significant accounting policies (continued)

Stocks (continued)

At each reporting date, an assessment is made for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the profit and loss account. Reversals of impairment losses are also recognised in the profit and loss account.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Distributions to equity holders

Dividends and other distributions to Company's shareholders are recognised as a liability in the financial statements in the year in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the statement of changes in equity.

Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the Directors, separate disclosure is necessary to understand the effect of the transactions on the Company financial statements.

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the entity's accounting policies

There are no specific judgements that have been made that would result in a material change to the statutory financial statements.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. However, there are no critical estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Other areas of judgement and accounting estimates

While these areas do not meet the definition of significant accounting estimates or critical accounting judgements, the recognition and measurement of certain material assets and liabilities are based on assumptions and/or are subject to longer term uncertainties.

The other areas of judgement and accounting estimates are:

Amounts recoverable on contract provisioning and unbilled accrued work in progress (WIP)

The Company provides support services to blue-chip clients in the infrastructure sectors in the UK and typically via framework contracts. Consistent with its revenue recognition policy, the Company makes an estimate to value work in progress for portion of revenue where work is performed but is not billed and/or agreed with the customers as at the year-end. As at the year-end, an estimate of the recoverable value has been made and a provision is recorded for any known or anticipated losses. See note 15 for the net carrying amount of amounts recoverable on contracts.

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

5 Turnover

In both current and prior years the Company has one class of business – Telecommunications and consultancy. The business manages infrastructure maintenance, renewals, installations, data and other specialist services to blue-chip clients in these infrastructure sectors.

Turnover analysed by geographical market

	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Third party sales		
United Kingdom	46,103	41,011
Rest of Europe	433	507
Other	67	67
	46,603	41,585
Intercompany sales		
United Kingdom	17,466	25,095
	17,466	25,095
Total sales	64,069	66,680
Total sales		
United Kingdom	63,569	66,106
Rest of Europe	433	507
Other	67	67
	64,069	66,680

6 Other operating income

	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
R&D expenditure credit	33	-

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

7 Profit before taxation

Profit before taxation for the year is stated after charging:

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Depreciation (see Note 12)	147	123
Amortisation (see Note 11)	27	19
Exceptional items	-	5
Operating lease charges	343	208
Services provided by the Company's auditor:		
Fees payable to the company's auditor for the audit of the company's financial statements	62	40

In accordance with SI 2008/489 the company has not disclosed the fees payable to the company's auditor for 'Other services' as this information is included in the consolidated financial statements of Minerva Equity Limited.

Exceptional items

Exceptional costs comprise £nil (2022: £5,000) of incremental costs incurred in relation to the Coronavirus pandemic, including PPE, hand sanitising stations and screens.

8 Employees and Directors

The aggregate remuneration comprised:

	Year ended 31 March 2023 £'000	Period ended 31 March 2022 £'000
Wages and salaries	17,882	16,396
Social security costs	1,864	1,773
Other pension costs	835	1,147
Staff costs	20,581	19,316

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

8 Employees and Directors (continued)

The average monthly number of employees (including executive Directors):

	Year ended 31 March 2023	Year ended 31 March 2022
	Number	Number
Management and supervisory	44	44
Operational employees	355	325
	399	369

Directors' remuneration	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Aggregate emoluments	739	334
Pension contributions	28	10
	767	344
Highest paid Director		
Total emoluments	401	334
Pension contributions	10	10
	411	344

Retirement benefits are accruing to three Directors under a defined contribution scheme (2022: one).

9 Interest payable and similar expenses

	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Interest payable and similar expenses		
Finance costs	93	48
Total interest payable and similar expenses	93	48

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

10 Tax on profit

Tax expense included in profit or loss

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Current tax:		
UK corporation tax on profits for the current year	846	1,250
Adjustment in respect of previous periods	(30)	3
Total current tax	816	1,253
Deferred tax:		
Origination and reversal of timing differences	(25)	5
Adjustment in respect of previous periods	23	2
Impact of changes in tax rates	-	(9)
Total deferred tax	(2)	(2)
Tax on profit	814	1,251

Tax expense included in other comprehensive income

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Deferred tax:		
Movements of deferred tax relating to pension deficit/(surplus)	104	(2)
Total deferred tax	104	(2)
Total tax expense / (income) included in other comprehensive income	104	(2)

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

10 Tax on profit (continued)

Reconciliation of tax expense

The tax assessed for the year is higher (2022: higher) than the standard rate of corporation tax in the UK 19% (2022: 19%). The differences are explained below:

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Profit before tax	3,689	6,051
Profit multiplied by the standard UK rate of tax 19% (2022: 19%)	701	1,150
Effects of:		
Expenses not deductible for tax purposes	(40)	11
Effect of change in corporation tax rate	(4)	(9)
Adjustment in respect of previous periods	(7)	5
Transfer pricing adjustments	164	94
Tax expense for the year	814	1,251

Factors that may affect future tax charges

An increase to the UK corporation tax rate to 25% with effect from 1 April 2023 was enacted by the Finance Act 2021 on 14 May 2021. Deferred tax is provided at the rates timing differences are expected to reverse in accordance with FRS 102.

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

11 Intangible assets

	Software	Patents	Total
	£'000	£'000	£'000
Cost at 1 April 2022	393	3	396
Additions	144	-	144
Cost at 31 March 2023	537	3	540
Accumulated amortisation at 1 April 2022	(344)	-	(344)
Charge for the year	(27)	-	(27)
Accumulated amortisation at 31 March 2023	(371)	-	(371)
Net book value at 31 March 2023	166	3	169
Net book value at 31 March 2022	49	3	52

12 Tangible assets

	Long leasehold buildings	Fixtures, fittings and equipment	Total
	£'000	£'000	£'000
Cost at 1 April 2022	1,989	1,950	3,939
Additions	-	115	115
Cost at 31 March 2023	1,989	2,065	4,054
Accumulated depreciation at 1 April 2022	(634)	(1,664)	(2,298)
Charge for the year	(33)	(114)	(147)
Accumulated depreciation at 31 March 2023	(667)	(1,778)	(2,445)
Net book value at 31 March 2023	1,322	287	1,609
Net book value at 31 March 2022	1,355	286	1,641

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

13 Debtors: amounts due after more than one year

	At 31 March 2023	At 31 March 2022
	£'000	£'000
Amounts owed by group undertakings	12,550	16,639

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Amounts owed by group undertakings are intended for the continuing use of the borrowing companies as part of the capital structure of those companies. As such they represent fixed assets of Magdalene Limited.

14 Stocks

	At 31 March 2023	At 31 March 2022
	£'000	£'000
Finished goods and goods for resale	1,944	2,786

The cost of stock recognised as an expense during the year was £955,000 (2022: £1,493,000).

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

15 Debtors

Amounts falling due within one year	At 31 March 2023	At 31 March 2022
	£'000	£'000
Trade debtors	6,353	6,106
Amounts recoverable on contracts – external*	4,676	6,783
Amounts recoverable on contracts – internal*	2,297	1,746
Amounts owed by group undertakings	304	1,119
Deferred tax asset (Note 18)	-	34
Pensions (Note 19)	411	33
Other debtors	-	3
Prepayments and accrued income	3,012	1,280
	17,053	17,104

**In the prior year, £1.7m of Amounts recoverable on contracts owed by group undertakings should have been presented separately from Prepayments and accrued income. Additionally, £6.8m of Amounts recoverable on contracts owed by external parties has been disaggregated from Prepayments and accrued income.*

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

16 Creditors: amounts falling due within one year

	At 31 March 2023	At 31 March 2022
	£'000	£'000
Trade creditors	1,718	792
Amounts owed to group undertakings	5,100	7,143
Corporation tax	1,625	1,250
Other taxation and social security	529	530
VAT liability*	1,747	976
Other creditors	395	118
Accruals*	7,445	10,916
Deferred income*	3,752	2,865
	22,311	24,590

**In the prior year, VAT was presented in aggregate within Other taxation and social security; and Accruals and Deferred Income were aggregated as a single line. In the current year, these balances have been disaggregated and presented separately to provide the users of the financial statements with improved disclosure on the nature of the balances.*

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

17 Provision for liabilities

The provision for deferred tax consists of the following deferred tax liability (2022: asset):

	At 31 March 2023	At 31 March 2022
	£'000	£'000
Brought forward at 1 April	34	30
Credit for the year	25	4
Adjustment in respect of prior years	(23)	(2)
(Charge)/credit in other comprehensive income for the year	(104)	2
Carried forward at 31 March	(68)	34

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

17 Provision for liabilities (continued)

	At 31 March 2023 £'000	At 31 March 2022 £'000
Fixed asset timing differences	17	42
Other temporary differences	(85)	(8)
Total deferred tax (liability)/asset	(68)	34

18 Pensions and similar obligations

Defined benefit scheme

The company operates a defined benefit scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. Contributions are agreed with the trustee to reduce the funding deficit where necessary.

A day one valuation was carried out at 1 November 2020 and updated to 31 March 2023 by a qualified actuary, independent of the scheme's sponsoring employer. Adjustments to the valuation have been made based on current market conditions and the following assumptions:

	At 31 March 2023 %	At 31 March 2022 %
Discount rate	4.80	2.80
RPI Inflation	3.30	3.80
Salary Growth	3.30	3.80
Deferred pension revaluation	3.30	3.50
Mortality rate	1.25	1.25

Assumed life expectancy on retirement at age 60:

		At 31 March 2023	At 31 March 2022
Retiring today:	Male	25.8 years	26.1 years
	Female	27.9 years	28.0 years
Retiring in 20 years:	Male	27.4 years	27.6 years
	Female	29.4 years	29.6 years

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

18 Pensions and similar obligations (continued)

Defined benefit scheme (continued)

At 31 March 2023 and 31 March 2022, the deficit recognised in the balance sheet was as follows:

Amounts recognised in the balance sheet

	At 31 March 2023	At 31 March 2022
	£'000	£'000
Present value of funded obligations	(186)	(163)
Fair value of scheme assets	597	196
Net asset at the end of the year excluding deferred tax	411	33
Related deferred tax liability	(85)	(8)
Net pension asset	326	25

Changes in scheme assets	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Balance brought forward	196	26
Contributions by employer	368	164
Contributions by plan participants	9	10
Benefit payments from plan assets	(12)	-
Interest income	10	2
Administrative expenses paid from plan assets	(45)	-
Actuarial gain/(loss)	71	(6)
Balance as at 31 March	597	196
Actual return/(loss) on scheme assets	81	(4)

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

18 Pensions and similar obligations (continued)

Defined benefit scheme (continued)

Changes in scheme liabilities

	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Balance brought forward	(163)	(34)
Current service costs and expenses	(117)	(126)
Interest expense	(6)	(2)
Benefit payments from plan assets	12	-
Contributions by plan participants	(9)	(10)
Actuarial gain	97	9
Balance as at 31 March	(186)	(163)

The overall surplus movement may be summarised as follows:

Movements in balance sheet net asset

	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Surplus/(deficit) balance brought forward	33	(8)
Administration costs	(158)	(126)
Contributions	368	164
Actuarial gains	168	3
Net asset at the end of the year (excluding deferred tax)	411	33

The cost of the defined benefit scheme is recognised in the profit and loss account, and the impact of actuarial gains and losses recognised in the statement of comprehensive income, was as follows:

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

18 Pensions and similar obligations (continued)

Defined benefit scheme (continued)

Amounts recognised in the profit and loss account

	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Administration cost – scheme expenses	(117)	(126)
Charge to operating profit	(117)	(126)
Interest income	10	2
Interest expense	(6)	(2)
Amount credited to other finance income	4	-
Administrative expenses not reserved within Defined Benefit obligation	45	-
Expense recognised in the profit and loss account	(158)	(126)

Analysis of amounts recognised in Other Comprehensive income

	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Effect of experience adjustments	(3)	(1)
Effects of changes in assumptions	100	10
Return on plan assets	71	(6)
Actuarial gains in schemes	168	3

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

18 Pensions and similar obligations (continued)

Defined benefit scheme (continued)

The fair value of the plan assets was:

	At 31 March 2023	At 31 March 2022
	£'000	£'000
Cash	11	1
Equity instruments	174	86
Debt instruments	-	66
Other	412	43
Total assets	597	196

Defined contribution scheme

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The amount recognised as an expense for the defined contribution scheme was:

	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
Current year contributions	706	1,021

As at 31 March 2023 there was an outstanding liability of £119,000 (2022: £112,000) in respect of pension contributions.

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

19 Called up share capital

	At 31 March 2023	At 31 March 2022
	£'000	£'000
Allotted and fully paid share capital		
22,000 (2022: 22,000) ordinary shares of £1 each	22	22
	22	22

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

20 Contingent liabilities

There exist cross guarantees under a group banking arrangement whereby group companies have guaranteed the liabilities of other group companies to their clearing banks. Net indebtedness recognised by the company under this arrangement at 31 March 2023 was £nil (2022: £nil). The Group's bank debt is disclosed in the financial statements of Minerva Equity Limited.

21 Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	At 31 March 2023	At 31 March 2022
	£'000	£'000
Payments due		
Within one year	275	275
Between one and five years	772	949
Greater than five years	57	156
	1,104	1,380

22 Related party transactions

The company has taken advantage of the exemption under FRS 102.33.1A, and has not disclosed transactions with entities that are part of the Minerva Equity Limited group, where 100% of the voting rights of these entities are controlled within the group.

During the year, the company paid rent of £64,000 (2022: £58,000) to Morris House Properties Ltd, an entity controlled by M A Turner. A balance of £nil was outstanding at the year-end (2022: £nil).

During the year, the company paid rent, insurance and service charges of £nil (2022: £41,000) to Suffolk Life, a SIPP owned by M A Turner and four other individuals. During the year M A Turner sold this investment and is no longer a related party. A balance of £nil was outstanding at the year-end (2022: £nil).

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2023 (continued)

23 Controlling parties

At 31 March 2023, the company's immediate parent undertaking was M Group Telecoms Limited, a company registered in England and Wales.

The ultimate parent undertaking is Minerva Equity Limited, a company registered in England and Wales, whose ultimate controlling party is PAI Partners a private equity firm registered in France.

M Group Services Limited is the parent undertaking of the smallest group to consolidate these financial statements. Minerva Equity Limited is the parent undertaking of the largest group to consolidate these financial statements.

Copies of M Group Services Limited and Minerva Equity Limited consolidated financial statements can be obtained from the Company Secretary at the registered office: Abel Smith House, Gunnels Wood Road, Stevenage, Hertfordshire, SG1 2ST.

24 Subsidiary undertaking

The company's subsidiary undertaking at 31 March 2023 (set out below) is a wholly owned subsidiary, with an accounting year end of 31 March. The undertaking principally operates in its country of incorporation.

Company	Registered country	Company's equity shareholding at 31 March 2023	Principal business
Magdalene Telecom Limited (dissolved 4 April 2023)	England and Wales	100%	Dormant.

Magdalene Telecom Limited is exempt from audit by virtue of s480 of Companies Act 2006.

The company holds 1,000 Ordinary shares of £1 each in Magdalene Telecom Limited. The investment in Magdalene Telecom Limited has been fully impaired and currently has nil net book value (2022: £nil).

The registered office of Magdalene Telecom Limited was Abel Smith House, Gunnels Wood Road, Stevenage, Hertfordshire, SG1 2ST.

25 Post balance sheet event

Subsequent to year end, the administrative activity to dissolve Magdalene Telecom Limited was completed on 4 April 2023.