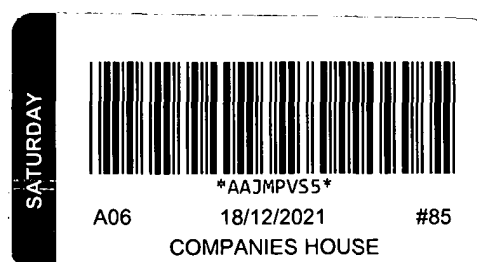


Magdalene Limited
Annual report and financial statements
for the year ended 31 March 2021

Registered number 03198823



Magdalene Limited

Annual report and financial statements for the year ended 31 March 2021

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Magdalene Limited

Company information

Directors	J M Arnold B G Casey A R Findlay A H P Loosveld M A Turner J R Winnicott
Company secretary	W J Cooper
Registered office	Abel Smith House Gunnels Wood Road Stevenage Hertfordshire SG1 2ST
Registered number	03198823
Independent auditors	Deloitte LLP 1 New Street Square London EC4A 3HQ

Magdalene Limited

Strategic report for the year ended 31 March 2021

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2021.

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 £48.6 million (2020: £49.3 million), with much of this small decrease attributed to rephasing of some client activities and volumes due to the Coronavirus pandemic (occurring at the start of the financial year), as well as the COVID-related delayed award and subsequent transition and mobilisation of a new significant Utilities contract by 6 months into Q4. EBITDA (earnings before interest, tax, depreciation and amortisation) before exceptional items has decreased by just 3% to £5.3 million (2020: £5.5 million), confirming the strength of Magdalene's core business during the pandemic.

This year has seen continued diversification and strengthening of our client base and service portfolio through delivery excellence and innovation. This has ensured that we remain resilient in delivering high quality Critical National Infrastructure services during a difficult and unprecedented economic backdrop and COVID-19 pandemic. Business performance remains in line with our strategy, expanding both client and service breadth and depth. As an established entity within the M Group Services Limited 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 massive 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 play an important role in Magdalene's long-term growth strategy.

Responding to the pandemic

Within Magdalene, by adapting our ways of working and altering our procedures, work has fundamentally continued as normal throughout the last year. Magdalene experienced only a limited impact from COVID-19 in our ongoing trading volumes and activities following a period of adjustment mainly within Q1.

Demand remains strong across each of our business segments. Areas where customers had paused or re-prioritised their planned programmes of work were largely offset by new opportunities for which the delivery timescales were hastened by national lockdowns and social distancing measures. The most significant impact of COVID-19 was in relation to the delay of awarding significant new work which rephased some income out of the financial year.

Appropriate COVID-19 measures have been taken and continually monitored over the last year to ensure the health and safety of our employees while ensuring we have continued to deliver excellence for our customers.

Ongoing COVID-19 threats have been considered in our assessment of going concern, cashflows and balance sheet accounts. Our current assessment indicates the company will continue to trade in line with management expectations, achieving our 3-year business plan and securing future growth. Proudly, we continue to deliver excellent customer service, having quickly adapted to new and sustainable working patterns across the business.

Magdalene Limited

Strategic report for the year ended 31 March 2021 (continued)

Financial risks

The company's exposure to the market risk for changes in interest rates relates only to the cash held by the Company, management of cash is supported via the M Group Services Treasury Team as part of MGroup cash Management strategy.

Most of Magdalene's customers are blue chip companies with strong credit ratings and the directors consider that credit risk is minimal. As appropriate, the company carries out credit reviews for new customers and sets credit terms to ensure the credit risk for each new customer is appropriately managed.

Principal business 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 the 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.

Future development and performance

The current year financial performance of Magdalene is in line with our growth strategy, taking into consideration the minor impacts of COVID-19 in rephasing of client activities. We continue to build on existing relationships with large operators, Original Equipment Manufacturers and private networks supporting critical national infrastructure.

The company is expecting to see significant growth into the next financial year and beyond with new and larger scale opportunities achievable through the increasing strength and depth in our core business combined with M Group Services relationships and end-to-end service offerings. We expect growth opportunities will follow our business model of long-term managed services to our customers.

Key performance indicators

The Board monitors progress on the overall strategy and trading performance by reference to KPIs, the principle measures being turnover, EBITDA, operating profit, order book, cash flow, accident frequency rate and compliance with financial covenants.

Stakeholders engagement

Effective engagement of stakeholder groups supports the principles of Section 172 of the Companies Act 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 aid 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.

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

Magdalene Limited

Strategic report for the year ended 31 March 2021 (continued)

Stakeholders engagement (continued)

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 aim to meet the specific need 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 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.

Communities

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.

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.

Our shareholders aim to increase the long-term strategic value of the group in partnership with the management team. 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,



M A Turner
Director

15 December 2021

Registered Number: 03198823

Abel Smith House
Gunnels Wood Road
Stevenage
Hertfordshire
SG1 2ST

Magdalene Limited

Directors' report for the year ended 31 March 2021

The directors present their annual report together with the audited financial statements for the year ended 31 March 2021.

Business review

The principal activity of the company, principal risks and review of the business, including future developments and financial risk policy, are disclosed within the Strategic Report.

Greenhouse Gas Emissions and Energy Use

In accordance with the requirements of Streamlined Energy and Carbon Reporting (SECR), the company's greenhouse gas emissions and energy use data has been disclosed in the consolidated financial statements of parent company M Group Services Limited.

Dividends

Dividends paid in the year total £nil (2020: £nil). The directors do not recommend the payment of a final dividend (2020: £nil).

Political donations

The company made no donations to a registered political party during the year (2020: £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	
M G Beesley	(resigned 22 October 2021)
B G Casey	
A R Findlay	(appointed 18 August 2021)
A H P Loosveld	
M A Turner	
J R Winnicott	

Third party indemnity

The company maintains qualifying third party indemnity insurance for all directors as required by section 234 of the Companies Act 2006. These insurances were in force throughout the year to 31 March 2021 and continue to the date of approval of the financial statements.

Auditors

During the year Deloitte LLP were appointed as the Company's auditors and they have also confirmed willingness to remain in office.

Going concern

The directors have taken into account the impact of the COVID-19 pandemic in preparing financial projections and assessing the future prospects for the company. Demand in our resilient market remains strong and the group has significant levels of liquidity available.

The directors have prepared the financial statements on the going concern basis. This is based on the financial projections and the current expectations of the directors about the prospects of the company and the group. Based on these projections, 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.

Magdalene Limited

Directors' report for the year ended 31 March 2021 (continued)

Employees

Our people are kept informed on matters affecting them and made aware of the general financial and economic factors influencing the company. The company operates a systematic approach to communication through regular briefings, presentations, electronic mailings and the wide circulation of magazines, to achieve a common awareness of all employees in relation to the financial and economic factors that affect the performance of the company. Bonus schemes are in place to encourage participation in the company's performance.

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.

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 3 to 4.

Statement of directors' responsibilities

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;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

Magdalene Limited

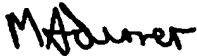
Directors' report for the year ended 31 March 2021 (continued)

Statement of disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

On behalf of the board,



M A Turner
Director
15 December 2021

Registered Number: 03198823

Abel Smith House
Gunnels Wood Road
Stevenage
Hertfordshire
SG1 2ST

Magdalene Limited

Independent auditors' 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 2021 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 profit and loss account;
- 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 auditors' 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 about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework 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 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 Employment Laws, Health and Safety 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 auditors' 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 specific procedures performed to address them are described below:

- The Work in progress ("WIP") is recognised based on revenue in the year that has not been billed at the year end. Judgement is applied in determining the recoverability of this balance, and therefore the revenue, and a provision is applied to the portion of WIP that may not be recoverable. There is judgement in determining the value of the provision.
 - The procedures performed to address this risk included obtaining evidence of recoverability of the WIP balance by testing a sample of applications and cash collections post year end to supporting evidence.

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 and external 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.

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.

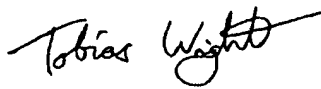
We have nothing to report in respect of these matters.

Magdalene Limited

Independent auditors' 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.



Tobias Wright FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

15 December 2021

Magdalene Limited

Profit and loss account for the year ended 31 March 2021

		2021	2020
	Note	£'000	£'000
Turnover	5	48,582	49,264
Cost of sales		(39,889)	(41,552)
Gross profit		8,693	7,712
Administrative expenses		(3,546)	(2,566)
Other operating income	6	75	-
EBITDA (excluding exceptional items)		5,325	5,502
Amortisation	7,11	(5)	(63)
Depreciation	7,12	(75)	(89)
Exceptional items	7	(23)	(204)
Operating profit	7	5,222	5,146
Net interest payable and similar expenses	9	(36)	(90)
Profit before taxation		5,186	5,056
Tax on profit	10	(986)	(962)
Profit for the financial year		4,200	4,094

The accompanying notes on pages 16 to 37 form part of these financial statements.

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

Magdalene Limited

Statement of comprehensive income for the year ended 31 March 2021

		Year to 31 March 2021	Year to 31 March 2020
	Note	£'000	£'000
Profit for the financial year		4,200	4,094
Other comprehensive income:			
Remeasurement of net defined benefit obligation	18	3	-
Total tax on components of other comprehensive income	10	(1)	-
Other comprehensive income for the year		2	-
Total comprehensive income for the year		4,202	4,094

Magdalene Limited

Balance sheet as at 31 March 2021

	Note	2021 £'000	Restated 2020 £'000
Fixed assets			
Intangible assets	11	71	3
Tangible assets	12	1,568	1,476
Loans to group undertakings	13	6,548	6,188
		8,187	7,667
Current assets			
Inventories	14	565	559
Debtors	15	9,177	7,615
Cash at bank and in hand		11,957	7,342
		21,699	15,516
Creditors: amounts falling due within one year	16	(13,520)	(11,027)
Net current assets		8,179	4,489
Total assets less current liabilities		16,366	12,156
Pensions and similar obligations	18	(8)	-
Net assets		16,358	12,156
Capital and reserves			
Called up share capital	19	22	22
Profit and loss account		16,336	12,134
Total equity		16,358	12,156

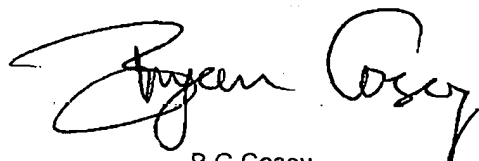
Note 23 details the prior year restatement.

The notes on pages 16 to 37 are an integral part of these financial statements.

The financial statements on pages 12 to 37 were approved and authorised for issue by the board of directors on 15 December 2021 and were signed on its behalf by:



M A Turner
Director



B G Casey
Director

Registered Number: 03198823

Magdalene Limited

Statement of changes in equity for the year ended 31 March 2021

	Called up share capital	Profit and loss account	Total equity
	£'000	£'000	£'000
Balance as at 1 April 2019	22	8,040	8,062
Profit for the financial year	-	4,094	4,094
Total comprehensive income for the year	-	4,094	4,094
Balance as at 31 March 2020/ 1 April 2020	22	12,134	12,156
Profit for the financial year	-	4,200	4,200
Other comprehensive income for the year	-	2	2
Total comprehensive income for the year	-	4,202	4,202
Balance as at 31 March 2021	22	16,336	16,358

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2021

1 General Information

Magdalene Limited is a private company limited by shares incorporated in England in the United Kingdom.

The company is incorporated and domiciled in the UK. 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, under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

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. The company has adopted FRS 102 in these financial statements.

Basis of preparation

The financial statements are prepared on a going concern basis under the historical cost convention with consistently applied accounting standards applicable in the United Kingdom and in accordance with the Companies Act 2006.

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 taken into account the impact of the COVID-19 pandemic in preparing financial projections and assessing the future prospects for the company. Demand in our resilient market remains strong and the group has significant levels of liquidity available.

The directors have prepared the financial statements on the going concern basis. This is based on the financial projections and the current expectations of the directors about the prospects of the company and the group. Based on these projections, 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.

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, including notification of and no objection to, the use of exemptions by the company's shareholders.

The company has taken advantage of the exemption, under FRS 102.12B, from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Minerva Equity Limited, includes the company's cash flows in its consolidated financial statements.

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.

The company has taken advantage of the exemption under FRS 102.33.7A, and has not disclosed key management personnel remuneration.

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

3 Summary of significant accounting policies (continued)

Exemptions for qualifying entities under FRS 102 (continued)

The company has taken advantage of the exemption under FRS 102.1.12C and has not disclosed a table of financial instruments as they appear in the Minerva Equity Limited consolidated financial statements.

Consolidated financial statements

In accordance with Section 400 of the Companies Act 2006, the company has not prepared group financial statements. The results of the company and its subsidiaries are consolidated in the financial statements of M Group Services Limited, a company registered in England. A copy of which can be obtained from the Company Secretary, Abel Smith House, Gunnels Wood Road, Stevenage, Hertfordshire, SG1 2ST.

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.

Foreign currencies

Monetary assets and liabilities denoted in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies during the year are translated into local currency at the rate of exchange ruling on the dates on which the transactions occurred. All differences are taken to the profit and loss account.

The company's functional and presentation currency is the pound sterling.

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 at cost plus attributable profits less provision for losses and payments on account. Payments on account in excess of amounts recoverable on contracts are included in creditors.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value where there is reasonable assurance that the grant will be received. Amounts received are recognised over the period in which the related costs are recognised. In the current year, grant accounting has only been applied to the Job Retention Scheme launched as part of HM Governments response to the COVID-19 pandemic. This is shown within Other Operating Income.

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

3 Summary of significant accounting policies (continued)

Employee Benefits

Short term benefits

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

Defined contribution pension plans

The company operates a defined contribution plan 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.

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 liability recognised in the balance sheet in respect of the defined benefit plan arrangements are the present value of the defined benefit obligation 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 liability, net of the related deferred tax, is presented separately on the face of the balance sheet.

The fair value of plan assets is 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 period; 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 obligation and the fair value of plan assets. This cost is recognised in the profit and loss account as 'Interest payable and similar expenses'.

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 'Remeasurement of net defined benefit obligation' in the 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 or directly in equity respectively.

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

3 Summary of significant accounting policies (continued)

Taxation (continued)

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.

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.

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.

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

3 Summary of significant accounting policies (continued)

Provisions and contingencies (continued)

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.

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 and investments in commercial paper, 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, bank loans, loans from fellow group companies and preference shares, 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.

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

3 Summary of significant accounting policies (continued)

Financial liabilities (continued)

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.

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 period 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. It does not disclose transactions with members of the same group that are wholly owned.

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 depreciable amount of the assets to their residual value over their estimated useful lives, as follows:

Software	- 3 to 5 years
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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 Group 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.

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

3 Summary of significant accounting policies (continued)

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 expected useful lives of the assets to the business are reassessed periodically in light of experience. The estimated economic lives used are principally as follows:

Long leasehold buildings	- 2% straight line
Fixtures, fittings and equipment	- 10% to 33% straight line

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 estimated selling price less costs to complete and sell. 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.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the profit and loss account. Reversals of impairment losses are also recognised in the profit and loss account.

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. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are related to a sales accrual regarding the ageing of uncollected work completed for clients.

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

5 Turnover

At 31 March 2021, 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

	2021	2020
	£'000	£'000
Third party sales		
United Kingdom	22,169	18,960
Rest of Europe	588	493
Other	81	70
	22,838	19,523
Internal sales		
United Kingdom	25,744	29,741
	25,744	29,741
Total sales		
United Kingdom	47,913	48,701
Rest of Europe	588	493
Other	81	70
	48,582	49,264

6 Other operating income

	2021	2020
	£'000	£'000
Grants received under Coronavirus Job Retention Scheme	75	-

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

7 Operating profit

	2021	2020
Operating profit for the year is stated after charging:		
	£'000	£'000
Wages and salaries	8,641	6,295
Social security costs	944	691
Other pension costs	670	472
Staff costs	10,255	7,458
Depreciation of owned fixed assets	75	89
Amortisation	5	63
Exceptional items	23	204
Operating lease charges	159	120
Cost of stocks recognised as an expense	1,534	1,651
Fees payable to the company's auditors for the audit of the company's financial statements	31	36

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

Exceptional items

Exceptional costs include £23,000 (2020: £nil) of incremental costs incurred in relation to the Coronavirus pandemic, including PPE.

In the year ended 31 March 2020, exceptional costs of £204,000 related to the impairment of intangibles.

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

8 Employees and directors

	2021	2020
	Number	Number
Average monthly number of management and supervisory staff employed (including executive directors)	32	32
Average monthly number of operational staff employed (including executive directors)	173	129
	205	161
Directors' remuneration	2021	2020
	£'000	£'000
Aggregate emoluments	316	337
Pension contributions	10	20
	326	357
Highest paid director		
Total emoluments	316	337
Pension contributions	10	20
	326	357

Retirement benefits are accruing to one director under a defined contribution scheme (2020: one).

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

9 Net interest payable and similar expenses

	2021	2020
	£'000	£'000
Interest payable and similar expenses		
Interest payable on other loans	36	90
Total interest payable and similar expenses	36	90

10 Tax on profit

	2021	2020
	£'000	£'000
Tax expense included in profit or loss		
Current tax:		
UK corporation tax on profits for the current year	988	1,020
Adjustment in respect of previous periods	(4)	(9)
Total current tax	984	1,011
Deferred tax:		
Origination and reversal of timing differences	3	(51)
Adjustment in respect of previous periods	(1)	-
Impact of changes in tax rates	-	2
Total deferred tax	2	(49)
Tax on profit	986	962

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

10 Tax on profit (continued)

Tax expense included in other comprehensive income	2021	2020
	£'000	£'000
Deferred tax:		
Charge on current year gains	1	-
Total deferred tax	1	-
Total tax expense included in other comprehensive income	1	-

Reconciliation of tax expense

The tax assessed for the year is higher (2020: higher) than the standard rate of corporation tax in the UK 19% (2020: 19%). The differences are explained below:

	2021	2020
	£'000	£'000
Profit before tax	5,186	5,056
Profit multiplied by the standard UK rate of tax 19% (2020: 19%)	985	961
Effects of:		
Expenses not deductible for tax purposes	6	8
Effect of change in corporation tax rate	-	2
Adjustment in respect of previous periods	(5)	(9)
Tax expense for the year	986	962

An increase to the UK corporation tax rate to 25% with effect from 1 April 2023 was announced on 3 March 2021 and included in Finance Bill 2021. As at the Balance Sheet date this increase was not substantively enacted and deferred taxes at the balance sheet date have been measured at 19%, being the enacted tax rate at the year end. If the announced increased in the corporation tax rate had been substantively enacted at the balance sheet date the impact on the deferred tax charge is estimated to be a credit of £8k.

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

11 Intangible assets

	Software	Patents	Total
	£'000	£'000	£'000
Cost at 1 April 2020	320	3	323
Additions	73	-	73
Cost at 31 March 2021	393	3	396
Accumulated amortisation and impairment at 1 April 2020	(320)	-	(320)
Charge for the year	(5)	-	(5)
Accumulated amortisation and impairment at 31 March 2021	(325)	-	(325)
Net book value at 31 March 2021	68	3	71
Net book value at 31 March 2020	-	3	3

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

12 Tangible assets

	Long leasehold buildings	Fixtures, fittings and equipment	Total
	£'000	£'000	£'000
Cost at 1 April 2020	1,989	1,587	3,576
Additions	-	167	167
Cost at 31 March 2021	1,989	1,754	3,743
Accumulated depreciation at 1 April 2020	(568)	(1,532)	(2,100)
Charge for the year	(33)	(42)	(75)
Accumulated depreciation at 31 March 2021	(601)	(1,574)	(2,175)
Net book value at 31 March 2021	1,388	180	1,568
Net book value at 31 March 2020	1,421	55	1,476

13 Loans to group undertakings

	<i>Restated</i>	
	At 31 March 2021	At 31 March 2020
	£'000	£'000
Loans to group undertakings	6,548	6,188

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The company's loans to group undertakings have been reclassified from debtors to fixed assets (note 23).

14 Inventories

	2021	2020
	£'000	£'000
Finished goods and goods for resale	565	559

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

15 Debtors

Amounts falling due within one year	2021	<i>Restated</i> 2020
	£'000	£'000
Trade debtors	4,106	3,628
Amounts owed by group undertakings	1,800	1,600
Deferred tax asset (note 17)	30	33
Prepayments and accrued income	3,241	2,354
	9,177	7,615

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

16 Creditors: amounts falling due within one year

	2021	2020
	£'000	£'000
Trade creditors	1,127	567
Amounts owed to group undertakings	4,226	997
Corporation tax	1,307	917
Other taxation and social security	850	585
Other creditors	23	11
Accruals and deferred income	5,987	7,950
	13,520	11,027

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

17 Deferred taxation

The provision for deferred tax consists of the following deferred tax assets:

	2021 £'000	2020 £'000
Fixed asset timing differences	28	33
Other temporary differences	2	-
Total deferred tax asset	30	33

	2021 £'000	2020 £'000
Brought forward at 1 April	33	(16)
(Charge) / credit for the year	(2)	49
(Charge) / credit in other comprehensive income for the year	(1)	-
Carried forward at 31 March	30	33

The amount of deferred tax expected to be reversed in the next 12 months is £nil (2020: £nil).

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

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 2021 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below:

	2021 % pa
Discount rate	2.20
Inflation rate	3.40
Increase to deferred benefits during deferment	3.40
Increases to inflation related pension in payment	3.20

At 31 March 2021 and 31 March 2020, the deficit recognised in the balance sheet was as follows:

Amounts recognised in the balance sheet	2021 £'000	2020 £'000
Present value of funded obligations	(34)	-
Fair value of scheme assets	26	-
Net liability at the end of the year excluding deferred tax	(8)	-
Related deferred tax liability	(1)	-
Net pension liability	(9)	-

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

18 Pensions and similar obligations (continued)

Changes in scheme assets	2021 £'000	2020 £'000
Balance b/fwd	-	-
Employer contributions	26	-
Balance as at 31 March	26	-
Actual return on scheme assets	-	-

Changes in scheme liabilities	2021 £'000	2020 £'000
Balance b/fwd	-	-
Current service costs	(37)	-
Actuarial gain	3	-
Balance as at 31 March	(34)	-

The overall deficit movement may be summarised as follows:

Movements in balance sheet net liability	2021 £'000	2020 £'000
Deficit b/fwd	-	-
Administration costs	(37)	-
Contributions	26	-
Actuarial gains	3	-
Net liability at the end of the year (excluding deferred tax)	(8)	-

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

18 Pensions and similar obligations (continued)

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:

Expense recognised in the profit and loss account	2021	2020
	£'000	£'000
Administration cost – scheme expenses	(37)	-
Charge to operating profit	(37)	-
Expense recognised in the profit and loss account	(37)	-

Analysis of amounts recognised in the Statement of Comprehensive income	2021	2020
	£'000	£'000
Experience gains arising on the scheme liabilities	1	-
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities	2	-
Actuarial gains in schemes	3	-

The fair value of the plan assets was:

	2021	2020
	£'000	£'000
Cash	26	-
Total assets	26	-

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

18 Pensions and similar obligations (continued)

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:

	2021	2020
	£'000	£'000
Current year contributions	633	472

19 Called up share capital

	2021	2020
	£'000	£'000
Allotted and fully paid share capital		
22,000 (2020: 22,000) ordinary shares of £1 each	22	22
	22	22

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 2021 was £nil (2020: £nil).

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

21 Capital commitments

As at 31 March, the company had the following future minimum lease payments under non-cancellable operating leases for each of the following years:

	2021 £'000	2020 £'000
Payments due		
Within one year	229	120
Between one and five years	942	233
Greater than five years	254	179
	1,425	532

The company had no other off-balance sheet arrangements.

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 £63,450 (2020: £75,893) to Morris House Properties Ltd, an entity controlled by M A Turner. A balance of £nil was outstanding at the year-end (2020: £nil).

During the year, the company paid rent, insurance and service charges of £52,010 (2020: £36,539) to Suffolk Life, a SIPP owned by M A Turner and four other individuals. A balance of £nil was outstanding at the year-end (2020: £nil).

23 Prior year adjustment

The company's loans to group undertakings of £6,188,000 have been reclassified from debtors to fixed assets. This represents the fact that these amounts 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. The prior year ended 31 March 2020 has been restated to reflect the above.

	As originally presented At 31 March 2020 £'000	Restated At 31 March 2020 £'000
Fixed Assets	1,479	7,667
Debtors	13,803	7,615

Magdalene Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

24 Controlling parties

At 31 March 2021, 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.

25 Subsidiary undertakings

The company's subsidiary undertaking at 31 March 2021 (set out below) is a wholly owned subsidiary, with an accounting year end of 31 March. The undertaking principally operates in their country of incorporation.

Company	Registered country	Company's equity shareholding at 31 March 2021	Principal business
Magdalene Telecom Limited	England & Wales	100%	Dormant.

Magdalene Telecom Limited is exempt from audit by virtue of s479A 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 (2020: £nil).

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