

M (DGP2) LIMITED
Report and Financial Statements
Year ended 31 March 2012



M (DGP2) LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

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M (DGP2) LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

C G Donaldson
M A Webberley

SECRETARY

C G Donaldson

REGISTERED OFFICE

Point 3
Haywood Road
Warwick
CV34 5AH

M (DGP2) LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 March 2012

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

PRINCIPAL ACTIVITIES AND FUTURE PROSPECTS

The Company is an investment holding company and the Directors anticipate that the Company will carry on this activity for the foreseeable future. The Company has been dormant as defined in section 1169 of the Companies Act 2006 throughout the year.

The parent company, **telent** Limited, has agreed to support the Company for at least the next 12 months, commencing from the date of signing these accounts. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS

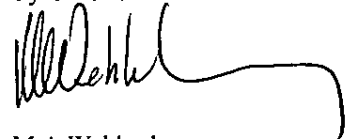
The Directors holding office since 1 April 2011 are listed below

C G Donaldson

K D Smith (Resigned 29 July 2011)

M A Webberley (Appointed 29 July 2011)

By Order of the Board



M A Webberley

Director

3 October 2012

M (DGP2) LIMITED

BALANCE SHEET

As at 31 March 2012

	Note	2012 £000	2011 £000
FIXED ASSETS			
Investments – shares in Group undertaking	4	78,524	78,524
NET ASSETS		<u>78,524</u>	<u>78,524</u>
CAPITAL AND RESERVES			
Called up share capital	5	1,112,434	1,112,434
Share premium	5	225	225
Capital contribution		828,420	828,420
Profit and loss account		(1,862,555)	(1,862,555)
SHAREHOLDERS' FUNDS		<u>78,524</u>	<u>78,524</u>

The Company did not trade during the current or preceding period and has made neither a profit nor loss, nor any other recognised gain or loss

For the year ended 31 March 2012 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 ("the Act") relating to dormant companies

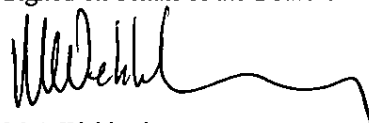
The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

The accompanying notes are an integral part of this balance sheet

The Board of Directors approved and authorised for issue the financial statements of M (DGP2) Limited, registered number 3545363 on 3 October 2012

Signed on behalf of the Board of Directors by



M A Webberley
Director

M (DGP2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

1. ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below which have been applied consistently during the current and preceding periods.

Accounting convention

With effect from 1 April 2010 the functional currency of the Company changed from USD to GBP. This was as a result of the redenomination of inter-company loans from USD to GBP and therefore the primary currency of the environment the Company operates in was no longer considered by the Directors to be USD.

Group accounts

The financial statements contain information about M (DGP2) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of **telent** Limited, a company registered in England.

Going Concern

The parent company, **telent** Limited, has agreed to support the Company for at least the next 12 months, commencing from the date of signing these accounts. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Taxation

Taxation on profit on ordinary activities is that which has been paid or becomes payable in respect of profits for the year after taking account of adjustments in respect of prior period liabilities.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Investments

Investments are stated at cost less provision for any impairment.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Profit and loss account

The Company has been non-trading during the current and preceding financial years. Accordingly, a Profit and Loss Account has not been prepared.

2. DIRECTORS AND EMPLOYEES

The Directors are employed and remunerated by other companies in the **telent** Group. They do not receive any remuneration specifically for their services as Directors of the Company (2011: £nil). The Company had no employees during the year (2011: none). Fees payable to the Company's auditor for the audit of the annual accounts were £1,800 in the prior year and were borne by another Group company.

M (DGP2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

3. DEFERRED TAX

Deferred tax assets totalling £27 million (2011 £29 million) have not been recognised in respect of interest payable arising in 2004 and prior years as the Company is not sufficiently certain that it will be able to recover these assets within a relatively short period of time

Deferred tax has been calculated using a rate of 24%. The UK Government has also indicated that it intends to enact future reductions in the main tax rate of 1% each year down to 22% by 1 April 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. The future annual 1% main tax rate reductions are expected to have an impact on our financial statements. However the actual impact will be dependent on our deferred tax position at that time.

4. INVESTMENTS - SHARES IN GROUP UNDERTAKINGS

	Cost £000	Provisions £000	Net Book Value £000
At 1 April 2011 and at 31 March 2012	78,524	-	78,524

As at 31 March 2012, the Company held 50% of the ordinary share capital of Regents Place LLC – an investment holding company incorporated in the United States of America

5. SHAREHOLDERS' FUNDS

	2012 £000	2011 £000
Called up share capital		
Authorised:		
At 1 April and 31 March (1,000,000 ordinary shares of £1 each and 2,000,000,000 ordinary shares of \$1 each)	2,318,478	2,318,478
Issued, called up and fully paid.		
At 1 April and 31 March (845,000 ordinary shares of £1 each and 1,686,101,002 ordinary shares of \$1 each)	1,112,434	1,112,434
Share premium		
At 1 April and 31 March	225	225

The carrying value of the share capital has been calculated by converting the amount reported in US Dollars of 1,687,451,000 at the rate on 1 April 2010 when the functional currency of the Company changed

6. CASH FLOW STATEMENT

The Company is a wholly owned subsidiary of telent Limited, in whose consolidated financial statements, which are publicly available, the Company is included. The Company is therefore exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard 1 (Revised)

M (DGP2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2012

7. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of **telent Limited**. Advantage has been taken of the exemption permitted by Financial Reporting Standard 8 not to disclose transactions with entities that are part of the **telent** Group or investees of the Group qualifying as related parties.

8. ULTIMATE PARENT COMPANY

The Company's ultimate controlling party is Tusk Investments LP Inc, a Guernsey registered limited liability partnership. The Company's immediate parent and controlling company is **telent Limited**, which is the only parent undertaking to consolidate the financial statements of the Company.

Copies of the financial statements of **telent Limited** are available from the Secretary at Point 3, Haywood Road, Warwick, CV34 5AH.