

Company Registration No. 03246779 (England and Wales)

**MYCOM (UK) LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2021**



# MYCOM (UK) LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	M M Ladki A Coll M Stevens
<b>Company secretary</b>	S McClelland
<b>Company number</b>	03246779
<b>Registered office</b>	6th Floor 2 Kingdom Street London W2 6BD
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants Davidson House Forbury Square Reading Berkshire RG1 3EU

# MYCOM (UK) LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2021

---

#### **Introduction**

Mycom (UK) Limited is part of the Mycom OSI group. Mycom OSI was formed in 2014 by combining two leading Telecom Industry Service Assurance software providers – Mycom and OSI. The heritage of Mycom (Est. 1997) is in Network Performance Management, and OSI (Est. 1989) in Fault Management, with both offering Service Management capabilities. In 2018 the Mycom OSI group was purchased by the Magnate group. Today the group's portfolio of applications are cloud native, integrated and provide real time assurance powered by automation, analytics and artificial intelligence / machine learning.

With this powerful suite of applications, the group continues to grow its portfolio of tier 1 Communications Service Providers ("CSPs"), including some of the world's largest, and as such Mycom OSI technology helps manage the experience of 2bn+ tier 1 CSPs customers globally.

*Mycom OSI is headquartered in London, UK with 250+ staff in offices worldwide serving customers in all continents.*

#### **Strategy, objectives and business model**

The company's strategy is to be the leading specialist assurance software provider in the global telecoms market. Achieving this will require investment in people, processes and systems.

The board regularly review the group's strategy to ensure it reflects the opportunities identified in the markets which Mycom (UK) Limited operates in, as well as those emerging markets where management can use its experience and technology to grow the company's business model. The company is focused on growing the opportunity pipeline and with continued investment in its sales and marketing teams, there are many opportunities for growing the order book and future revenues.

The creation of a single global delivery team during 2020 has increased the company's efficiency and has been pivotal in supporting the continual improvement of delivery of services to its customers, and this focus will continue into the coming financial years.

The business is in an enhanced position to target future growth opportunities across wider markets, including where customers are looking for more end to end services in the mobile technology and private network markets.

The company continues to strengthen its brand and account relationships at all levels, including tier 1 mobile telecommunication suppliers, 5G network providers and the supply chain partners delivering to these customers. Focusing on excellent service comes with a passion for improvement. Management always looks to do better, to be more productive and to find new ways to help deliver a competitively priced service to all customers.

At the heart of the company's business model is a set of key strengths, which provide a framework for competing effectively in a highly competitive market. The company's competitive advantages derive from its focus on continually developing its leading assurance software, on maintaining agility to be highly responsive to all customers' needs and values, whilst focusing on delivering the best for its customers.

The company builds long term and mutually beneficial relationships with its customers. This enables a better understanding of their goals and challenges. This in turn informs the technology roadmap that sets out how the products are developed leading to customers expanding their contracts to incorporate these developments.

# MYCOM (UK) LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2021

---

#### Core values

Whilst the company uses technology and processes, the core of its business is people. It is these people who keep Mycom at the forefront of its markets with their passion for the innovation and design of existing and new products and solutions.

Mycom is a value led business and could not succeed without the skill and dedication of its workforce, they embody the culture and values and ensure the delivery of the excellent service on which the company's success depends.

As a value led organisation, corporate responsibility is a consistent theme running through its strategy. Acting responsibly enables the company to be a better, more efficient business and a good corporate citizen that benefits society in numerous ways.

The company's approach to responsible business influences everything from the countries that are chosen to operate in, to the way it manages and develops its people. It helps in the delivery of excellent service by ensuring all colleagues are kept safe and secure, improves the company's efficiency by encouraging a reduction in the energy and resource used, which at the same time mitigates the environmental impact.

The company has technically able and dedicated employees and without these teams the successful delivery of its suite of products would not be possible. The directors would therefore like to thank the teams for their support through the past year of transformation.

#### Business review

The results for the company are set out on page 11. Revenue for the year increased by 1.6%, this was in line with management's expectation.

Revenue from subscription services has grown in the year as the company continues to convert existing on-premise customers to its cloud offering, upsell new product offerings as well as acquiring new customers. It is management's belief that this revenue stream will continue to grow. The professional services revenue stream is also expected to continue increasing as the company continues to invest in the delivery team and responds to customer requests for additional support.

The company incurred an operating loss of £1.9m, this was after the group wide transformation programme and investment in its sales and marketing teams. The directors believe that the company will grow all revenue streams and generate profit as it further strengthens its position in the cloud technology market.

#### Financial key performance indicators (KPIs')

The main financial KPIs used by the company are the revenue generated and operating profit, as these are used to ensure the company can continue operations in the future.

- Revenue for the year increased by 0.5% to £23,585,082 (2020: £23,466,831).
- The operating loss for the year decreased to £1,921,633 (2020 As Restated: £5,307,902).

The directors consider the key performance indicator of the company to be to the degree to which it is able to profitably grow the business in service assurance to a growing worldwide customer base and therefore both turnover growth and operating profit are under constant review. It must also ensure that it successfully manages any exposure to the market such as currency fluctuations.

The prominent balance sheet accounts for the year ended 31 March 2021 are:

- Debtors of £12,928,045 (2020: £9,879,827) – The increase relates to the timing of some annual customer receipts and an increase in intercompany transactions
- Accruals and deferred income £12,622,180 (2020 As Restated: £11,310,048) – Year on Year balances remain at a similar level

# MYCOM (UK) LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2021

---

#### **Future developments**

The year saw the company break into a new geographical market by securing a full SaaS Assurance Cloud™ deal with Singtel. Being selected to support Singtel's newly established Service Operations Centre has made the company a key enabler of their strategic move into differentiated service quality and customer experience in the highly competitive Singapore market.

2021 has also seen the delivery commence to Singtel of the first phase of the Assurance Cloud™ supporting the 5G network, both Non-Standalone and the advanced Standalone variation. Subsequent phases will see the expansion into pre-5G mobile technologies and VAS and fixed network domains.

The company is also engaging with Singtel on how it can support at its Innovation Labs, with a truly collaborative approach to maximizing value across the Singapore business.

#### **Principal risks and uncertainties**

##### *Competitive environment*

The company operates in a competitive environment with competition from a broad range of organisations. Failure to continue innovating could reduce the value of the company's customer proposition and therefore its leading competitive position.

To mitigate this the group invests heavily in research and development to continue the innovation of the suite of assurance applications and to keep at the forefront of an ever-changing market.

##### *Major information security breach or cyber attack*

A major information security breach resulting in the loss or compromise of sensitive information (including personal or customer) or wilful damage resulting in the loss of service, causing significant reputational damage, financial penalties and loss of customer confidence.

We continue to make significant investments in cyber security for both the customer facing products and inhouse core networks.

##### *Contract non-compliance*

Failure to deliver contractual requirements or to meet agreed service performance levels and report against them accurately may lead to significant financial penalties or legal notices.

Any failure in delivery of this technical product suite into the customer could also result in increased project delivery costs and the risk to reputation. As such regular reviews of delivery projects are conducted.

##### *Currency risk*

The company's transactions are primarily carried out in British Pounds and US Dollars. The company is able to net the USD amounts with other subsidiaries in the group where sufficient cash balances are maintained so that transactional risk across the group is considered manageable.

##### *Liquidity risk*

The group produces frequent forward cash flow forecasts, that are reviewed at the group board meeting, to ensure that revenue receipts and cash payments are appropriately managed for each of the trading companies. Sufficient resources are maintained to meet the group's cash requirements for the foreseeable future.

##### *Credit risk*

As with any other business, the company is exposed to credit risk through potential bad debts and disputes with customers that could result in non-payment of amounts due under contracts.

The company's customers are large tier 1 CSPs and as such are financially stable. The company's processes are to regularly monitor customer delivery and ensure that customer invoicing only occurs in accordance with the customer contract. Likewise, the company's payment terms to suppliers are materially once services or goods have been received.

---

# MYCOM (UK) LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2021

---

#### Section 172 Statement

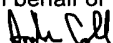
The Directors consider that they have acted, in good faith, in a way that is most likely to promote the success of the Company for the benefit of its members as a whole, having regard (among other matters) to the matters set out in section 172(1)(a-f) of the Companies Act 2006.

The Board regularly considers stakeholder groups and their most significant issues, views and interests as well as the financial and long-term impact of key actions throughout its decision-making process.

Examples of some of the key strategic issues considered and decisions made by the Board during the year and an explanation of how the Board has had regard to the matters in section 172(1) (a-f) in reaching decisions are set out below –

- **Maintaining the resilience of the business in the context of the significant financial and economic uncertainty caused by COVID-19.**  
The challenges arising from COVID-19 required the Board to act swiftly and approve measures to increase the resilience of the business and protect the interests of all stakeholders, this was achieved by focusing on preserving cash by carrying out detailed cashflow forecasts, providing regular updates to colleagues to allay their worries of uncertainty and to work with partners and customers to ensure a consistent service was provided throughout the period.
- **Looking after the health and safety of colleagues**  
The Board recognised that the pandemic could have a negative impact on colleagues' physical and mental wellbeing, reinforcing that people continue to be the top priority. The use and development of existing programmes to support the mental wellbeing of colleagues, especially in the context of working from home, with continued investment in technology and systems to enable colleagues to optimise digital working. Development of a phased approach to re-entering the office safely and all employees offered a hybrid working arrangement.

On behalf of the board



.....  
Date: 26/04/22

A Coll  
Director

# MYCOM (UK) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2021

---

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

#### Principal activities

The principal activity of the company continued to be that of the provision of computer and telecommunications consultancy services. The company is continuing its marketing efforts in line with previous years to capture a larger market share in Europe and Asia and the directors consider that an increasing rate of growth in the future will be achievable.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M M Ladki

O Clark (Appointed 24 July 2020 and resigned 11 December 2020)

A Coll (Appointed 11 December 2020)

M Stevens (Appointed 11 December 2020)

#### Results and dividends

The results for the year are set out on page 11. No ordinary dividends were paid (2020: £nil). The directors do not recommend payment of a final dividend.

#### Qualifying third party indemnity provisions

Magnate Topco Limited, the ultimate parent company, has made qualifying third party indemnity provisions for the benefit of the directors of all entities within its group, including Mycom (UK) Limited, during the period. These provisions remain in force at the reporting date.

#### Going concern

A detailed assessment of on-going cash flow requirements has been made by the directors, and they have assessed the cash flow needs over the next 12 months, based on a number of potential strategic scenarios. The group continues to deliver strong revenue performance and underlying cash flow generation, the company cash position at last month end remains positive. Over the next 12 months, the group expects to maintain and grow existing customer contracts and win new opportunities with major tier 1 CSPs.

The directors do not foresee any issues arising from the Covid-19 pandemic and there have been no material impacts to revenue, profit or operational performance. The directors are continually reviewing their plans and forecasts, including modelling potential scenarios resulting from the impact of Covid-19. Based on these projections and having considered the effects of Covid-19, and the potential impact it may cause on the ability of the company to continue as a going concern, the directors consider the company will have sufficient cash resources for a period of at least 12 months from the date of approval of these financial statements and have considered that continuing going concern is an appropriate basis of preparation in these financial statements.

#### Auditor

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

#### Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

#### Energy and Greenhouse Gas Report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

# **MYCOM (UK) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 MARCH 2021**

---

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 101 Reduced Disclosure Framework ("FRS 101"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MYCOM (UK) LIMITED

---

### Opinion

We have audited the financial statements of Mycom (UK) Limited (the 'company') for the year ended 31 March 2021 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 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.

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.

### Opinion on other matter 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MYCOM (UK) LIMITED

---

### **Matters on which we are required to report by exception**

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 material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, 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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MYCOM (UK) LIMITED

---

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 101, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and reviewing tax computations.

The audit engagement team identified the risk of management override of controls and cut-off of revenue as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed with respect to management override of controls included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. Audit procedures performed with respect to cut-off of revenue included but were not limited to testing a sample of revenue items on either side of the year-end to confirm they had been recognized appropriately.

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

### **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.

*Neil Mellor*

Neil Mellor (Senior Statutory Auditor)  
for and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Davidson House  
Forbury Square  
Reading  
Berkshire  
RG1 3EU

26/04/22

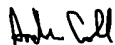
**MYCOM (UK) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2020 (As Restated) £
Turnover	3	23,585,082	23,466,831
Cost of sales		<u>(17,571,295)</u>	<u>(19,776,629)</u>
Gross profit		6,013,787	3,690,202
Administrative expenses		<u>(7,935,420)</u>	<u>(8,998,104)</u>
Operating loss	5	(1,921,633)	(5,307,902)
<i>Comprising operating loss from</i>			
Underlying operating loss		(1,921,633)	(3,582,672)
Exceptional items		<u>-</u>	<u>(1,725,230)</u>
		(1,921,633)	(5,307,902)
Interest payable and similar charges	9	<u>(14,006)</u>	<u>(32,090)</u>
Profit/(loss) before taxation		(1,935,639)	(5,339,992)
Taxation	10	<u>(707,382)</u>	<u>1,041,818</u>
Profit/(loss) for financial year		<u>(2,643,021)</u>	<u>(4,298,174)</u>

**MYCOM (UK) LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2021**

		2021		2020 (As Restated)	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Property, plant and equipment	11		180,515		313,921
<b>Current assets</b>					
Debtors	12				
- due within one year		12,282,942		9,879,827	
- due after one year		645,103			
Cash at bank and in hand		1,685,310		449,200	
		14,613,355		10,329,027	
Deferred tax	15	291,235		998,617	
<b>Creditors: amounts falling due within one year</b>	13	(16,817,459)		(12,798,875)	
<b>Net current (liabilities)/assets</b>			(1,912,869)		(1,471,231)
<b>Total assets less current liabilities</b>			(1,732,354)		(1,157,310)
<b>Creditors: amounts falling due after one year</b>	14		(2,125,616)		(57,639)
<b>Net (liabilities)/assets</b>			(3,857,970)		(1,214,949)
<b>Capital and reserves</b>					
Called up share capital	17		435,110		435,110
Profit and loss reserves	18		(4,293,080)		(1,650,059)
<b>Total equity</b>			(3,857,970)		(1,214,949)

The financial statements on pages 11 to 32 were approved by the board of directors and authorised for issue on 26/04/22..... and are signed on its behalf by:



.....  
A Coll  
Director

**MYCOM (UK) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2019:</b>		435,110	2,648,115	3,083,225
Loss and total comprehensive income for the year (As Restated)		-	(4,298,174)	(4,298,174)
<b>Balance at 31 March 2020 (As Restated):</b>		435,110	(1,650,059)	(1,214,949)
<b>Year ended 31 March 2021:</b>				
Balance at 1 April 2020		435,110	(2,939,401)	(2,504,291)
Prior period adjustment	20	-	1,289,342	1,289,342
Balance at 1 April 2020 (As Restated)		435,110	(1,650,059)	(1,214,949)
Loss and total comprehensive income for the year		-	(2,643,021)	(2,643,021)
<b>Balance at 31 March 2021</b>		<b>435,110</b>	<b>(4,293,080)</b>	<b>(3,857,970)</b>

# MYCOM (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

---

#### 1 Accounting policies

##### Company information

Mycom (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 6<sup>th</sup> Floor, 2 Kingdom Street, W2 6BD, London.

The company's principal activities and nature of its operations are disclosed in the directors' report.

##### Accounting convention

These financial statements were prepared in accordance with Financial Reporting Standard 101: Reduced Disclosure Framework ("FRS 101").

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention.

In preparing these financial statements, the company applies the recognition and measurement requirements of adopted International Financial Reporting Standards ("IFRS"), amended where necessary in order to comply with Companies Act 2006.

##### Reduced disclosures

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements and, where relevant, equivalent disclosures have been made in the group accounts of the ultimate parent company, in accordance with FRS 101:

- Presentation of a Statement of Cash Flows and related notes; [FRS 101.8(h), FRS 101.8(g), IAS 1.10(d), 38A&111]
- Revenue disclosures, including:-
  - Disaggregated and total revenue from contracts with customers; [FRS 101.8(eA), IFRS 15.113(a), 114 & 115]
  - Explanation of significant changes in contract assets and liabilities; [FRS 101.8(eA), IFRS 15.118]
  - Description of when performance obligations are satisfied, significant payment terms, and the nature of goods and services to be transferred; [FRS 101.8(eA), IFRS 15.119(a)to(c)]
  - Aggregate transaction price allocated to unsatisfied performance obligations and when revenue is expected to be recognised; [FRS 101.8(eA), IFRS 15.120-122]
  - Significant judgements in determining the amount and timing of revenue recognition and the amount of capitalised costs to obtain or fulfil a contract; [FRS 101.8(eA), IFRS 15.123, 125 & 127(a)]
  - Methods used to recognise revenue over time, determine transaction price and amounts allocated to performance obligations and determine amortisation of capitalised cost to obtain or fulfil a contract; [FRS 101.8(eA), IFRS 15.124, 126 & 127(b)]

# MYCOM (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

---

#### 1 Accounting policies (Continued)

- Financial instrument disclosures, including:-
  - Carrying amounts and fair values of financial instruments by category and information about the nature and extent of risks arising on financial instruments;
  - Income, expenses, gains and losses on financial instruments;
  - Information about financial instruments measured at fair value through profit or loss, including the impact of credit risk, and about compound financial instruments;
  - Information about financial instruments that have been reclassified, derecognised, transferred or offset;
  - Details of credit losses, collateral, loan defaults or breaches;
  - Details of hedging relationships and the effect of hedge accounting on profit or loss, other comprehensive income and equity;
  - Information about investments in equity instruments designated at fair value through OCI;
  - Effects of initial application of IFRS 9;
- For financial instruments, investment property and biological assets measured at fair value:-
  - Valuation techniques (including inputs used to measure fair value, sensitivity of fair values to unobservable inputs and the impact of credit risk on the fair value), classification within the fair value hierarchy (Levels 1, 2 & 3) and changes thereto, and a description of the valuation process (if Level 3);
  - Level 3 fair value gains/losses relating to assets held at the year-end;
  - If highest and best use of a non-current asset differs from its current use ;
- Valuation technique(s) and assumptions used to measure recoverable amounts for impairment tests in respect of:-
  - assets or CGUs for which impairment losses are recognised or reversed in the period where recoverable amount is based on fair value less costs of disposal; [FRS 101.8(l), IAS 36.130(f)(ii)(iii)]
  - a CGU or group of CGUs containing significant goodwill or intangible assets with indefinite useful lives; [FRS 101.8(l), IAS 36.134 (d)-(f), IAS 36.135 (c)-(e)]
- Presentation of a third statement of financial position when items are adjusted retrospectively or reclassified and the impact is material; [FRS 101.8(g), IAS 1.10(f)&40A-40D]
- Comparative narrative information that continues to be relevant to the current period; [FRS 101.8(g), IAS 1.38B]
- Comparative period reconciliations for the number of shares outstanding and the carrying amounts of property, plant and equipment, intangible assets, investment property and biological assets; [FRS 101.8(f), IAS 1.79(a)(iv), IAS 16.73(e), IAS 38.118(e), IAS 40.76 & 79(d), IAS 41.50 ]
- Disclosure of key management personnel compensation, and amounts incurred for the provision of key management personnel services by a separate management entity; [FRS 101.8(j), IAS 24.17&18A]
- Related party disclosures for transactions with the parent or wholly owned members of the group; and [FRS 101.8(k)]
- Disclosure of the objectives, policies and processes for managing capital; [FRS 101.8(g), IAS 1.134-136]

**MYCOM (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

**1 Accounting policies (Continued)**

The financial statements of Mycom (UK) Limited are consolidated into the financial statements of Magnate Midco Limited which is the parent of the largest group which produces consolidated financial statements. The financial statements of Magnate Midco Limited are publicly available and can be obtained from Companies House, or the company's registered office: 6th Floor, 2 Kingdom Street, W2 6BD, London.

**Going concern**

A detailed assessment of the on-going cash flow requirements, has been made by the directors, and they have assessed the cash flow needs over the next 12 months, based on a number of potential strategic scenarios. The company continues to deliver strong revenue performance and underlying cash flow generation, the company cash position at last month end remains positive. Over the next 12 months, the group expects to maintain and grow existing customer contracts and win new opportunities with major tier 1 CSPs.

The directors do not foresee any issues arising from the Covid-19 pandemic and there have been no material impacts to revenue, profit or operational performance.

The directors are continually reviewing their plans and forecasts, including modelling potential scenarios resulting from the impact of Covid-19. Based on these projections and having considered the effects of Covid-19, and the potential impact it may cause on the ability of the company to continue as a going concern, the directors consider the company will have sufficient cash resources for a period of at least 12 months from the date of approval of these financial statements and have considered that continuing going concern is an appropriate basis of preparation in these financial statements.

# MYCOM (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

---

#### 1 Accounting policies (Continued)

##### Turnover

##### **Revenue from contracts with customers**

Revenue is recognised at an amount that reflects the consideration to which the entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

##### **Rendering of services**

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

##### **Property, plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	Over 5 years – straight line method
Fixtures & furniture	Over 3 years – straight line method
Computer equipment	Over 3 years – straight line method

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

# MYCOM (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2021

---

#### 1 Accounting policies (Continued)

##### **Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

##### **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

##### **Impairment of fixed assets**

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amounts of the Company's tangible fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, based on the time value of money. Risks specific to the assets are included in the determination of cash flows.

Assets that have suffered an impairment are tested for possible reversal of the impairment at each reporting date if indications exist that impairment losses recognised in prior periods no longer exist or have decreased.

##### **Financial assets**

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

##### **Trade, group and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**MYCOM (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

**1 Accounting policies (Continued)**

***Impairment of financial assets***

The company recognises an allowance for Expected Credit Losses, or an ECL, for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12 month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Impairment losses and any subsequent reversals of impairment losses, are adjusted against the carrying amount of the receivable and are recognised in profit or loss.

**Financial liabilities**

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

***Trade, group and other payables***

Trade, group and other payables are initially measured at fair value, net of direct transaction costs and subsequently measured at amortised cost.

***Interest-bearing loans and borrowings***

All loans and borrowings are initially recognised at fair value, less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

**Equity instruments**

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs.

**MYCOM (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

**1 Accounting policies (Continued)**

**Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**Retirement benefits**

For defined contribution schemes the amount charged to the statement of comprehensive income is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

**Foreign exchange**

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to the profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

**Leases – the company as lessee**

On commencement of a contract (or part of a contract) which gives the company the right to use an asset for a period of time in exchange for consideration, the group recognises a right-of-use asset and a lease liability unless the lease qualifies as a 'short-term' lease or a 'low-value' lease.

Where the lease term is twelve months or less or the leased asset has a value of \$5,000 or less, and the lease does not contain an option to purchase the leased asset, lease payments are recognised as an expense on a straight-line basis over the lease term.

**MYCOM (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

**1 Accounting policies (Continued)**

**Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

**MYCOM (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

**2 Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**Critical accounting judgements**

*Lease accounting – determining the lease term*

The company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend or terminate the lease. In making this judgement, the company evaluates whether it is reasonably certain to exercise the option to renew or break the lease term.

That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal and the circumstances and facts for each lease including past experience to determine the likely lease term and whether the break option is likely to be exercised. This includes an assessment on the length of time remaining before the option is exercisable, current trading conditions and future trading forecasts on the ongoing profitability of the business.

After the lease commencement date, the company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (for example, a change in business strategy).

As at 31 March 2021, it has been assumed that the lease for leasehold premises will be until the end of the break clause.

**Estimation uncertainty**

*Lease accounting – determination of the appropriate rate to discount the lease payments*

The company uses the wider groups incremental borrowing rate as the discount rate for determining its lease liabilities at the lease commencement date since the rate implicit in the lease cannot be readily determined. The calculation of the incremental borrowing rate involves estimation and is based on the average interest rate of all wider group debt outstanding at the time the lease began.

**3 Turnover**

An analysis of the company's turnover by class is as follows:

	2021 £	2020 £
Licenses	654,612	2,834,673
Software as a Services ("SaaS")	6,727,682	3,711,998
Professional services	905,036	892,122
Post contractual services	4,283,972	3,461,294
Intercompany revenue	11,013,780	12,566,744
	<u>23,585,082</u>	<u>23,466,831</u>

**MYCOM (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**3 Turnover (continued)**

**Geographic information**

	2021 £	2020 £
United Kingdom	6,628,038	6,852,265
Rest of Europe	1,443,936	690,900
Rest of the world	15,513,109	15,923,666
	<u>23,585,082</u>	<u>23,466,831</u>

**4 Revenue from contracts with**

*Contract balances*

	Contract Assets 2021 £	Contract Assets 2020 £	Contract Liabilities 2021 £	Contract Liabilities 2020 (As Restated) £
<b>Balance as at 1 April</b>	<b>214,330</b>	<b>4,350,452</b>	<b>(9,215,938)</b>	<b>(4,392,089)</b>
Revenue recognised in the period that was included in the opening contract	-	-	5,942,145	4,016,673
Additions	32,380	1,598,478	(8,006,619)	(8,840,523)
Impairment of contract assets	-	(3,014,572)	-	-
Contract assets reclassified as a receivable	(212,585)	(2,720,028)	-	-
<b>Balance as at 31 March</b>	<b>34,126</b>	<b>214,330</b>	<b>(11,280,412)</b>	<b>(9,215,938)</b>

The timing difference between recognition and payment could result in the recognition of contract assets or liabilities.

Contract assets occur when revenue recognised is in excess of the amount billed by the group and the right to payment is subject to conditions other than the passage of time, such as the completion of a related performance obligation. For time-based license sales, revenues may be recognised in advance of payment.

The directors assesses whether contract assets are impaired based on a combination of factors, including anticipated effects related to current economic conditions, as well as management knowledge of the current composition of unbilled receivables.

Contract liabilities consist of billings and payments received in advance of revenue recognition, such as maintenance support agreements, payments for services received in advance, as well as annual billed services. Amounts received in advance are deferred and recognised rateably over the period of delivered services.

**MYCOM (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**5 Operating loss**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>(As Restated)</b>
		<b>£</b>
Operating loss for the year is stated after charging:		
Foreign exchange (gains)/losses	1,118,282	(564,092)
Impairment loss on contract assets	-	1,725,230
Fees payable to the company's auditor and its associates:		
For the audit of the company's financial statements	56,000	25,000
Tax advisory services	5,500	5,500
All other non-audit services	2,750	3,000
Depreciation:		
Right-of-use assets	143,981	143,981
Other assets	102,044	90,225
Total depreciation charge on leased assets	<u>143,981</u>	<u>143,981</u>

**6 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Development, consultancy, maintenance, and support	28	24
Sales and marketing	4	14
Administration	12	10
	<u>44</u>	<u>48</u>

Their aggregate remuneration comprised:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	4,193,013	5,193,726
Social security costs	463,010	501,382
Pension costs	178,634	251,478
	<u>4,834,657</u>	<u>5,946,586</u>

**7 Directors' remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	511,447	782,795
Pension costs	27,698	27,680
	<u>539,145</u>	<u>810,475</u>

**MYCOM (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

**7 Directors' remuneration (continued)**

	2021 Number	2020 Number
Number of directors accruing under a defined contribution pension scheme	3	1
Number of directors accruing under a defined benefit pension scheme	1	1

The highest paid director received remuneration of £294,362 (2020: £486,326). Of the total director remuneration of £511,447 (2020: £782,785), £294,362 (2020: £296,469) was paid by another group company.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £18,876 (2020: £9,340).

**8 Impairment losses on financial instruments**

	2021 £	2020 (As Restated) £
Impairment losses on financial assets measured at amortised cost:		
Contract assets	-	1,725,230
Impairment losses included in administrative expenses	-	1,725,230

**9 Interest payable and similar charges**

	2021 £	2020 £
Interest expense on lease liabilities	12,687	29,502
Other interest payable	1,319	2,588
	14,006	32,090

**MYCOM (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**10 Taxation**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>The tax charge represents:</b>		
UK corporation tax on profits of the period at 19% (2020: 19%)	-	-
(Over)/under provision of prior year tax	-	(30,732)
Total corporation tax	<u>-</u>	<u>(30,732)</u>
Adjustments in respect of prior periods	-	(12,469)
Origination and reversal of temporary differences	707,382	(998,617)
Total deferred tax	707,382	(1,011,086)
Total taxation charge/(credit)	<u>707,382</u>	<u>(1,041,818)</u>

The charge for the year can be reconciled to the loss per the income statement as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>(As Restated)</b>
		<b>£</b>
Profit/(Loss) before taxation	(1,935,639)	<u>(5,339,992)</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2020: 19%)	(367,771)	<u>(1,014,598)</u>
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	36,519	161,585
Unrecognised deferred tax asset on loss carryover	23,640	-
Capital allowances	(25,339)	(18,313)
Adjustments to tax charge in respect of prior periods	-	(313,948)
Group relief surrendered	41,716	186,657
Movement on deferred tax	998,617	(5,370)
Corporation tax from prior years	-	<u>(37,831)</u>
Tax expense/(credit) for the year	<u>707,382</u>	<u>(1,041,818)</u>

**Factors that may affect future tax charges**

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021. Deferred tax assets and liabilities at 31 March 2021 have been measured using these newly enacted tax rates.

**MYCOM (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**11 Tangible fixed assets**

	Leasehold improvements	Leasehold land and buildings	Fixtures & furniture	Computer equipment	Total
	£	£	£	9£	£
<b>Cost</b>					
At 1 April 2019	220,093	467,939	46,241	225,361	959,634
Additions	-	-	-	92,244	92,244
At 31 March 2020	220,093	467,939	46,241	317,605	1,051,878
Additions	-	-	-	112,620	112,620
Disposals	(112,082)	-	(20,232)	(203,339)	(335,653)
At 31 March 2021	108,011	467,939	26,009	226,886	828,845
<b>Depreciation and impairment</b>					
At 1 April 2019	130,236	143,981	23,381	206,154	503,752
Depreciation charged in the year for 2020	52,706	143,981	9,144	28,375	234,206
At 31 March 2020	182,942	287,962	32,525	234,529	737,958
Depreciation charged in the year for 2021	37,151	143,981	9,144	55,749	246,025
Depreciation on disposals in the year	(112,082)	-	(20,232)	(203,339)	(335,653)
At 31 March 2021	108,011	431,943	21,437	86,939	648,330
<b>Carrying amount</b>					
At 31 March 2021	-	35,996	4,572	139,947	180,515
At 31 March 2020	37,151	179,997	13,716	83,077	313,921

Property plant and equipment includes right-of-use assets, as follows:

	2021	2020
	£	£
<b>Net book value</b>		
Leasehold land and buildings	35,996	179,977
<b>Depreciation charge for the year</b>		
Leasehold land and buildings	143,981	143,981

Lease liabilities totalling £57,640 (2020: £277,044) are included within creditors in notes 13 and the related interest charges are shown in note 9. The company had one short term, low value lease agreement expensed through the profit or loss totalling £1,644 (2020: £1,694).

**MYCOM (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

---

**12 Debtors**

**Amounts falling due within one year:**

	<b>2021</b>	<b>2020</b>
	£	£
Trade debtors	2,003,726	1,779,737
Amounts due from group undertakings	9,399,789	7,145,212
Other debtors	76,928	97,432
Prepayments and accrued income	723,267	778,216
Corporation tax recoverable	79,232	79,230
	<u>12,282,942</u>	<u>9,879,827</u>

**Amounts falling due after more than one year:**

	<b>2021</b>	<b>2020</b>
	£	£
Other debtors	645,103	-
	<u>645,103</u>	<u>-</u>

**13 Creditors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	£	(As Restated) £
Trade creditors	954,405	794,863
Amounts due to group undertakings	4,890,665	-
Other taxation and social security	418,185	474,559
Lease liabilities	57,640	219,405
Accruals and deferred income	10,496,564	11,310,048
	<u>16,817,459</u>	<u>12,798,875</u>

**14 Creditors: amounts falling due in more than one year**

	<b>2021</b>	<b>2020</b>
	£	£
Lease liabilities	-	57,639
Accruals and deferred income	2,125,616	-
	<u>2,125,616</u>	<u>57,639</u>

**MYCOM (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**15 Deferred taxation**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
At beginning of year	998,617	(12,469)
Charged to profit or loss	(707,382)	1,011,086
At end of year	<u>291,235</u>	<u>998,617</u>

The provision for deferred taxation is made up as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Fixed asset timing differences	-	-
Accrued pension liabilities	-	-
Losses	291,235	998,617
	<u>291,235</u>	<u>998,617</u>

The directors expect £291,235 deferred tax will unwind in the next 3 years (2020: £998,617).

**16 Retirement benefit**

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

The charge to statement of comprehensive income in respect of defined contribution schemes was £178,634 (2020: £251,478). At the year end, included in accruals and deferred income, was £22,366 (2020: £13,112) payable in respect of defined contribution schemes.

**17 Share capital**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Authorised</b>		
500,000 (2020: 500,000) Ordinary shares of £1.00 each	<u>500,000</u>	<u>500,000</u>
<b>Allowed, called up and fully paid</b>		
435,110 (2020: 435,110) Ordinary shares of £1.00 each	<u>435,110</u>	<u>435,110</u>

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

**18 Reserves**

**Profit and loss account**  
Cumulative profit and loss net of distributions to owners.

**MYCOM (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**19 Leases**

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2021 £	2020 £
Current liabilities	57,640	219,405
Non-current liabilities	-	57,639
	<u>57,640</u>	<u>277,044</u>

	2021 £	2020 £
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	<u>12,687</u>	<u>29,502</u>

The company entered into a lease for leasehold premises on 26 July 2016 for a 10 year term with a termination break clause on the fifth anniversary of the lease commencement. Subsequent to the year end, the company terminated the lease on the fifth anniversary on 26 July 2021.

Subsequent to the year end, the company entered into a new lease for leasehold premises on 27 May 2021, with lease commencement on 1 August 2021 for a 12 month period.

*Maturity analysis of lease liabilities*

The maturity of the gross contractual undiscounted cash flows due to the company's lease liabilities is set out below based on the period between 31 March and the contractual maturity date.

	0 – 1 year	1 to 5 years	Over 5 years	Total at 31 March 2021
	£	£	£	£
Leasehold land and buildings	57,257	-	-	57,257
Interest allocated to future periods	383	-	-	383
	<u>57,640</u>	<u>-</u>	<u>-</u>	<u>57,640</u>

The fair value of company's lease obligations is approximately equal to their carrying amount.

The total cash outflow was £232,092 (2020: £232,092) on the right of use assets.

**MYCOM (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**20 Prior period adjustment**

During 2021, the company discovered that a material error had resulted in a misstatement of deferred income in a prior period.

An unbilled impairment was booked in a prior period, the corresponding credits relating to the same services were not offset, this led to the deferred income balance being overstated and an excess charge to the unbilled impairment account of £1,289,342.

The error has been corrected by restating each of the affected financial statement line items for prior periods.

The following tables summarise the impacts on the company's financial statements.

**i) Statement of comprehensive income**

	Previously reported £	Adjustment £	As Restated £																
<b>Turnover</b>	23,466,831		23,466,831																
<b>Cost of sales</b>	(19,776,629)	-	(19,776,629)																
<b>Gross profit</b>	3,690,202		3,690,202																
<b>Administrative expenses</b>	(10,287,446)	(1,289,342)	(8,998,104)																
<b>Operating loss</b>	(6,597,244)	(1,289,342)	(5,307,902)																
<table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Comprising operating loss from</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 20%;"></td> </tr> <tr> <td>Underlying operating loss</td> <td style="text-align: right;">(3,582,672)</td> <td></td> <td style="text-align: right;">(3,582,672)</td> </tr> <tr> <td>Exceptional items</td> <td style="text-align: right;">(3,014,572)</td> <td style="text-align: right;">1,289,342</td> <td style="text-align: right;">(1,725,230)</td> </tr> <tr> <td></td> <td style="text-align: right;">(6,597,244)</td> <td style="text-align: right;">1,289,342</td> <td style="text-align: right;">(5,307,902)</td> </tr> </table>				Comprising operating loss from				Underlying operating loss	(3,582,672)		(3,582,672)	Exceptional items	(3,014,572)	1,289,342	(1,725,230)		(6,597,244)	1,289,342	(5,307,902)
Comprising operating loss from																			
Underlying operating loss	(3,582,672)		(3,582,672)																
Exceptional items	(3,014,572)	1,289,342	(1,725,230)																
	(6,597,244)	1,289,342	(5,307,902)																
<b>Interest payable and similar charges</b>	(32,090)	-	(32,090)																
<b>Loss before taxation</b>	(6,629,334)	-	(5,339,992)																
<b>Taxation</b>	1,041,818	-	1,041,818																
<b>Loss for financial year</b>	(5,587,516)	1,289,342	(4,298,174)																

**MYCOM (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**20 Prior period adjustment (continued)**

**ii) Statement of financial position**

	Previously reported £	Adjustment £	As Restated £
Fixed Assets	313,921	-	313,921
Debtors due within one year	9,879,827	-	9,879,827
Cash at bank and in hand	449,200	-	449,200
Deferred tax	998,617	-	998,617
Creditors falling due within one year	(14,088,217)	1,289,342	(12,798,875)
Net current liabilities	(2,760,573)	1,289,342	(1,471,231)
Creditors falling due after one year	(57,639)	-	(57,639)
Net liabilities	(2,504,291)	1,289,342	(1,214,949)
Share capital	435,100	-	435,100
Profit and loss reserves	2,648,115	-	2,648,115
Profit and loss reserves – prior year adjustment	-	1,289,342	1,289,342
Result for the year	(5,587,516)	-	(5,587,516)
Total equity	(2,504,291)	1,289,342	(1,214,949)

**21 Controlling party**

The immediate parent company is Objective Systems Integrators, Inc. a company incorporated in the United States of America. The registered office of Objective Systems Integrators, Inc. is: 2365 Iron Point Road, Suite 170, Folsom CA 95630, USA.

Magnate Midco Limited is the parent of the smallest and largest group which produces consolidated financial statements including the financial position and performance of Mycom (UK) Limited. The financial statements of Magnate Midco Limited are publicly available and can be obtained from Companies House, or the company's registered office: 6th Floor, 2 Kingdom Street, London, W2 6BD.

Inflexion Buyout Fund V (No.1) Limited Partnership and Inflexion Buyout Fund V (No.2) Limited Partnership are the ultimate parent entities. Inflexion Buyout Fund V (No.1) Limited Partnership and Inflexion Buyout Fund V (No.2) Limited Partnership have their registered office at: PO Box 656, East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3PP.

In the opinion of the directors there is deemed to be no one controlling party.