

**Innovative Output Solutions
(Manchester) Limited**

Report and Financial Statements

Year Ended

31 December 2015

Company Number 02384773

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Innovative Output Solutions (Manchester) Limited

Company Information

Director	G Givens
Registered number	02384773
Registered office	DST House St Mark's Hill Surbiton Surrey KT6 4QD
Independent Auditors	PricewaterhouseCoopers LLP The Atrium 1 Harefield Road Uxbridge Middlesex UB8 1EX
Bankers	Lloyds TSB Bank plc 1 Claremont Road Surbiton Surrey KT6 4QS

Innovative Output Solutions (Manchester) Limited

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Innovative Output Solutions (Manchester) Limited

Director's report For the Year Ended 31 December 2015

The director presents his report and the audited financial statements for the year ended 31 December 2015.

Results

The profit for the financial year, after taxation, amounted to £96,000 (2014 - £Nil).

Director's responsibilities statement

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Principal activity

The company did not trade during the year following a site performance review across DST Output UK Group in 2012 when the operations of the company were transferred into other DST Output entities. Accordingly, the going concern basis of accounting is not appropriate and the financial statements have been prepared on a basis other than going concern since the 2012 year end. Adjustments were not necessary in these financial statements to reduce assets to their realisable values or to provide for liabilities arising from the decision, but only to classify fixed assets and long-term liabilities as current assets and liabilities.

Financial risk management

Liquidity risk

The company actively monitors working capital and ensures that the company has sufficient available funds for meeting its debts as they fall due.

Innovative Output Solutions (Manchester) Limited

Director's report For the Year Ended 31 December 2015

Director

The director of the company who was in office during the year and up to the date of signing the financial statement was:

G Givens

Director's indemnities

DST Systems Inc. maintains liability insurance for the director of Innovative Output Solutions (Manchester) Limited. For the purposes of the Companies Act 2006, DST Systems Inc. provides indemnity insurance for the director and company secretary of Innovative Output Solutions (Manchester) Limited for qualifying third party provisions. The indemnity insurance was in place for the whole year and up to the date the financial statements were approved.

Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

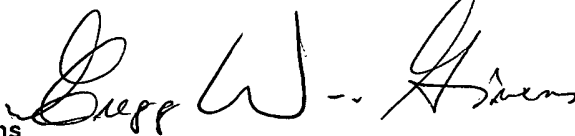
This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 26/08/2016 and signed on its behalf.

G Givens
Director



Innovative Output Solutions (Manchester) Limited

Independent Auditors' report to the members of Innovative Output Solutions (Manchester) Limited

Report on the financial statements

Our opinion

In our opinion Innovative Output Solutions (Manchester) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit 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.
-

Emphasis of matter - Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the basis of preparation. The operations of the company were transferred into other production units elsewhere in the DST Output group in prior years and a decision has been taken to liquidate the company. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

What we have audited

The financial statements, included within the Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of financial position as at 31 December 2015;
- the Statement of comprehensive income for the year ended;
- the Statement of changes in equity for the year ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Innovative Output Solutions (Manchester) Limited

Independent Auditors' report to the members of Innovative Output Solutions (Manchester) Limited

Opinions on matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Director's remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the director

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Innovative Output Solutions (Manchester) Limited

Independent Auditors' report to the members of Innovative Output Solutions (Manchester) Limited

What an audit of financial statements involves

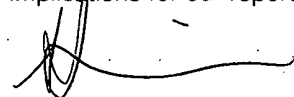
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the director; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Sarah Quinn (Senior statutory auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge

Date: 26 August 2016

Innovative Output Solutions (Manchester) Limited

Statement of comprehensive income For the Year Ended 31 December 2015

	Note	2015 £000	2014 £000
Administrative expenses		(3)	1
Operating profit and profit on ordinary activities before taxation		(3)	1
Tax on profit on ordinary activities	5	99	(1)
Profit for the financial year		96	-

There was no other comprehensive income in the financial year ended 2015 or 2014.

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year and their historical cost equivalents.

The notes on pages 9 to 13 form part of these financial statements.

Innovative Output Solutions (Manchester) Limited
Registered number: 02384773

Statement of financial position
As at 31 December 2015

	Note	2015 £000	2014 £000
Current assets			
Debtors: amounts falling due within one year	6	1,040	1,226
Investments	7	124	124
		<u>1,164</u>	<u>1,350</u>
Creditors: amounts falling due within one year	8	(10,017)	(10,299)
Net current liabilities		<u>(8,853)</u>	<u>(8,949)</u>
Total assets less current liabilities		<u>(8,853)</u>	<u>(8,949)</u>
Net liabilities		<u>(8,853)</u>	<u>(8,949)</u>
Capital and reserves			
Called up share capital	9	85	85
Capital redemption reserve		81	81
Profit and loss account		(9,019)	(9,115)
Total equity		<u>(8,853)</u>	<u>(8,949)</u>

The financial statements on pages 6 to 13 were approved by the Board of Directors and signed on its behalf by

G Given
Director

Date: 26/08/2016

The notes on pages 9 to 13 form part of these financial statements.

Innovative Output Solutions (Manchester) Limited

Statement of changes in equity For the year ended 31 December 2015

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2015	85	81	(9,115)	(8,949)
Comprehensive income for the year				
Profit for the financial year	-	-	96	96
Total comprehensive expense for the year	-	-	96	96
At 31 December 2015	85	81	(9,019)	(8,853)

Statement of changes in equity For the year ended 31 December 2014

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2014	85	81	(9,115)	(8,949)
Total comprehensive income for the year	-	-	-	-
At 31 December 2014	85	81	(9,115)	(8,949)

The notes on pages 9 to 13 form part of these financial statements.

Innovative Output Solutions (Manchester) Limited

Notes to the financial statements For the Year Ended 31 December 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

Innovative Output Solutions (Manchester) Limited is a company incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the director's report.

The operations of the company were transferred into the other production units across the DST Output Group in 2012 and a decision has been taken to liquidate the company. Accordingly, the going concern basis of accounting is not appropriate and the financial statements have been prepared on a basis other than going concern since 31 December 2012. Adjustments were not necessary in these financial statements to reduce assets to their realisable values or to provide for liabilities arising from the decision, or to classify fixed assets and long-term liabilities as current assets and liabilities.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006 and in accordance with the special provisions relating to small companies within part 15 of the Companies act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 11.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

Accounting policies have been applied consistently, other than where new policies have been adopted.

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, DST Systems, Inc, includes the company's cash flows in its own consolidated financial statements.
- The company has taken advantage of the exemption, under FRS 102 para 33.7 from disclosing total compensation of key management personnel.
- The company has taken advantage of the exemption for qualifying entities from certain financial instrument disclosures, on the basis that the equivalent disclosures are included in the consolidated financial statements of ultimate parent company.

Innovative Output Solutions (Manchester) Limited

Notes to the financial statements For the Year Ended 31 December 2015

1. Accounting policies (continued)

Financial reporting standard 102 - reduced disclosure exemptions (continued)

- The company has taken advantage of the exemption, under FRS 33.1 (a), from disclosing related party transactions as they are all with other companies that are wholly owned by DST Systems, Inc.

This information is included in the consolidated financial statements of DST Systems, Inc as at 31 December 2015 and these financial statements may be obtained from 333 West 11th Street, Kansas City, MO 64105, USA.

1.3 Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements the director has made the following judgements:

- Determine whether the leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of the ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether the indicators of impairment of the company's assets. Factors taken into consideration in reaching such decision include the economic viability and expected future financial performance of the asset.

3. Auditors' remuneration

	2015 £000	2014 £000
Fees payable to the company's auditors and their associates for the audit of the company's annual financial statements	3	3

4. Employees

The company has no employees other than the director, who did not receive any remuneration (2014 - £Nil).

Innovative Output Solutions (Manchester) Limited

Notes to the financial statements For the Year Ended 31 December 2015

5. Tax on profit on ordinary activities

	2015 £000	2014 £000
Analysis of tax charge/(credit) in the year		
UK corporation tax charge on profit for the year	-	1
Adjustments in respect of previous periods	(99)	-
Total current tax	(99)	1

Factors affecting tax (credit)/charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%). The differences are explained below:

	2015 £000	2014 £000
(Loss)/profit on ordinary activities before tax	(3)	1
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	(1)	-
Effects of:		
Expenses not deductible	1	1
Adjustment in respect of prior years	(99)	-
Total tax charge for the year	(99)	1

Factors that may affect future tax charges

Finance Act 2015 included legislation reducing the main UK corporation tax rate from 20% to 19%, effective from 1 April 2017. A further reduction to 18% was also enacted and will be effective from 1 April 2020.

The Chancellor has announced that the main UK corporation tax rate will now be reduced to 17% with an effective date of 1 April 2020. This 17% rate has not yet been substantially enacted.

Innovative Output Solutions (Manchester) Limited

Notes to the financial statements For the Year Ended 31 December 2015

6. Debtors: amounts falling due within one year

	2015 £000	2014 £000
Amounts owed by group undertakings	1,040	1,226
	<u>1,040</u>	<u>1,226</u>

Amounts owed by group undertakings are unsecured, receivable on demand and do not bear any interest.

7. Investments

	2015 £000	2014 £000
Shares in group undertakings	124	124
	<u>124</u>	<u>124</u>

Company owns 100% of ordinary shares in Pickfield Company Limited, registered in England & Wales. The director believes that the carrying value of the investment is supported by the value of the net assets.

8. Creditors: Amounts falling due within one year

	2015 £000	2014 £000
Amounts owed to group undertakings	9,694	9,979
Accruals and deferred income	3	-
Share capital treated as debt	320	320
	<u>10,017</u>	<u>10,299</u>

Amounts owed to group undertakings are unsecured, repayable on demand and do not bear any interest.

Innovative Output Solutions (Manchester) Limited

Notes to the financial statements For the Year Ended 31 December 2015

9. Called up share capital

	2015 £000	2014 £000
Shares classified as equity		
Allotted, called up and fully paid		
85,000 (2014 - 85,000) Ordinary shares of £1 each	85	85
	<u>85</u>	<u>85</u>
Shares classified as debt		
Allotted, called up and fully paid		
51,000 (2014 - 51,000) 'A' Ordinary shares of £1 each	51	51
50,000 (2014 - 50,000) Preference shares of £1 each	50	50
120,000 (2014 - 120,000) 'A' Preference shares of £1 each	120	120
99,179 (2014 - 99,179) 'B' Preference shares of £1 each	99	99
	<u>320</u>	<u>320</u>

10. Ultimate parent undertaking and controlling party

The immediate parent undertaking is dsicmm Group Limited, a company incorporated in England and Wales.

The ultimate parent undertaking and controlling party is DST Systems, Inc, a company incorporated in the United States of America. DST Output Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements.

The consolidated financial statements of DST Output Limited can be obtained from Evolution House, Choats Road, Dagenham, Essex, RM9 6BF. DST Systems, Inc is the parent undertaking of the largest group of undertakings to consolidate these financial statements.

The consolidated financial statements of DST Systems, Inc are available from 333 West 11th Street, Kansas City, MO 64105, USA.

11. First time adoption of FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 31 December 2014. The date of the transition is 1 January 2014. There were no transition adjustments noted due to the change in accounting standards and therefore no transition schedules have been presented.