

Registered number: 02384773

INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

TUESDAY



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11/08/2015
COMPANIES HOUSE

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

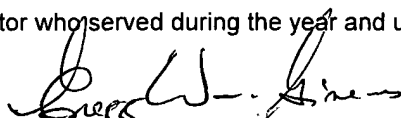
FOR THE YEAR ENDED 31 DECEMBER 2014

The director presents his report and the financial statements for the year ended 31 December 2014.

DIRECTOR

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

G Givens



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, to provide for liabilities arising from the decision, or 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.

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the strategic report, 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 judgments 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;
- 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.

INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

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 period 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.

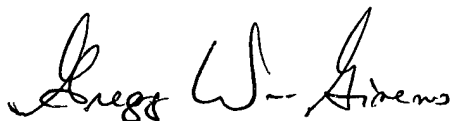
This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

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 24 July 2015

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 2014 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 accounting 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

Innovative Output Solutions (Manchester) Limited's financial statements, comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account 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 their preparation comprises applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the director has 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.

Opinions on matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report and the Strategic Report for the financial year 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
-

INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED

- 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 if, in our opinion, certain disclosures of director's remuneration specified by law have not been 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 director was 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 Director's Responsibilities Statement, the director's 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 & 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 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.

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.

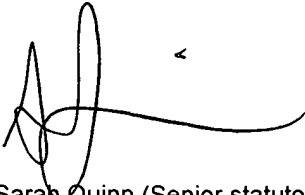
We primarily focus our work in these areas by assessing the director's judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

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.

INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INNOVATIVE OUTPUT SOLUTIONS
(MANCHESTER) LIMITED**

In addition, we read all the financial and non-financial information in the Director's Report and financial statements (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

Date: 24 July 2015

INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

| | Note | 2014 £000 | 2013 £000 |
|--|-------------|----------------------|----------------------|
| Administrative expenses | | <u>1</u> | <u>2,869</u> |
| OPERATING PROFIT | 3 | 1 | 2,869 |
| Loss on disposal of fixed assets | | <u>-</u> | <u>(1,508)</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 1 | 1,361 |
| Tax on profit on ordinary activities | 5 | <u>-</u> | <u>-</u> |
| PROFIT FOR THE FINANCIAL YEAR | 10 | <u>1</u> | <u>1,361</u> |

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

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

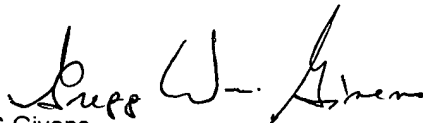
INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED
REGISTERED NUMBER: 02384773

BALANCE SHEET

AS AT 31 DECEMBER 2014

| | Note | £000 | 2014 £000 | £000 | 2013 £000 |
|---|------|-----------------|----------------|-----------------|----------------|
| CURRENT ASSETS | | | | | |
| Debtors | 6 | 1,227 | | 1,170 | |
| Investments | 7 | 124 | | 124 | |
| | | <u>1,351</u> | | <u>1,294</u> | |
| CREDITORS: amounts falling due within one year | | | | | |
| | 8 | <u>(10,299)</u> | | <u>(10,243)</u> | |
| NET CURRENT LIABILITIES | | | <u>(8,948)</u> | | <u>(8,949)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>(8,948)</u> | | <u>(8,949)</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 9 | | 85 | | 85 |
| Capital redemption reserve | 10 | | 81 | | 81 |
| Profit and loss account | 10 | | <u>(9,114)</u> | | <u>(9,115)</u> |
| TOTAL SHAREHOLDERS' DEFICIT | 11 | | <u>(8,948)</u> | | <u>(8,949)</u> |

The financial statements on pages 6 to 12 were approved and authorised for issue by the board and were signed on its behalf on 24 July 2015


G Givens
Director

INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

These financial statements are prepared under the historical cost convention and in accordance with the special provisions relating to small companies within part 15 of Companies Act 2006 and applicable accounting standards in the United Kingdom.

The operations of the company were transferred into 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 principal accounting policies, all of which have been consistently applied throughout the year and the preceding year are set out below.

1.2 Cash flow and related parties

The company is a wholly owned subsidiary of DST Systems Inc., a company incorporated in the USA, and is included in the consolidated financial statements of DST Systems Inc., which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 'Cash flow statement' (revised 1996). The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS 8, 'Related party disclosures', which requires the disclosure of the details of material transactions between the reporting entity and any related parties, on the grounds that it is a wholly owned subsidiary of the groups headed by DST Systems Inc.

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 19.

1.4 Consolidation

The company is a subsidiary undertaking of its ultimate parent DST Output Limited, a company incorporated in 2010 and registered in England and Wales. The company and its subsidiaries are included in the consolidated financial statements of DST Output Limited. Therefore, the company has taken advantage of the exemption in s400 of the Companies Act 2006 and has not prepared consolidated financial statements.

INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

2. STAFF COSTS

The company has no employees other than the directors, who did not receive any remuneration (2013 - £NIL).

3. OPERATING PROFIT

The operating profit is stated after crediting:

| | 2014 £000 | 2013 £000 |
|---|--------------|--------------|
| Release of dilapidation and onerous lease provision | - | (3,066) |

4. AUDITORS' REMUNERATION

| | 2014 £000 | 2013 £000 |
|---|--------------|--------------|
| Services provided by the company's auditors - Fees payable for the audit | 3 | 3 |

5. TAX ON PROFIT ON ORDINARY ACTIVITIES**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2013 - lower than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

| | 2014 £000 | 2013 £000 |
|--|--------------|--------------|
| Profit on ordinary activities before taxation | 1 | 1,361 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%) (2013 - 23.25) | - | 316 |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | - | (316) |
| Current tax charge for the year (see note above) | - | - |

INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

5. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

Finance Act 2013, which was enacted on 17 July 2013, includes legislation reducing the main UK corporation tax rate from 23% to 21%, effective from 1 April 2014. A further reduction to 20% was also enacted on this date and will be effective from 1 April 2015. The deferred tax balances have been re-measured to 20% to reflect this reduction.

6. DEBTORS

| | 2014 | 2013 |
|------------------------------------|--------------|--------------|
| | £000 | £000 |
| Amounts owed by group undertakings | 1,227 | 1,141 |
| Other debtors | - | 29 |
| | 1,227 | 1,170 |

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

7. CURRENT ASSET INVESTMENTS

| | 2014 | 2013 |
|------------------------------|-------------|-------------|
| | £000 | £000 |
| Shares in group undertakings | 124 | 124 |

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 net assets.

**8. CREDITORS:
Amounts falling due within one year**

| | 2014 | 2013 |
|---|---------------|---------------|
| | £000 | £000 |
| Amounts owed to group undertakings | 9,979 | 9,923 |
| Share Capital classed as a financial liability (Note 9) | 320 | 320 |
| | 10,299 | 10,243 |

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 2014**

9. CALLED UP SHARE CAPITAL

| | 2014 £000 | 2013 £000 |
|--|---------------------|---------------------|
| Shares classified as capital | | |
| Allotted, called up and fully paid | | |
| 85,000 (2013: 85,000) ordinary shares of £1 each | 85 | 85 |
| | <u>2014</u> £000 | <u>2013</u> £000 |
| Shares classified as debt | | |
| Allotted, called up and fully paid | | |
| 51,000 (2013: 51,000) 'A' Ordinary shares of £1 each | 51 | 51 |
| 50,000 (2013: 50,000) Preference shares of £1 each | 50 | 50 |
| 120,000 'A' Preference shares of £1 each | 120 | 120 |
| 99,179 (2013: 99,179) 'B' Preference shares of £1 each | 99 | 99 |
| | <u>320</u> | <u>320</u> |

Shares classified as financial liabilities are disclosed within Creditors: amounts falling due within one year as these financial statements have been prepared on a on a basis other than going concern.

10. RESERVES

| | Capital redemption reserve £000 | Profit and loss account £000 |
|-------------------------------|--|------------------------------------|
| At 1 January 2014 | 81 | (9,115) |
| Profit for the financial year | | 1 |
| At 31 December 2014 | <u>81</u> | <u>(9,114)</u> |

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

| | 2014 £000 | 2013 £000 |
|-------------------------------|----------------|----------------|
| Opening shareholders' deficit | (8,949) | (10,310) |
| Profit for the financial year | 1 | 1,361 |
| Closing shareholders' deficit | <u>(8,948)</u> | <u>(8,949)</u> |

12. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

INNOVATIVE OUTPUT SOLUTIONS (MANCHESTER) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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

The ultimate parent undertaking and controlling party is DST Systems Inc., a company incorporated in the USA

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 at 31 December 2014. The consolidated financial statements of DST Systems Inc. are available from 333 W 11th Street, Kansas City, Missouri, 64105, USA.