

# MessageLabs Group Limited

Directors' report and  
financial statements

**Year ended 3 April 2015**

*Registered number: 3828739*

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# MessageLabs Group Limited

## Directors' report and financial statements

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# MessageLabs Group Limited

## Directors and other information

<b>Directors</b>	Paul Seccombe (United Kingdom) Norman Osumi (US)
<b>Registered office</b>	1240 Lansdowne Court Gloucester Business Park Gloucester Gloucestershire GL3 4AB United Kingdom
<b>Solicitor</b>	Latham & Watkins 99 Bishopsgate London EC2M 3XF
<b>Auditor</b>	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2 Ireland
<b>Bankers</b>	Bank of America 26 Elmfield Road Bromley Kent BR1 1WA  J.P. Morgan Asset Management 500 Stanton Christiana Road Mail Stop DE3-3750 Newark, DE 19713 USA
<b>Registered number</b>	3828739

# MessageLabs Group Limited

## Directors' report

The directors present their report and the audited financial statements for the year ended 3 April 2015.

### Principal activity

The company acts as a holding company for investments in subsidiary undertakings.

The company's ultimate parent company is Symantec Corporation, a publicly quoted company incorporated in the US (note 11).

### Business review and future developments

The results for the year are set out on page 7 and in the related notes. There were no dividends approved by the directors in the current year. In the prior year the directors approved payment of a dividend of £14,301,604.

The directors do not anticipate any change in the nature of the business in the forthcoming year.

### Principal risks and uncertainties

The principal risk for the company is the carrying value of its investments. The directors review the carrying value annually.

### Directors

On 11 April 2014 Carolyn Herzog resigned as director of the company. On 13 October 2014 Aidan Flynn resigned as director of the company and Paul Seccombe was appointed as director as at that date.

### Subsidiary undertakings

Details of the company's subsidiary undertakings are set out in note 5 to the financial statements.

### Political and charitable donations

The company made no political or charitable contributions during the period (2014: Nil).

### Directors' liability

Symantec Corporation has indemnified one or more of the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provisions were in force during the year and are in force as at the date of approving the directors' report.

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

# MessageLabs Group Limited

## Directors' report *(continued)*

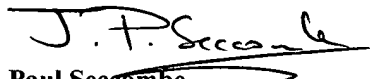
### **Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG, Chartered Accountants, will therefore continue in office.

### **Strategic Report**

In accordance with section 381 of the Companies Act 2006, the directors have availed of the small companies exemption in preparing a strategic report.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'J. P. Seccombe', with a horizontal line drawn through it.

**Paul Seccombe**

*Director*

16 September 2015

# MessageLabs Group Limited

## Statement of directors' responsibilities

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

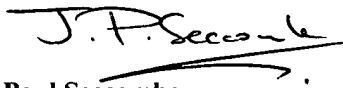
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the board



**Paul Secombe**

*Director*

16 September 2015



**KPMG**  
**Audit**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

## Independent auditor's report to the members of MessageLabs Group Limited

We have audited the financial statements of MessageLabs Group Limited for the year ended 3 April 2015 which comprises the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards (UK Generally Accepted Accounting Practice). In our opinion the financial statements:

### **Opinions and conclusions arising from our audit**

#### ***1 Our opinion on the financial statements is unmodified***

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 3 April 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### ***2 Our conclusions on other matters on which we are required to report by the Companies Act 2006 are set out below***

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.

#### ***3 We have nothing to report in respect of matters on which we are required to report by exception***

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

Under the Companies Act 2006 we are required 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.

We have nothing to report in respect of the above responsibilities.



## Independent auditor's report to the members of MessageLabs Group Limited (continued)

### **Basis of our report, responsibilities and restrictions on use**

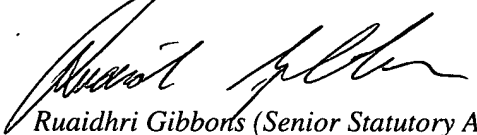
As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with UK law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) 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 directors; and the overall presentation of the financial statements.

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.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

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.



**Ruaidhri Gibbons (Senior Statutory Auditor)**  
**for and on behalf of KPMG, Statutory Auditor**  
Chartered Accountants  
1 Stokes Place  
St. Stephen's Green  
Dublin 2,  
Ireland

16 September 2015



# MessageLabs Group Limited

## Profit and loss account for the year ended 3 April 2015

	<i>Notes</i>	<b>Year ended 3 April 2015 £'000</b>	<b>Year ended 28 March 2014 £'000</b>
Administrative expenses		(12)	(76)
<b>Operating loss</b>		<b>(12)</b>	<b>(76)</b>
Foreign exchange gain/(loss)		<b>838</b>	(713)
Interest receivable and similar income		<b>15</b>	102
<b>Profit/(Loss) on ordinary activities before taxation</b>	<b>2</b>	<b>841</b>	<b>(687)</b>
Tax on profit/(loss) on ordinary activities	<b>3</b>	-	-
<b>Profit/(Loss) for the financial year</b>	<b>9</b>	<b>841</b>	<b>(687)</b>

The results shown above all relate to continuing activities.

There is no material difference between the company's results as reported and on a historical cost basis. Accordingly, no note of historical cost profits and losses has been included.

The notes on pages 9 to 15 form part of these financial statements.

# MessageLabs Group Limited


## Balance sheet

as at 3 April 2015

	<i>Notes</i>	<b>3 April 2015 £'000</b>	<b>28 March 2014 £'000</b>
<b>Fixed assets</b>			
Tangible assets	4	13	18
Financial assets	5	22,377	22,377
		<hr/>	<hr/>
		22,390	22,395
<b>Current assets</b>			
Debtors	6	9,070	8,236
Cash at bank and in hand		4,148	6,499
		<hr/>	<hr/>
		13,218	14,735
<b>Creditors: amounts falling due within one year</b>	7	(169)	(2,532)
		<hr/>	<hr/>
<b>Net current assets</b>		13,049	12,203
		<hr/>	<hr/>
<b>Net assets</b>		35,439	34,598
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	8	810	810
Capital contribution	9	9,176	9,176
Share premium	9	6,826	6,826
Profit and loss account	9	18,627	17,786
		<hr/>	<hr/>
<b>Shareholder's funds - equity</b>	9	35,439	34,598
		<hr/>	<hr/>

The notes on pages 9 to 15 form part of the financial statements.

These financial statements were approved by the Board of directors on 16 September 2015 and were signed on its behalf by:



**Paul Seccombe**  
Director

# MessageLabs Group Limited

## Notes

*forming part of the financial statements*

### 1. Statement of accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to the financial year under review.

#### **Basis of preparation and going concern**

The financial statements have been prepared in accordance with applicable accounting standards and under historical cost accounting rules. The financial statements have therefore been prepared on the going concern basis.

#### **Basis of consolidation**

The company is exempt from preparing consolidated financial statements under Section 401 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

#### **Cash flow statement**

In accordance with the provisions of Financial Reporting Standard No.1 (Revised), "Cash Flow Statements", the company is exempt from preparing a cash flow statement, as it is an indirectly wholly owned subsidiary of Symantec Corporation, whose financial statements are publicly available.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

#### **Financial assets**

Financial assets are included at cost less amounts provided for.

The carrying values of financial assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax with the following exception.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

# MessageLabs Group Limited

## Notes *(continued)*

### 1. Accounting policies (continued)

#### Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

The company uses forward foreign currency contracts to reduce exposure to foreign exchange rates.

### 2. Profit/(loss) on ordinary activities before taxation

This is stated after charging/(crediting):

	Year ended 3 April 2015 £'000	Year ended 28 March 2014 £'000
Foreign exchange (gain)/loss	(838)	713
Depreciation	5	5
Auditor remuneration	8	9
Director remuneration	-	-
	<hr/>	<hr/>

The company had no employees during the current or prior year.

# MessageLabs Group Limited

## Notes (continued)

### 3. Tax on profit/(loss) on ordinary activities

#### (a) Analysis of charge in year

	Year ended 3 April 2015 £'000	Year ended 28 March 2014 £'000
<i>Current tax:</i>		
UK corporation tax charge on the profit/(loss) for the year	-	-
<b>Current tax charge</b>	<b>-</b>	<b>-</b>

#### (b) Factors affecting tax charge for year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are reconciled below:

	Year ended 3 April 2015 £'000	Year ended 28 March 2014 £'000
Profit/(loss) on ordinary activities before taxation	841	(687)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014: 23%)	177	(158)
<i>Effects of:</i>		
Depreciation in excess of capital allowances	(2)	(2)
Group relief (received)/surrendered	(175)	160
<b>Current tax charge</b>	<b>-</b>	<b>-</b>

A deferred tax asset of £1,036,614 has not been recognised as at 3 April 2015 (28 March 2014: £1,265,378). This is in line with the company's accounting policy whereby deferred tax assets are recognised only to the extent that the directors consider it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

# MessageLabs Group Limited

## Notes *(continued)*

### 3. Tax on profit/(loss) on ordinary activities (continued)

#### (c) Factors that may affect future tax charges

In his budget of 20 March 2013, the Chancellor of the Exchequer announced Budget tax changes, which will have an effect on the Company's future tax position. As at the balance sheet date of 3 April 2015, a reduction in the UK corporate tax rate to 20% from 1 April 2015 was 'substantively enacted' under the "Provisional Collection of Taxes Act 1968".

This reduction affects both the future current and deferred tax charge of the Company.

The effect on the Company of these changes to the UK tax system is reflected in the Company's financial statements as appropriate.

### 4. Tangible fixed assets

	<b>Leasehold improvements £'000</b>
<i>Cost:</i>	
At 28 March 2014 and April 3 2015	204
<i>Depreciation</i>	
At 28 March 2014	186
Charge for the year	5
	<hr/>
<b>At 3 April 2015</b>	<b>191</b>
	<hr/>
<i>Net book value</i>	
<b>At 3 April 2015</b>	<b>13</b>
	<hr/>
At 28 March 2014	18
	<hr/>

# MessageLabs Group Limited

## Notes (continued)

### 5. Financial assets

	3 April 2015 £000	28 March 2014 £000
At beginning of year	22,377	22,377
Additions	-	-
<b>At end of year</b>	<b>22,377</b>	<b>22,377</b>

Details of subsidiary undertakings of the company are set out below. The company owned, either directly or indirectly, the entire issued share capital of the following subsidiary undertakings at 3 April 2015:

Subsidiary undertaking	Country of registration and incorporation	Class of share capital held	Proportion of ordinary shares held by parent	Proportion of ordinary shares held by group	Nature of business
MessageLabs Limited	United Kingdom	Ordinary	100%		Distribution and marketing of messaging security services
MessageLabs (Asia Pacific) Limited	Hong Kong	Ordinary	-	100%	Holding company
MessageLabs Japan KK	Japan	Ordinary	-	100%	Provider of messaging security services
Symantec Software Australia Holdings II Pty Limited	Australia	Ordinary	-	100%	Deregistered on July 8, 2015
Symantec Security (UK) Limited	UK	Ordinary	-	100%	Promotion and marketing services for security software

MessageLabs Austria GmbH was liquidated on 3 April 2014.

In the opinion of the directors, the carrying value of financial assets held at 3 April 2015 is at least their recoverable amount.

# MessageLabs Group Limited

## Notes *(continued)*

### 6. Debtors

	3 April 2015 £'000	28 March 2014 £'000
Amounts owed by group undertakings	9,070	8,236

### 7. Creditors: amounts falling due within one year

	3 April 2015 £'000	28 March 2014 £'000
Accruals	70	68
Amounts due to group undertakings	99	2,464
	169	2,532

### 8. Called up share capital

	3 April 2015 £'000	28 March 2014 £'000
<i>Allotted, called up and fully paid</i>		
6,834,371 ordinary shares of £0.10 each	683	683
<i>Allotted, called up and unpaid</i>		
1,265,949 ordinary shares of £0.10 each	127	127
	810	810



# MessageLabs Group Limited

Notes (continued)

## 9. Reconciliation of movements in shareholder's funds

	Share Capital £000	Capital Contribution £000	Share Premium £000	Profit and loss account £000	Total £000
At start of year	810	9,176	6,826	17,786	34,598
Profit for financial year	-	-	-	841	841
<b>At end of year</b>	<b>810</b>	<b>9,176</b>	<b>6,826</b>	<b>18,627</b>	<b>35,439</b>

## 10. Related party transactions

The company has availed of the exemption in Financial Reporting Standard 8 'Related Party Transactions', from the requirement to disclose details of transactions with group undertakings. Details of the availability of the group consolidated financial statements are given in note 11.

## 11. Ultimate parent undertaking and controlling party

The company is 100% owned by Symantec (UK) Holding Limited, a company incorporated in England and Wales. The company's ultimate parent is Symantec Corporation, a company incorporated in the United States of America.

The group in which the results of the company are consolidated, is that headed by Symantec Corporation, incorporated in the USA. The consolidated accounts are available to the public and may be obtained from Symantec Corporation, 350 Ellis Street, Mountain View, California CA 94043, USA.

## 12. Approval of financial statements

The board of directors approved these financial statements on 16 September 2015.