

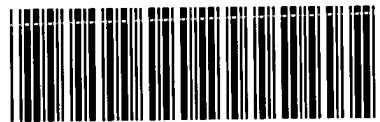
# MessageLabs Group Limited

Directors' report and  
financial statements

**Year ended 3 April 2020**

*Registered number: 03828739*

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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>	Bryan Ko (US) Kara Jordan (US)
<b>Registered office</b>	100 New Bridge Street London United Kingdom EC4V 6JA
<b>Solicitor</b>	Baker & Mc Kenzie LLP 100 New Bridge Street London EC4V 6JA
<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
<b>Registered Number</b>	03828739

# MessageLabs Group Limited

## Directors' report

The directors present their directors' report and the audited financial statements for the year ended 3 April 2020.

### Principal activity

MessageLabs Group Limited (here on referred to as the "company") acts as a holding company for investments in subsidiary undertakings. On 4 November 2019, NortonLifeLock Inc., the Company's ultimate parent undertaking, sold its Enterprise Security assets and transferred the Symantec Brand to Broadcom Inc. The sale of Symantec Corporation Enterprise Security assets and change of name to NortonLifeLock Inc., established the Group as a singular focused consumer Cyber Safety business.

The company's ultimate parent company is NortonLifeLock Inc., a publicly quoted company incorporated in the USA (note 10).

### Business review and future developments

The results for the year are set out on page 9 and in the related notes. There were no dividends approved by the directors in the current year (2019: £13,548,606) to its parent, NortonLifeLock UK Holding Limited.

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

### Principal risks and uncertainties

The company's ultimate parent company is NortonLifeLock Inc (note 10). NortonLifeLock Inc. has exposure to a number of both financial and non-financial risks, which may also impact the company, including those detailed from time to time in Norton LifeLock Inc's. filings with the U.S. Securities and Exchange Commission (SEC). A summary of some of the key risks facing the company is set forth below, and further details are set out in Norton LifeLock Inc's. SEC filings:

- Changes to our effective tax rate could increase our income tax expense and reduce/(increase) net income/(loss).
- There is potential for impairment of financial asset investments.
- The COVID-19 pandemic is having widespread, rapidly evolving, and unpredictable impacts on global society, economies, financial markets, and business practices. To protect the health and well-being of our employees, partners and third-party service providers, we have implemented a near group-wide work-from-home requirement for most employees. While we continue to monitor the situation and may adjust our current policies as more information and public health guidance become available, such precautionary measures could negatively affect our customer success efforts, sales and marketing efforts, or create operational or other challenges, such as a reduction in employee productivity because of the work from home requirement, any of which could trigger an impairment of financial asset investments.

The company takes all reasonable steps to mitigate these risks.

# MessageLabs Group Limited

## Directors' report

### Directors

The directors who held office at any time during the year are as follows:

Eunice Kim (Resigned 14 May 2020)  
Norman Osumi (Resigned 14 May 2020)  
Bryan Ko (Appointed 14 May 2020)  
Kara Jordan (Appointed 14 May 2020)

### Subsidiary undertakings

Details of the company's subsidiary undertakings are set out in note 6 to the financial statements.

### Political and charitable donations

The company made no political or charitable contributions during the year (2019: Nil).

### Directors' liability

NortonLifeLock Inc. 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 auditor

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.

### Post balance sheet events

Details of important events impacting the company since year end are included in note 12 to the financial statements.

# MessageLabs Group Limited

## Directors' report *(continued)*


### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor 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



**Bryan Ko**

Date 18 December 2020

*Director*

# MessageLabs Group Limited

## Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 assets, liabilities and financial position of the Company and of its profit or loss 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 Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal controls as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error, and 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.



**Bryan Ko**  
Director

18 December 2020



**KPMG**  
**Audit**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
D02 DE03  
Ireland

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

## Report on the audit of the financial statements

### *Opinion*

We have audited the financial statements of MessageLabs Group Limited ('the Company') for the year ended 3 April 2020 set out on pages 9 to 20, which comprise the profit and loss account and statement of other comprehensive income, balance sheet, statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 3 April 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly 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 ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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.

### *We have nothing to report on going concern*

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use





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

### **Report on the audit of the financial statements (*continued*)**

#### ***We have nothing to report on going concern (*continued*)***

of that basis for a year of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

#### ***Other information***

The directors are responsible for the other information presented in the annual report together with the financial statements. The other information comprises the information included in the directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information;

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2006.

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

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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.



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

### **Respective responsibilities and restrictions on use**

#### ***Responsibilities of directors for the financial statements***

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they 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.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### ***The purpose of our audit work and to whom we owe our responsibilities***

Our 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.

*Patricia Carroll (Senior Statutory Auditor)*

**for and on behalf of  
KPMG Statutory Auditor**

*1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland  
D02 DE03*

21 December 2020

# MessageLabs Group Limited

## Profit and loss account and statement of other comprehensive income for the year ended 3 April 2020

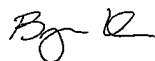
	<i>Notes</i>	<b>Year ended 3 April 2020 £'000</b>	<b>Year ended 29 March 2019 £'000</b>
Administrative expenses		(23)	(24)
<b>Operating loss</b>		<b>(23)</b>	<b>(24)</b>
Foreign exchange (loss)/gain	4	(4)	3
Interest receivable and similar income		6	22
<b>(Loss)/profit on ordinary activities before taxation</b>	4	<b>(21)</b>	<b>1</b>
Tax on (loss)/profit on ordinary activities	5	-	-
<b>(Loss)/Profit for the financial year</b>		<b>(21)</b>	<b>1</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the year		-	-
<b>Total comprehensive (loss)/income for the year</b>		<b>(21)</b>	<b>1</b>

# MessageLabs Group Limited

## Balance sheet as at 3 April 2020

	Notes	3 April 2020 £'000	29 March 2019 £'000
<b>Fixed assets</b>			
Financial assets	6	32,831	32,831
		<hr/>	<hr/>
<b>Current assets</b>			
Cash at bank and in hand		845	864
<b>Creditors: amounts falling due within one year</b>	7	(57)	(55)
		<hr/>	<hr/>
<b>Net current assets</b>		788	809
		<hr/>	<hr/>
<b>Net assets</b>		33,619	33,640
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	8	3,361	3,361
Capital contribution		9,176	9,176
Share premium		14,729	14,729
Profit and loss account		6,353	6,374
		<hr/>	<hr/>
<b>Shareholders' funds - equity</b>		33,619	33,640
		<hr/>	<hr/>

These financial statements were approved by the Board of directors on 18 December 2020 and were signed on its behalf by:



**Bryan Ko**  
Director

Company registered number: 03828739

# MessageLabs Group Limited

## Statement of changes in equity for the year ended 3 April 2020

	Called up share capital £'000	Capital contribution £'000	Share premium £'000	Profit and loss account £'000	Total £'000
Balance at 30 March 2018	3,361	9,176	6,826	19,921	39,284
<b>Total comprehensive income for the year:</b>					
Profit for the year	-	-	-	1	1
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	-	1	1
Capital contribution (note 8)	-	-	7,903	-	7,903
Dividend paid	-	-	-	(13,548)	(13,548)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 29 March 2019</b>	<b>3,361</b>	<b>9,176</b>	<b>14,729</b>	<b>6,374</b>	<b>33,640</b>
<b>Total comprehensive income for the year:</b>					
Loss for the year	-	-	-	(21)	(21)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	-	(21)	(21)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 3 April 2020</b>	<b>3,361</b>	<b>9,176</b>	<b>14,729</b>	<b>6,353</b>	<b>33,619</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

# MessageLabs Group Limited

## *Notes*

forming part of the financial statements

### **1. General Information**

MessageLabs Group Limited ("the company"), is a private company incorporated, domiciled and registered in England and Wales in the UK. The registered number is 03828739 and the registered address is 100 New Bridge Street, London, United Kingdom, EC4V 6JA. The company acts as a holding company for investments in subsidiary undertakings.

### **2. Basis of preparation and consolidation**

The company has prepared the financial statements in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

These financial statements have been prepared on a going concern basis under the historical cost convention.

The company's functional and presentation currency is £ sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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.

### **3. Statement of accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below and have been applied consistently to all periods presented in dealing with items which are considered material in relation to the company's financial statements.

#### **3.1 Estimates**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 11.

# MessageLabs Group Limited

## *Notes (continued)*

### **3. Statement of accounting policies (continued)**

#### **3.2 Exemptions taken under FRS102**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders. In these financial statements, the company is considered to be a qualifying entity for the purposes of FRS 102 and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The company's ultimate holding undertaking, NortonLifeLock Inc., includes the company in its consolidated financial statements which are prepared in accordance with U.S. GAAP (note 10). The consolidated accounts are available to the public and may be obtained from NortonLifeLock Inc., 60E. Rio Salado Parkway, Suite 1000, Tempe, AZ 85281, United States of America. As the consolidated financial statements of NortonLifeLock Inc. include the equivalent disclosures, the company has also taken the exemption under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments*

#### **3.3 Foreign currencies**

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of profit and loss account and other comprehensive income/(loss).

#### **3.4 Financial instruments**

##### *Financial assets: Investments in subsidiaries*

Investments in subsidiaries are carried at cost less provision for any impairment in value.

##### *Trade and other debtors and trade and other creditors*

Debtors are recognised initially at transaction price plus attributable transaction costs. Creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, except where the effect of discounting is immaterial, in which case they are stated at cost less any impairment losses in the case of debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument, except where the effect of discounting is immaterial in which case it is stated at transaction price less/plus attributable transaction costs.

# MessageLabs Group Limited

## *Notes (continued)*

### **3. Statement of accounting policies (continued)**

#### **3.5 Impairment**

##### *Financial assets (including debtors)*

A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

##### *Non-financial assets*

The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **3.6 Provisions**

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

#### **3.7 Interest receivable and similar income**

Interest receivable and similar income includes interest receivable on bank balances.



# MessageLabs Group Limited

## Notes (continued)

### 3. Statement of accounting policies (continued)

#### 3.8 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax, including UK corporation tax and foreign tax, is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Provision is made at the rates expected to apply when the timing differences reverse, using tax rates enacted or substantively enacted at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

### 4. (Loss)/Profit on ordinary activities before taxation

This is stated after charging/(crediting):

	Year ended 3 April 2020 £'000	Year ended 29 March 2019 £'000
Foreign exchange loss / (gain)	4	(3)
Auditor's remuneration	9	9
Director's remuneration	-	-
	<hr/>	<hr/>

The company had no employees during the current or prior year. There was no remuneration paid by the company to the directors in the current year (2019: NIL). The directors of the Company are remunerated by a fellow group company for their services.

# MessageLabs Group Limited

## Notes (continued)

### 5. Tax on profit on ordinary activities

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

	Year ended 3 April 2020 £'000	Year ended 29 March 2019 £'000
<i>Current tax:</i>		
UK corporation tax charge on the profit for the year	-	-
<b>Current tax charge</b>	<u>-</u>	<u>-</u>

#### (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 19% (2019: 19%). The differences are reconciled below:

	Year ended 3 April 2020 £'000	Year ended 30 March 2019 £'000
(Loss)/profit on ordinary activities before taxation	(21)	1
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	<u>(4)</u>	<u>-</u>
<i>Effects of:</i>		
Effects of group relief/other reliefs	5	1
Movement in unrecognised deferred tax	(1)	(1)
<b>Current tax charge</b>	<u>-</u>	<u>-</u>

A deferred tax asset of £675,854 has not been recognised as at 3 April 2020 (29 March 2019: £605,728). 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)

### 5. Tax on profit on ordinary activities (continued)

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

In his budget of 8 July 2015, the Chancellor of the Exchequer announced a reduction in the corporation tax rate of 19% for the financial year beginning 1 April 2017 and a further reduction to 18% for the financial year beginning 1 April 2020. The Finance Act 2016, which reduced the main rate of corporation tax to 17% from 1 April 2020 (replacing the 18% rate) was enacted on 15 September 2016.

Subsequently, in his budget on 1 March 2020, the Chancellor of the Exchequer confirmed that the UK corporation tax rate would not reduce on 1 April 2020 and would remain at 19%. All deferred tax assets and liabilities have therefore been measured at the deferred tax rate of 19% as this rate is substantially enacted at the balance sheet date.

### 6. Financial assets

	3 April 2020 £'000	30 March 2019 £'000
<i>Investment in subsidiary undertakings</i>		
At beginning of year	32,831	24,928
Addition	-	7,903
	<hr/>	<hr/>
At end of year	32,831	32,831
	<hr/>	<hr/>

On 1 June 2018 NortonLifeLock UK Holding Limited contributed its subsidiary NortonLifeLock STDL Limited with a value of £7,903,195 to the company in exchange for the issuance of one ordinary share with a nominal value of £0.10 by the company. On the same date, the company then contributed its investment in NortonLifeLock STDL Limited to MessageLabs Limited in exchange for one ordinary share with a nominal value of £1 issued by MessageLabs Limited.

Details of subsidiary undertakings of the company are set out below. The company directly owned the entire issued share capital of the following subsidiary undertaking at 3 April 2020:

Subsidiary undertaking	Country of registration and incorporation	Class of share capital held	Proportion of ordinary shares held by company	Nature of Business
MessageLabs Limited	United Kingdom	Ordinary	100%	Dormant

In the opinion of the directors, and having regard for Covid-19, the carrying value of financial assets held at 3 April 2020 is at least their recoverable amount.

# MessageLabs Group Limited

## Notes (continued)

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

	3 April 2020 £'000	30 March 2019 £'000
Accruals	47	29
Amount owed to subsidiary undertaking (a)	9	26
VAT	1	-
	<hr/>	<hr/>
	57	55
	<hr/>	<hr/>

(a) Amount owed to subsidiary undertaking is unsecured, interest free and repayable on demand.

### 8. Called up share capital

	3 April 2020 £'000	29 March 2019 £'000
<i>Allotted, called up and fully paid</i>		
32,340,852 (2019: 32,340,852) ordinary shares of £0.10 each	3,234	3,234
<i>Allotted, called up and unpaid</i>		
1,265,949 ordinary shares of £0.10 each	127	127
	<hr/>	<hr/>
	3,361	3,361
	<hr/>	<hr/>

### 9. Related party transactions

The company has availed of the exemption available in FRS102.33 *Related Party Disclosures*, 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 10.

# MessageLabs Group Limited

## *Notes (continued)*

### **10. Ultimate parent undertaking and controlling party**

The company is 100% owned by NortonLifeLock UK Holding Limited (formerly Symantec (UK) Holding Limited), a company incorporated in England and Wales. The company's ultimate parent is NortonLifeLock Inc., a company incorporated in the USA.

The group in which the results of the company are consolidated, is that headed by NortonLifeLock Inc., incorporated in the USA. The consolidated accounts are available to the public and may be obtained from NortonLifeLock Inc., 60 E. Rio Salado Parkway, Suite 1000, Tempe, AZ 85281, United States of America.

### **11. Accounting estimates and judgements**

The preparation of historical financial information requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the period. The nature of estimation means that actual outcomes could differ from those estimates.

In the process of applying the company's accounting policies, management has made the following judgments that have a significant effect on the amounts recognised in the historical financial information. The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

#### *Valuation and impairment of Investments*

Investments in subsidiaries are tested annually for impairment. This requires an estimation of the value of the investments. Estimating a value requires management to make an estimate of the expected future cash flows from the investments and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Changes in these key assumptions and estimates or other assumptions used in this process could materially affect the impairment analysis in a given year.

#### *COVID-19*

The COVID-19 pandemic is having widespread, rapidly evolving, and unpredictable impacts on global society, economies, financial markets, and business practices. To protect the health and well-being of our employees, partners and third-party service providers, we have implemented a near group-wide work-from-home requirement for most employees. While we continue to monitor the situation and may adjust our current policies as more information and public health guidance become available, such precautionary measures could negatively affect our customer success efforts, sales and marketing efforts, or create operational or other challenges, such as a reduction in employee productivity because of the work from home requirement, any of which could trigger an impairment of financial asset investments.

# MessageLabs Group Limited

## *Notes (continued)*

### **11. Accounting estimates and judgements (continued)**

The E.U. and global economies have reacted negatively in response to worldwide concerns due to the economic impacts of the COVID-19 pandemic, and many countries in Europe are in or are likely to be in recession. We have not yet experienced a material increase in customers cancellations or a material reduction in our retention rate in 2020, we may experience such an increase or reduction in the future, especially in the event of a prolonged recession as a result of the COVID-19 pandemic. A prolonged recession could result adversely, affect demand for our offerings, retention rates and harm our business and results of operations, particularly in light of the fact that our solutions are discretionary purchases and thus may be more susceptible to macroeconomic pressures.

The duration and extent of the impact from the COVID-19 pandemic depends on future developments that cannot be accurately forecasted at this time, such as the severity and transmission rate of the disease, the extent and effectiveness of containment actions and the impact of these and other factors on our employees, customers, partners and third-party service providers. If we are not able to respond to and manage the impact of such events effectively and if the macroeconomic conditions of the general economy or the industries in which we operate do not improve, or deteriorate further, our business, operating results, financial condition and cash flows could be adversely affected.

Based on the performance of the company and the NortonLifeLock group to the date of signing these financial statements, we do not believe that any impairment provisions are required in relation to financial asset investments.

### **12. Post balance sheet events**

There are no post balance sheet events requiring adjustment to or disclosure in the financial statement