

Registration Number: 06180792

dsicmm Group Limited

Reports of the Director and financial statements

for the year ended 31 December 2013



dsicmm Group Limited

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dsicmm Group Limited

Directors and Advisors

Director

G Givens

Registration Number

06180792

Registered Office

DST House
St Mark's Hill
Surbiton
Surrey
United Kingdom
KT6 4QD

Bankers

Lloyds TSB Bank Plc
25 Gresham Street
London
EC2V 7HN

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Atrium
1 Harefield Road
Uxbridge
Middlesex
UB8 1EX

dsicmm Group Limited

Strategic report For the year ended 31 December 2013

The Director presents his Strategic Report of dsicmm Group Limited for the year ended 31 December 2013.

Review of the business

The results for the company show a pre-tax loss of £0.3m (2012: £0.6m) for the year and turnover of £nil (2012: £nil). The director has not proposed or paid a dividend in the current year (2012: £nil).

Key performance indicators

The directors of DST Output Limited manage the group's operations on a group basis. For this reason, the company's director believes that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of dsicmm Group Limited. The development, performance and position of the DST Output Limited group, which includes the company, are discussed on page 2 of the group's annual report, which does not form part of this report.

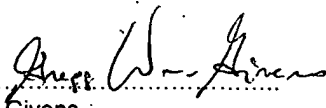
Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of DST Output Limited group, which include those of the company, are discussed on page 2 of the group's annual report which does not form part of this report.

Environmental matters

The company recognises the importance of their environmental responsibilities, monitors its impact on the environment, and designs and implements policies to mitigate any adverse impact that might be caused by its activities. The company operates in accordance with ISO 14001 and are FSC accredited. Initiatives aimed at minimising the company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption.

On behalf of the board


.....
G Givens
Director

Date: 30/09/2014

Registration Number: 06180792

dsicmm Group Limited

Director's report For the year ended 31 December 2013

The director presents his report and audited financial statements for the company for the year ended 31 December 2013.

Director

The director who held office during the year and up to the date of signing these financial statements was as follows:

G Givens

The director does not have any beneficial interest in the shares of the company.

Principal activities

The principal activity of the company continued to be that of a holding company.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of liquidity risk and interest rate cash flow risk. The company has in place a financial risk management programme that seeks to limit the adverse effects on the financial performance of the company. The company does not use derivative financial instruments to manage currency risk exposure and as such, no hedge accounting is applied.

Liquidity risk

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

Interest rate cash flow risk

The company has interest bearing liabilities. Currently, the company does not have any interest bearing assets.

Going concern

The director has concluded that it is appropriate to prepare the financial statements on a going concern basis in accordance with the Companies Act 2006 because the company has sufficient net current assets to meet its liabilities as they fall due for at least the next 12 months after the signing date of the financial statements. For this reason the director continues to adopt the going concern basis in preparing the financial statements.

Directors' indemnities

DST Systems, Inc. maintains liability insurance for its directors. For the purposes of the Companies Act 2006, DST Systems, Inc. provides indemnity insurance for its directors and company secretary for qualifying third party provisions.

dsicmm Group Limited

Director's report For the year ended 31 December 2013 (continued)

Statement of Director's Responsibilities

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 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 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;
- 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 them 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.

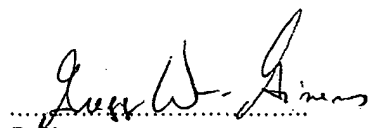
Disclosure of information to auditors

The director who held office at the date of approval of this director's report confirms 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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office and are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

By order of the board



G Givens
Director

Date: 30/04/2014

Independent Auditors' Report to the Members of dsicmm Group Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements for the year ended 31 December 2013, which are prepared by dsicmm Group Limited, comprise:

- 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 (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, he has made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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.

In addition, we read all the financial and non-financial information in the Reports of the Director and Financial statements 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.

Independent Auditors' Report to the Members of dsicmm Group Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report and Strategic 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 director's remuneration specified by law are not made. 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 set out on page 4, the director is 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 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.


Archie Wilson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge

30/09/2014

dsicmm Group Limited

Profit and loss account For the year ended 31 December 2013

	Note	2013 £'000	2012 £'000
Administrative expenses		<u>-</u>	<u>(299)</u>
Operating loss	2	-	(299)
Interest payable and similar charges	3	<u>(256)</u>	<u>(273)</u>
Loss on ordinary activities before taxation		(256)	(572)
Tax on loss on ordinary activities	4	<u>57</u>	<u>74</u>
Loss for the financial year	10	<u>(199)</u>	<u>(498)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

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

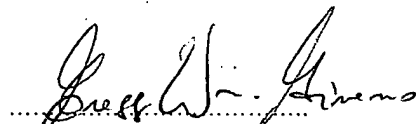
dsicmm Group Limited

Balance Sheet

As at 31 December 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Investments	5	23,970	23,970
Current assets			
Debtors	6	17,500	17,282
Cash		-	3
		<u>17,500</u>	<u>17,285</u>
Creditors: amounts falling due within one year	7	<u>(9,096)</u>	<u>(8,682)</u>
Net current assets		<u>8,404</u>	<u>8,603</u>
Total assets less current liabilities		<u>32,374</u>	<u>32,573</u>
Creditors: amounts falling due after more than one year	8	<u>(17,000)</u>	<u>(17,000)</u>
		<u>15,374</u>	<u>15,573</u>
Capital and reserves			
Called-up share capital	9	47	47
Merger relief reserve	10	16,619	16,619
Profit and loss account	10	<u>(1,292)</u>	<u>(1,093)</u>
Total shareholders' funds	11	<u>15,374</u>	<u>15,573</u>

The financial statements on pages 7 to 14 were approved by the Board of Directors on 30/09/2014 and signed on its behalf by



G. Sivens
Director

Registration Number: 06180792

dsicmm Group Limited

Notes to the financial statements For the year ended 31 December 2013

1 Accounting policies

Accounting convention and comparative figures

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The principal accounting policies which have been applied consistently are disclosed below.

Consolidation

The company is a subsidiary undertaking of its ultimate parent DST Output Limited a company 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.

Cash flow statement and related party transactions

The company is a wholly owned subsidiary of DST Output Limited and is included in the consolidated financial statements of DST Output Limited. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under FRS1 revised 1996. The company is also exempt under the terms of FRS8 from disclosing related party transactions with entities that are part of the DST Output Limited group or investees of the group.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Impairment

The company performs impairment reviews in respect of tangible fixed assets where events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised when the receivable amount of an asset, which is the higher for an asset is net realisable value and its value in use, is less than its carrying amount.

Deferred taxation

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred 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 against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2 Operating loss

	2013	2012
	£'000	£'000
Operating loss is stated after charging:		
(Gain)/Loss on foreign exchange transactions	-	(6)
Impairment on investment	-	262
Services provided by the company's auditor:		
Fees payable for the audit	3	4

dsicmm Group Limited

Notes to the financial statements For the year ended 31 December 2013

3 Interest payable and similar charges

	2013 £'000	2012 £'000
Bank loans and overdrafts	1	17
Interest paid to group undertakings	255	256
	<u>256</u>	<u>273</u>

4 Tax on loss on ordinary activities

	2013 £'000	2012 £'000
Current year tax		
Tax credit	(59)	(76)
Deferred tax		
Deferred tax expense	2	2
Tax on loss on ordinary activities	<u>(57)</u>	<u>(74)</u>

Factors affecting the tax charge for the year

Loss on ordinary activities before taxation	<u>(256)</u>	<u>(572)</u>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.25% (2012: 24.5%)	(60)	(140)
Expenses not deductible for tax	1	64
Current tax credit	<u>(59)</u>	<u>(76)</u>

Factors which 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.

The director is of the opinion that the financial effect of these future rate reductions will not be significant.

dsicmm Group Limited

Notes to the financial statements For the year ended 31 December 2013

5 Fixed asset investments

	Shares in group undertakings £'000
Cost	
At 31 December 2012 and 31 December 2013	<u>24,232</u>
Impairment	
At 31 December 2012 and 31 December 2013	<u>262</u>
Net book value	
At 31 December 2012 and 31 December 2013	<u>23,970</u>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is supported by their underlying assets.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following principal undertakings all of which are incorporated in England and Wales:

Company	Class	Shares held %	Principal activity
Subsidiary undertakings:			
Directly held:			
DST Output (London) Limited	Ordinary	100	Processing of data, printing & mailing
CMM Group Limited	Ordinary	100	Dormant
Innovative Output Solutions (Manchester) Limited	Ordinary	100	Printing services
Innovative Output Solutions (Manchester) Limited	Preference	100	Printing services
Indirectly held:			
Burnham International Limited (*)	Ordinary	100	Dormant
Corporate Mailing Matters Limited (*)	Ordinary	100	Dormant
Pickfield Printing Company Limited	Ordinary	100	Dormant
dsi Nexdox Limited (*)	Ordinary	100	Dormant
IOS Business Couriers Limited (*)	Ordinary	75	Courier services

(*) – These entities were struck off by Companies House in 2014 on the request of the director.

dsicmm Group Limited

Notes to the financial statements For the year ended 31 December 2013

Fixed asset investments (continued)

Company	Class	Shares held %	Principal activity
Joint Ventures:			
dsi Billing Services Limited	Ordinary	50	Billing and service providers
Associates:			
European Direct Mail Specialists Limited	Ordinary	50	Mailing and delivery services
Response handling Centre Limited	Ordinary	34	Administration support for fund raising companies

6 Debtors

	2013 £'000	2012 £'000
Amounts owed by group undertakings	17,485	17,265
Deferred tax	15	17
	<u>17,500</u>	<u>17,282</u>

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

Deferred tax asset

	2013 £'000	2012 £'000
Loss carried forward	<u>15</u>	<u>17</u>
		£'000
Balance at 1 January 2013		17
Tax charge in the year		(2)
Balance at 31 December 2013		<u>15</u>

7 Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Amounts owed to group undertakings	<u>9,096</u>	<u>8,682</u>

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

dsicmm Group Limited

Notes to the financial statements For the year ended 31 December 2013

8 Creditors: amounts falling due after one year

	2013 £'000	2012 £'000
Amounts owed to group undertakings	<u>17,000</u>	<u>17,000</u>

Amounts owed to group undertakings consist of an unsecured £17m loan from DST Output Limited. The loan is repayable in 2020 and bears interest at the Bank of England base rate plus 1%.

9 Called up share capital

	2013 £'000	2012 £'000
Allotted and fully paid		
4,729,837 (2012: 4,729,837) ordinary shares of 1p each	<u>47</u>	<u>47</u>

10 Statement of movements on reserves

	Merger relief reserve £'000	Profit and loss account £'000
Balance at 31 December 2012	16,619	(1,093)
Loss for the year	-	(199)
Balance at 31 December 2013	<u>16,619</u>	<u>(1,292)</u>

11 Reconciliation of movements in shareholders' funds

	2013 £'000	2012 £'000
Loss for the financial year	(199)	(497)
Opening shareholders' funds	<u>15,573</u>	<u>16,070</u>
Closing shareholders' funds	<u>15,374</u>	<u>15,573</u>

12 Employees

There were no employees during the year (2012: nil).

13 Directors' emoluments

Director was remunerated through other group companies and no recharges were made. It is not possible to apportion the proportion of the remaining director's work that was performed for the company.

dsicmm Group Limited

Notes to the financial statements For the year ended 31 December 2013

14 Control

The immediate parent undertaking is DST Output 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.